Workforce Solutions

Gulf Coast Workforce Board
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To: Gulf Coast Workforce Board members

From: Mike Temple
Brenda Williams
Michelle Castrow
Deborah Duke

Date: March 28, 2019

Subject: Meeting Materials for Tuesday, April 2, 2019

Please join us on **Tuesday, April 2, 2019 at 10:00 a.m.** in **H-GAC's second floor conference rooms A/B/C**, 3555 Timmons Lane, Houston, Texas, for the next meeting of the Gulf Coast Workforce Board.

Chair Guthrie will make his remarks, and then we'll hear from the Audit Monitoring and Government Relations committees.

- The Report Card committee is the final phases of refining the 2019 Workforce Report Card. We've included quite a bit of information for you from the committee's last meeting, and committee Chair Richard Shaw will lead members through a discussion of these materials. We'd like to draw your attention to the two special reports on automation and the future of work included with the Report Card materials.

- We have one action item for your consideration. We're asking for your authorization to renew two contracts for financial monitoring. We previously procured the audit firms Christine Nguyen, CPA and Weaver to carry out financial compliance monitoring for our system – this would be a second-year contract for each.

  These firms review all our contractors in depth, provide seminars and training for both us and the contractors on financial requirements for our system, and provide us consulting (if needed) on financial matters. We're recommending 2019 contracts for each in amount of $350,000.

We will have reports on expenditures and our performance and production. Just a note: we continue to experiment with the lay out for our expenditure report.

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We'll then have our regular and usual report on employment numbers and a special report on the benchmark reviews of the BLS jobs data.

We look forward to seeing you on April 2. If you have any questions, or we can be of help, please let us know!

Workforce Solutions

GULF COAST WORKFORCE BOARD

TENTATIVE AGENDA
10:00 A.M. TUESDAY, APRIL 2, 2019

H-GAC Conference Rooms A/B/C
3555 Timmons Lane, Second Floor, Houston, TX 77027

1. Call to Order
2. Adopt Agenda
3. Hear Public Comment
4. Review February 2019 meeting minutes
5. Declare Conflicts of Interest
6. Consider Reports
   a. Chair's Remarks.
   b. Audit/Monitoring. Report on the committee's March 2019 meeting
   c. Government Relations. Report from committee chair on federal and state legislative actions.
   d. Report Card. Update from committee chair on the latest version of the Board's Workforce Report Card.
7. Take Action
   a. Financial Monitoring Contracts Renewal. Consider authorizing staff to renew contracts with Christine Nguyen, CPA and Weaver for workforce system financial monitoring activities.

8. Receive Information
    a. Performance and Production. Report on the system's performance and production.
    b. Expenditures. Report on the Board's budget and expenditures.

9. Look at the Economy. Report on current employment data and economic trends.

10. Take Up Other Business.

11. Adjourn

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MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, FEBRUARY 5, 2019

MEMBERS PRESENT

Willie Alexander	Bobbie Allen Henderson	Jerry Nevlud
Karlos Allen	Guy Robert Jackson	Janice Ruley
Gerald Andrews	John Josserand	Danielle Scheiner
Peter Beard	Doug Karr	Richard Shaw
Sara Bouse	Paulette King	Evelyn Timmins
Carl Bowles	Jeffrey LaBroski	Kelly Violette
Mary Helen Cavazos	Ernest Lewis	Shunta Williams
Cheryl Guido	Steve Mechler	
Mark Guthrie	Edward Melton	

H-GAC STAFF MEMBERS PRESENT

Mike Temple
Brenda Williams
Parker Harvey
Michelle Castrow
Philip Garcia
AJ Dean
Ron Borski

Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 5, 2019, in the 2nd floor, H-GAC Conference Rooms A/B/C, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

Prior to adoption of the agenda, Chair Guthrie asked that the Board observe a moment of silence, reflection and/or prayer in honor of the late Executive Director of the Texas Workforce Commission, Larry Temple.

ADOPTION OF AGENDA

Following the moment of silence, Chair Guthrie asked for adoption of the agenda as presented. A motion was made and seconded to adopt the agenda. The motion carried and the agenda was adopted as presented.

PUBLIC COMMENT

Gladys House-El, representing Freedman's Town Fourth Ward community in Houston, thanked the Workforce Solutions and the Board for providing assistance in the community and helping youth find summer work this past summer. Ms. House-El stated that Workforce Solutions staff has provided a wealth of information within the community and informed the Board that the assistance is appreciated.

Crystal Bessix, accompanied by Patrick Butler, representing EdOpp Solutions LLC, told the Board that in her view, the process currently in place for approval of potential system vendors is complex and complicated. Ms. Bessix stated that an application was submitted on behalf of EdOpp Solutions LLC in April of 2018 and they have not yet received any clarification or decision on that application. She requested that the Board consider reevaluating the approval process. She also requested a follow up response to her application. Mike Temple responded that Board staff will review the process and will advise on the status of the EdOpp Solutions LLC application. Ms. Bessix expressed her appreciation and stated that she looks forward to partnering with Workforce Solutions.

MINUTES FROM DECEMBER 4, 2018 MEETING

Chair Guthrie asked for any additions or corrections to the minutes for the December 4, 2018 Board meeting and if none, for a motion for approval of the minutes as presented.

A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARE CONFLICTS OF INTEREST

Chair Guthrie asked for a declaration of any conflicts of interest with items on the agenda. No conflicts of interest were declared. Chair Guthrie reminded the members that they were welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

a. *Chair's Report.*

Chair Guthrie remarked that the staff provided excellent support for the numerous Board committee meetings held in January. He said that the committees have been well-informed with the background materials assembled by the staff, and the committee discussions have been good. He commended the staff for their hard work.

Chair Guthrie reported that the most recent Federal government shutdown had little, if any, impact on our operations.

Chair Guthrie also reported that he recently attended the Greater Houston Partnership Education Advisory Committee meeting as a representative of the Board. He said that at this meeting, the group adopted several recommendations to the Texas Legislature regarding the funding of our public education system in Texas. The primary recommendation was that any additional State funding, including any funding from new sources, should be allocated to schools through the formula system, instead of specially allocated for the bi-enniam, to better ensure sustainability of that funding. The group also recommended additional prioritized and weighted funding for low income and English language learners, additional prioritized funding for early education systems to emphasize reading on grade level by the third grade and additional fundings prioritized for an increase in teacher salaries for the best teachers and to provide financial incentives for the best teachers to teach at the lowest performing schools. Chair Guthrie commended the Greater Houston Partnership Education Committee's efforts on school finance reform. At the Chair's invitation, Peter Beard, a board member employed by the Greater Houston Partnership, added that Scott McClelland, the Greater Houston Partnership's new Chair, considers education his biggest priority, not only on the pre-K through 12 side, but higher education as well.

Chair Guthrie also reported that he attended the National Association of Workforce Boards quarterly board of directors meetings in Washington, DC in January. He said that NAWB is preparing to enter the discussion about the reauthorization of the WIOA statute beginning later this session and into next year. One key battleground area will be maintaining local control over how workforce funds are spent. NAWB is actively involved in those efforts because local control is key to this delivery system of workforce development services tailored to the needs of a region. NAWB also is actively working on organization of its annual Forum event, which is scheduled for the last week of March in Washington. Chair Guthrie also said James Redstone, the White House Domestic Policy Council, addressed the NAWB board and indicated his appreciation for the efforts of and support of local workforce boards. Mr. Redstone told the NAWB board that the administration is working on two workforce related priorities. The first is the reauthorization of the federal Higher Education Act and aligning it better with workforce development across the spectrum. The second is establishing and promoting industry-recognized apprenticeship programs.

Chair Guthrie reported that he plans to attend the Texas Workforce Board quarterly board meetings in Austin on February 11, followed by TAWB's Workforce Day at the Capitol which also will include a breakfast with state legislators co-hosted by TAWB and the Texas Association of Business.

Chair Guthrie concluded his report and no action was taken.

b. Audit/Monitoring Committee.

On behalf of Chair Joe Garcia, Brenda Williams of the Board staff provided the following report from the Audit/Monitoring Committee:

The Audit/Monitoring Committee met on Wednesday, January 30, 2019 at the Conroe Workforce Solutions office, with Committee Chair Joe Garcia and members Evelyn Timmins, Doug Karr, Cheryl Guido, Willie Alexander, and Mark Guthrie present. The Committee received the following reports at this meeting:

- Quality Assurance Team reports on financial monitoring reviews for contractors Employment and Training Centers, Houston Community College System, Lone Star College System, and Wharton County Junior College. There were only minor findings in these reports, none of which were material.

- The Quality Assurance Team completed individual reviews of contractors Learning Designs, Inc. (Board staff training and development), Grant Associates (Employer Services contractor), and Interfaith of the Woodlands (Financial Aid Support Center contractor), rating Learning Designs as Strong Performance, and Grant Associates and Interfaith of the Woodlands as Solid Performance.

- The Quality Assurance Team also reviewed records related to (1) our use of global cash cards for financial assistance to customers, (2) service for customers receiving Trade Adjustment Assistance, (3) service for customers in our project that helps non-custodial parents who are in arrears for child support payments get a job, keep a job, or get a better job, and (4) validating placements. The team did not find any significant problems and noted a success rate of 97% for placement validations across the system. The team also gave a Solid Performance rating to contractor BakerRipley in its role delivering the non-custodial parent service.

- Staff reported that have successfully integrated 53 Vocational Rehabilitation services staff in our Humble, Bay City, Liberty, Katy, and Texas City Workforce Solutions offices – and in our building at 3555 Timmons, which now also houses the Vocational Rehabilitation services regional staff. We will continue with the next group of Vocational Rehabilitation services staff members entering our new Workforce Solutions career office location in Houston's Acres Home neighborhood and our existing Workforce Solutions office in Baytown later in February or in March 2019. We also are expecting to complete larger integrations in the East End, Cypress Station, Willowbrook, and Northline offices by the end of June 2019.

Ms. Williams concluded her report and no action was taken.

c. *Government Relations Committee.*

Chair Guy Robert Jackson provided the following report from the Government Relations Committee:

U.S. Congress

- The temporary end to the federal shutdown also included an extension of the Temporary Assistance to Needy Families law through June 2019. The law itself is now up for renewal. We receive about $14-16 million each year to support TANF recipients going to work.

- The temporary end to the federal shutdown also allowed funding to flow for Supplemental Nutrition Assistance, including the employment and training service for SNAP recipients. We receive about $2-3 million each year for this activity. This activity had funding available and continued through the shutdown.

- The U.S. Department of Labor programs and the Child Care and Development Block Grant – which together provide most of our revenue – were already fully funded through the end of the federal fiscal year in September 2019 and were not affected by the shutdown.

Texas Legislature
During the 86th Texas Legislative session, members of the House and Senate filed bills that may impact the workforce system. We are paying attention to a number of bills in several areas. House bills have not yet been referred to committees and there is still another month left for bills to be filed. We will continue to watch bills when they are sent to committees.

Board staff member Thomas Brown will send a list of committee assignments for Board Members to review to see if they know any of the legislators. If we need to reach out to an individual legislator, we would like to have someone on the Board who knows the legislator and is able to do that.

Chair Jackson concluded his report and no action was taken.

d. *Report Card Committee.*

Chair Richard Shaw provided the following report from the Report Card Committee:

Background
In 2005, the Gulf Coast Workforce Board produced the first Report Card as a tool to gauge the region's competitiveness in relation to similar metropolitan areas across the United States. In 2019, we will release our sixth update to the Report Card.

The Report Card is prepared by using and analyzing publicly available data for 45 indicators in 6 categories (Macro Economy & Industry Dynamics; Employment and Unemployment; Labor Force Composition; Income, Wealth & Poverty; Quality of Life, and Educational Achievement and Investment). To determine the letter grades, we compared the Houston area to 8 other metro areas: Atlanta, Dallas, Denver, Miami, San Antonio, San Diego, Seattle, and Phoenix.

Seattle and Phoenix are new additions to this version of the Report Card. We selected them because of their similarity to Houston in terms of size and geography.

Overview
We used the most recently available data to make the comparisons. In this update, most of the data is from 2017, which reflects a time of recovery following the 2014 decline in oil and gas

prices and related activities in our area. The full extent of the recovery will not yet be reflected in the currently available data. Nearly all the declines in the Report Card letter grades for our region are attributable to the decline in oil and gas activity. The categories that saw no change were more likely to be independent of the business cycle.

The Gulf Coast's letter grades/ranking declined in 3 of the 6 comparison categories, relative to the 2015 Report Card:

- Macro Economy & Industry Dynamics ("A" in 2015, "B" in 2018)
  - The Gulf Coast ranked last among the comparison cities in two indicators: % Change in Metropolitan GDP and the Hachman Index, which measures industrial diversity by comparing local area similarity to the national mix of industries
  - The Gulf Coast ranked first among the comparison cities in population growth from 2012-2017, though that growth declined in more recent years during that period
  - The Gulf Coast ranked third among comparison cities in % Growth in Business Establishments

- Employment & Unemployment ("A" in 2015, "C" in 2018)
  - The Gulf Coast ranked last among the comparison cities in two indicators: Unemployment Rate and Rate of Job Growth
  - The region's best ranking was sixth in % Not in the Labor Force, which measures the adult working age population that is neither working nor looking for work

- Income, Wealth & Poverty ("B" in 2015, "C" in 2018)
  - The Gulf Coast ranked in the bottom two among comparison cities in four indicators: % of Families in Poverty, % in Poverty and Working, % No Health Insurance, and % of Households Receiving Public Assistance
  - The region's best ranking in this comparison category was fifth in Regional Purchasing Parity, which measures the cost of living

The grades for the other three categories – Labor Force Composition, Quality of Life, and Educational Achievement and Investment—were unchanged.

Additional Observations

- Broad measures like Labor Force Composition, Educational Achievement and Investment, and to some extent Quality of Life are more structural in nature and aren't likely to change much over short periods of time e.g. a few years like 2012-2017, which is what we also saw in contrast to the other broad measures mentioned at the beginning.

- There are a few other things to keep in mind.
  - The farther we get away from the Great Recession, the more variation in regional performance compared to last time we see as the fundamentals of each local economy began to take precedent over national trends.
  - We also added two new regions, Phoenix and Seattle, which increases the possible ranks from 1st through 7th place to 1st to 9th place. In general, the presence or absence of these two new cities didn't alter the individual scores that

much but collectively there may be a bit more impact on our region or the other existing regions that we've compared ourselves to for years.

- A final thought – While the impact of the 2014 drop in oil prices was less severe than the downturn in the 1980s, our local economy remains tied to energy and further industry diversification will help the region withstand future fluctuations in oil prices and remain competitive in the global economy. Our region has made progress in this effort, but the Report Card findings show that we can do better.

Next Steps
Board staff will draft a narrative report and policy recommendations for the Committee to review in mid to late March. We will also begin preparations for regional roundtables to present the findings.

Chair Shaw concluded his report and no action was taken.

TAKE ACTION

a. Budget Committee.

Budget Committee Chair Willie Alexander presented the following report and action item for the Board's consideration:

The Budget Committee met on Tuesday, January 29, 2019 with Committee Chair Willie Alexander and Board Chair Mark Guthrie attending. Committee Vice Chair Gerald Andrews participated by phone.

Background
Significant revenue changes late in 2018 increased the funds available for services. The Committee is proposing a revision to the 2018 Board budget to account for the late addition of these funds to the system.

Current Situation
The proposed revision to the 2018 budget places total available revenue just over $273 million, which results in a 10% increase from the last revision to the budget.

The additional revenue is largely financial aid dollars – direct assistance to customers – and includes:

- Additional revenue for early education and care;
- Extra dollars for workforce opportunity activities; and
- Further revenue targeting adult education activities.

We have also adjusted 2018 system operations costs to incorporate these additional resources and reflect actual performance during the concluding months of the year. In 2018 we:

- Added money to the financial aid pool for customers to support scholarships and early educational care;
- Increased career office operations to support summer work based learning and career office expansions;
- Boosted the disaster recovery line item to reflect the significant amount of recovery employment activity; and
- Added four new partners to the adult education consortium.

We are not requesting any changes to the budgeted Board operational costs for 2018.

2018 Results

We achieved the following performance and production targets during the 2018 fiscal year:

- Served 29,378 employers and 406,277 individuals
- 12,868 of our employers returned for service
- Assisted in creating 3,079 new jobs
- Spent $12.9 million on scholarships for more than 4,158 individuals in high-skill, high-growth occupational training
- Supported about 21,000 families and 40,000 children with early education
- Helped about 219,000 individuals go to work
- Raised the incomes of 82,000 by at least 20%
- Helped 76.3% of individuals pursuing a post-secondary education attain a credential (certificate or degree)

Action

<u>A motion was made and seconded to approve the revised 2018 Board budget in amount of $273,195,389. The motion carried.</u>

Budget Committee Chair Willie Alexander also presented the following report regarding the Boards's 2019 budget and action item for the Board's consideration:

Background

Each year the Workforce Board approves a budget showing how it uses the revenue it receives to achieve results set out in the Board's strategic plan – competitive employers, an educated workforce, more and better jobs, and higher incomes – and to operate Workforce Solutions and leverage results in the region.

The Budget Committee also considered this item at its meeting on Tuesday, January 29, 2019.

The Board's revenue landscape has increased substantially in recent years. As our population grows and the labor market changes, funding we receive has increased as well. From 2016 to 2019 the Board's available revenue has increased nearly 45%.

Current Situation

The proposed 2019 budget, at just over $307 million, is 12% more than 2018, attributable principally to increases in our general revenue.

- Our larger formula allotments show the largest increase in early education funding. We project general revenue will be 17% larger than in 2018. The general revenue fund contains the primary funding for Workforce Solutions.
- Special federal and state revenue funds we consider short-lived or with a limited guarantee of continuance, are down in 2019. This reduction is due to dwindling disaster recovery dollars originally made available for Hurricane Harvey recovery.
- We estimate receiving an additional $1,000,000 to continue incorporating staff from the Vocational Rehabilitation services into the career offices. We anticipate this funding will continue to grow into 2020 as well.
- We received a $100,000 performance award from TWC in November 2018. These funds will supplement those we use to target young adults.
- We consolidated the "Other Revenue" category into the special federal and state revenue line.

The proposed 2019 Board budget reserves 2.6% of total revenue for the costs of operations at the Board administrative level. The remaining 97.4% delivers direct service to customers. Proposed Board operations total $7,898,245 for 2019 which is an 11.2% increase from the previous year.

System operations have increased to $299,185,080 which is a 12.4% increase from 2018.Direct services to employers and people makes up system operations. The proposed 2019 expenditures are in line with contracts the Board approved for Workforce Solutions in August 2018 and include a portion of the funds we plan to use for contracts beginning in fall 2019.

- Financial aid, the highest dollar value service for people, represents the large demand for early education, scholarships, work based learning, and work support in our region. We request to increase the financial aid pool to $216.6 million.
- We continue to expand our career office footprint in the region to provide more access points for customers. New office openings and office expansions represent a 17.5% increase in the career office budget in 2019.
- Service through our adult education consortium will continue at a comparable level as 2018. Currently we include 13 adult education providers in the consortium and one lead agency.
- In 2018, the Workforce Board increased funds budgeted for employer service by 19%. In 2019 we request a 3.9% increase to bring the total allocation for this function to $10.2 million.
- We propose adding $184,668 to our System IT budget in 2019. This increase is mostly attributed to upgrading our Office 365 system licenses to a higher subscription level. The upgraded level provides stronger security features and additional services to those included with the basic license.

We are proposing a Board administrative operations budget at $7.8 million, an increase of 11.2% from 2018. Board operations represent 2.6% of the total budget.

- The personnel line item reflects the Board's staffing at 45 positions. The increase in personnel cost results from H-GAC's budgeted merit increase and three new staff positions. 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 3%.
- As we continue increasing the amount of dollars contracted across our workforce service, we recognize the need to provide strong fiscal oversight through contracted financial monitoring. We propose an increase for this oversight function by $205,000. We also propose adding $50,000 to expand public information and outreach efforts.
- Shared costs provided by H-GAC represent the increases identified under the indirect and other line items. Shared support includes functions such as human resources, accounting, and purchasing. The increase in rent is attributable to the additional board staff positions to be housed at H-GAC.

2019 Results
With this proposed budget, we plan to achieve the following:

- Serve at least 27,367 employers and 425,000 individuals
- Ensure 14,562 of our employers return for service
- Assist in creating 3,300 new jobs
- Spend $15 million on scholarships for more than 5,000 individuals in high-skill, high-growth occupational training
- Support about 24,000 families and 44,000 children with early education
- Help more than 230,000 individuals go to work
- Raise the incomes of 105,000 by at least 20%
- Help 85% of individuals pursuing a post-secondary education attain a credential (certificate or degree)

The Gulf Coast's actual performance for 2018 is identified below.

- Served 29,378 employers and 406,277 individuals
- 12,868 of our employers returned for service
- Assisted in creating 3,079 new jobs
- Spend $12.9 million on scholarships for more than 4,158 individuals in high-skill, high-growth occupational training
- Supported about 21,000 families and 40,000 children with early education
- Helped about 219,000 individuals go to work
- Raised the incomes of 82,000 by at least 20%
- Helped 76.3% of individuals pursuing a post-secondary education attain a credential (certificate or degree)

Action
<u>A motion was made and seconded to approve the proposed 2019 budget in amount of $307,083,325. The motion carried.</u>

Chair Alexander concluded his report and no further action was taken.

b. <u>Employer Service/Career Office Committee.</u>

Employer Service Committee Chair Gerald Andrews presented the following report and action item for the Board's consideration:

The Employer Service Committee met on January 16, 2019, at the Houston-Galveston Area Council offices. Chair Gerald Andrews led the meeting which included Board Chair Mark Guthrie, Willie Alexander, Sara Bouse, Hellen Cavazos, Alan Heskamp, Guy Robert Jackson, John Josserand, Doug Karr, and Gil Staley. The Committee welcomed Robert Thomas, the Commissioner Representing the Public from the Texas Workforce Commission. The Committee acted on two items and received several information items.

On behalf of Chair Andrews, Board staff Parker Harvey presented the following report and action item for the Board's consideration:

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.

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 updated employment projections released by the Texas Workforce Commission every two years provides the Board with the opportunity to re-examine the industries and occupations that we target to ensure that our efforts remain aligned with the needs of the region's employers. New projections covering the period from 2016 to 2026 were released in late-2018. As a result, we present updates to the three lists.

Projections Highlights
The following are a few highlights from the overall projections:

- Over the 10-year period the number of jobs in the region is expected to rise from 3.2 million to 3.75 million for increase of 556,000 jobs and a growth rate of 17.4 percent.
- We anticipate 434,000 job openings each year over the 10-year period with half resulting from existing workers transferring to different occupations.
- Median hourly wages for the region are $18.70 as of 2017.

<u>Targeted Industries</u>
We began, as always, with labor market data. We used NAICS-level employment and wage data and projections for the 10-year period from 2016 to 2026 and looked for industries that fit the following criteria:

- Net employment growth greater than or equal to 2,120

- An employment growth rate greater than or equal to 17.4 percent
- Average weekly wages greater than or equal to $1,031

Then, we added industries which met the secondary criteria:

- On previous Targeted Industry List
- Meets 2 out of 3 primary criteria

The following is the result of applying the above criteria:

- The proposed list contains 47 industries compared to our previous list of 34 industries.
- Combined employment in these targeted industries equates to 1.5 million jobs or 41% of total employment.
- There are 19 new industries that were not found on the previous list, 13 of which are related to transportation, logistics, and warehousing. Collectively, this subset of industries aligns the Board's targeted industries with UpSkill Houston's Ports and Maritime sector.
- Petroleum & Coal Products Manufacturing is projected to decline however we propose to retain it as it forms one-third of the of the petrochemical industry complimented by Basic Chemicals Manufacturing.

<u>High-Skill, High-Growth Occupations</u>
The Board's High-Skill, High-Growth Occupation List serves to highlight relatively large, fast-growing occupations with above-average wages that require additional education or training beyond a high school diploma. In addition, these occupations comprise significant employment in Board's Targeted Industries and ultimately serve as the basis for the Scholarship List.

We propose a change to the employment size threshold in order to broaden our support for the region's employers and bring awareness to a wider range of high-quality occupations, many of which are considered "middle-skills."

Below are the primary criteria used to develop the Board's High-Skill, High-Growth Occupation List:

- A mandatory precondition that in order for an occupation to be considered, it must occur in one or more of the Board's Targeted Industries. Note that there exist several occupations that could qualify as high-skill, high-growth however their contribution to employment in Targeted Industries is insufficient.
- 50 percent or more of an occupation's total employment by 2026 must occur in one or more of the Board's Targeted Industries.
- An occupation must have a minimum projected number of jobs in 2026 of 1,819. This figure is the median number of jobs across all occupations rather than the arithmetic mean used by the Board in the past. Note that this lowers the size threshold and results in the addition of more occupations to the list than if the simple average were used.
- A growth rate of 17.4 percent or more.
- A postsecondary credential, work experience in a related occupation, or a minimum of moderate on-the-job training.

Below are the secondary criteria used to develop the High-skill, High-growth Occupation List:

- On the previous High-skill, High-growth Occupation List.
- Meets 4 out of 5 primary criteria.

The following is the result of applying the above criteria:

- The proposed list contains 103 occupations, roughly one-third longer than the previous list of 76 occupations.
- There are 32 new occupations not found on the previous High-skill, High-growth List. Of these occupations, 18 can be considered "middle skills" occupations requiring more than a high school diploma but less than a bachelor's degree and of this subset, several are healthcare-related.
- Combined employment equates to 776,000 jobs or one-fifth of total employment by 2026.

The Scholarship Occupations list is a subset of the High-Skill, High-Growth List. Following approval of the Target Industries and High-Skill, High-Growth Occupations lists, staff will provide a recommendation to the Board for the Scholarship Occupations list.

Where the Jobs Are

We use the "Where the Jobs Are" List to identify those occupations that are growing. This list identifies occupations in the region with the largest number of job openings without regard to wages, growth, or education. Occupations on this list are those with projected annual average job openings equal to or greater than 654 per year.

- The list contains 133 occupations, one-fourth of which are also on the proposed High-skill, High-growth Occupation List.
- This collection of occupations amounts to 2.8 million jobs, or 75% of total employment in the region by 2026.
- Collectively, these occupations pay \$21.37 an hour, which is 14 percent above the median of \$18.70, however none of the top-10 exceed this threshold.

Action

<u>The Employer Service Committee recommended that the Board adopt the proposed updated Targeted Industries; High-Skill, High Growth Occupations; and Where the Jobs Are Lists to better focus available workforce resources in the region (see attached). A motion was made and seconded to approve the proposed updated Targeted Industries; High-Skill, High Growth Occupations; and Where the Jobs Are Lists in the form attached to these minutes. The motion carried.</u>

On behalf of Chair Andrews, Board staff Michelle Castrow presented the following Compliance Plan 2017-2020 Update and action item for the Board's consideration:

Background

The Board periodically submits an operating plan to the state which includes our strategic plan and details on how our system operates. This year we are submitting a modification to the plan to account for updated economic conditions and updated employment projection data. We will publish the compliance plan for at least 30 days to allow for public comment before we submit to the Texas Workforce Commission in mid-March.

What Changed?

1. We include the proposed updates to the Board's Strategic Plan.
2. We updated the following lists that the Board uses to target investments:
    - Target Industries
    - Where the Jobs Are
    - Target Occupations
3. We updated information on current economic conditions.

What is in the plan?
As a reminder, the compliance plan includes the following elements:

1. Strategic – The Board's existing strategic plan in its entirety and our regional economic/labor market data and analysis, including the key regional industries and targeted occupations.

2. Operational – The majority of this plan is a description of our operating system, including its design and its interaction with partners and workforce providers in the region, including workforce development institutions.
    - We describe the Workforce Solutions system – how it is structured and works; what kinds of service it provides; how it interacts with customers (both employers and individuals); how it is connected to education and training efforts in local education institutions, organized labor, and community organizations; and how it connects with economic development organizations and institutions.
    - We show how Workforce Solutions' operations align with elements in the Texas Workforce Commission's state plan.
    - We describe how we work with contractors to ensure continuous improvement in Workforce Solutions' operations and meet performance expectations.
    - We discuss how we provide: service for youth, veterans and individuals with disabilities, including youth with disabilities; and coordination of secondary and postsecondary education activities in the region with the Board's goals.
    - We include information about the integration of Workforce Solutions service with the adult education and vocational rehabilitation systems.
    - We include a description of various administrative functions, including how grant funds are received and disbursed and how we procure contractors.
    - We include our agreements with other workforce and workforce development organizations in the region to demonstrate how we leverage our investments with their activities to expand the range of service for our customers.
    - We describe how we ensure equal opportunity and physical and service accessibility, including technology and materials for individuals with disabilities and staff training and support for addressing the needs of individuals with disabilities.

- We include a description of how Workforce Solutions will encourage and support the development and expansion of registered apprenticeship program and opportunities.
- We describe how will be provide priority of service for public assistance recipients, low-income individuals and individuals who are basic-skill deficient.

Action
The Employer Service Committee recommended that the Board adopt the proposed updates to the 2017-2020 state compliance plan in the form linked ashttp://www.wrksolutions.com/about-us/local-workforce-development-plan. A motion was made and seconded. The motion carried.

Chair Andrews concluded his report and no further action was taken.

c. *Strategic Planning Committee.*

Strategic Planning Committee Chair Carl Bowles presented the following report and action item for the Board's consideration:

The Strategic Planning Committee met on January 25, 2019 at Workforce Solutions – Southeast. Chair Carl Bowles led the meeting, which was also attended by Board Chair Mark Guthrie, Willie Alexander, Peter Beard, Mary Helen Cavazos, Cheryl Guido, Bobbie Henderson, Alan Heskamp, Guy Robert Jackson, Edward Melton, and Evelyn Timmons.

The Committee gathered to review staff recommendations for the measures that are used to gauge progress over time as well as finalize the 2019-2023 Board Strategic Plan.

Measures, Baselines and Targets
The Board had developed a set of 24 measures to gauge progress against its Strategic Plan. The measures are aligned with the Board's desired results:

- Competitive Employers
- A Better Educated Workforce
- More and Better Jobs
- Higher Wages

The Board recognizes that we operate in the context of a regional economy. In these measures, we look at both the region as a whole and Workforce Solutions specifically. The pages that follow identify 11 measures for the regional workforce system and 13 for Workforce Solutions.

To gauge more and better jobs for the regional workforce system, we propose changing the two measures from percentages to actual numbers as the percentage measures did not readily demonstrate increases that might have occurred.

Additionally, the Committee asked staff to identify data sources to gauge:

- Economic output for the region

- Early childhood school readiness
- Grade-level reading and math attainment
- Adjusted cohort graduation rate
- English-language learners
- Adult basic literacy skills

2019-2023 Board Strategic Plan
The strategic plan document, incorporating the Board's current measures, follows. Board members and the Strategic Planning Committee have worked diligently since September to refine language and prepare the plan for the Board's consideration.

Action
<u>A motion was made and seconded to approve the 2019-2023 Board Strategic Plan in the document attached. The motion carried.</u>

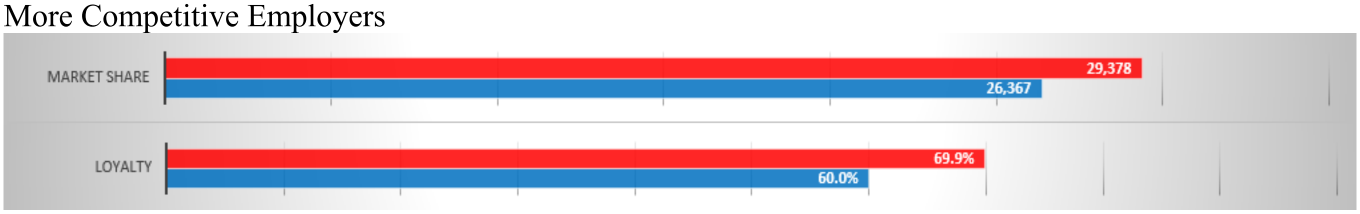
Chair Bowles concluded his report and no further action was taken.

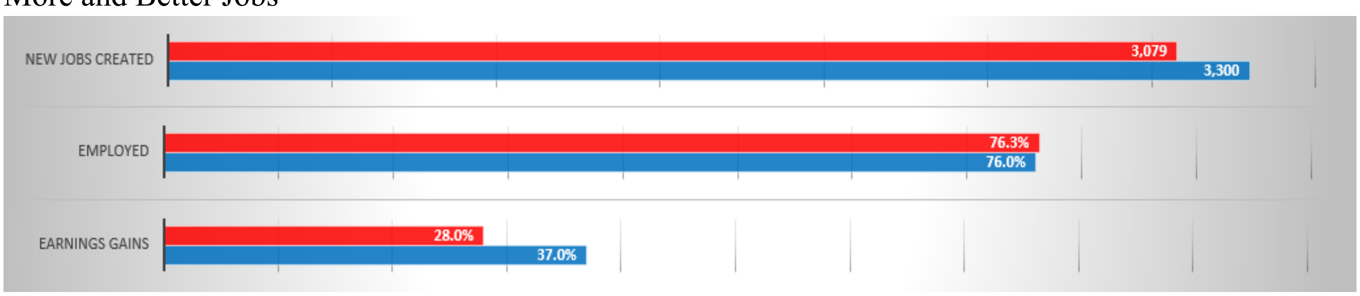
<u>RECEIVE INFORMATION</u>

a. <u>*Performance and Production.*</u>

Philip Garcia reviewed the Performance measures for October 2017 through September 2018, as follows:

System Performance, October 2017 to September 2018
Board Measures
These measures gauge progress toward meeting the results set out in the Board's strategic plan for the Board's operating affiliate, Workforce Solutions.

More Competitive Employers


More and Better Jobs


A Better Educated Workforce

Production

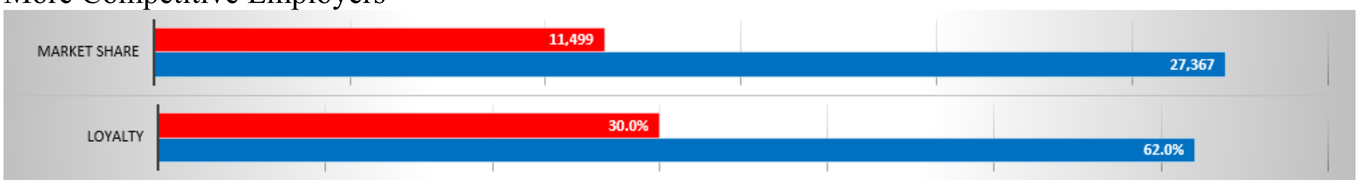
In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production. For the production measurement year October 2017 through September 2018, we met or exceeded nineteen of nineteen state production requirements.

System Performance, October 2018 to December 2018

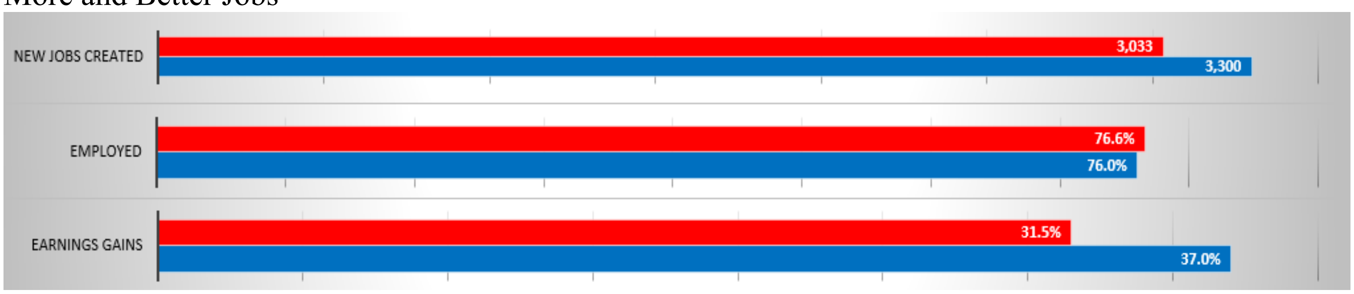
Board Measures

These measures gauge progress toward meeting the results set out in the Board's strategic plan for the Board's operating affiliate, Workforce Solutions.

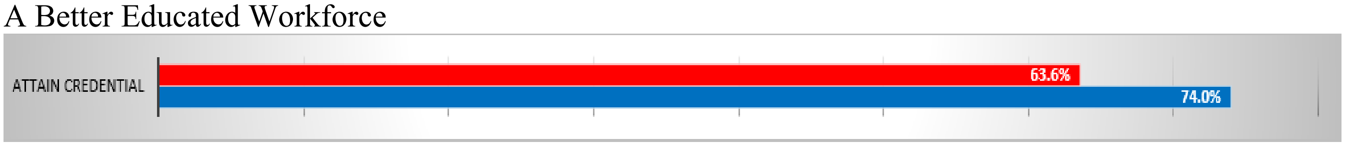
More Competitive Employers



More and Better Jobs



A Better Educated Workforce



Production

In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production. For the first quarter of the production measurement year beginning October 1, 2018, we are meeting or exceeding nineteen of nineteen state measures.

Adult education production for the period July 2018 through December 2018 includes:

	Target	Year to Date
Total Enrollments	**19,438**	**12,075**
12+ Hour Enrollments	18,166	10,957
IET Program	1,100	350
EL Civics	615	1,213
Integrated EL Civics	500	163
Intensive Services.	490	116

1. Total enrollments - includes individuals who begin an adult education class.
2. 12+ hour enrollments - includes individuals who are in adult education classes 12 or more clock hours.
3. Integrated Education and Training (IET) – includes individuals enrolled in Adult Education and Literacy classes concurrently and contextually with Workforce Preparation Activities and Workforce Training for specific in-demand or targeted occupations for educational and career advancement.
4. English Literacy and Civics (EL Civics) - includes English Language Learners receiving instruction to achieve competency in the English language and acquire the information and skills needed to function effectively as parents, workers, and citizens in the United States.
5. Integrated English Language (IET) and English Language (EL) Civics – includes individuals enrolled in English Literacy and Civics who are also enrolled in_Integrated Education and Training.
6. Intensive Services – includes individuals who receive various college and career-focused adult education options including: workplace Adult Education and Literacy activities, services for internationally-trained English Language Learner professionals and transition assistance to offenders for re-entry and post-release services.

Mr. Garcia completed his report and no action was taken.

b. Expenditures

AJ Dean reviewed the Financial Status Report representing expenses for the twelve months ending in December 31, 2018, and provided the following report:

Under the category of Board administration expenditures, we spent 92.9% of the budget. Under System IT expenditures we spent 95.5% of the budget. Under Service for Employers expenditures, we spent 99.5% of the budget. Under Service for People expenditures, we spent 97.8% of the budget

Gulf Coast Workforce actual revenue for this period came to $267,075,670 of the total budget of $273,195,389. Our revenue was 97.8% of our total budgeted amount.

Mr. Dean completed his report and no action was taken.

LOOK AT THE ECONOMY

Ron Borski provided the Board with a report of employment data and economic trends.

The data reviewed was for the December 2018. The rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) rose one-tenth of a percentage point to 3.9 percent in December. Over the previous year the rate of unemployment has declined four-tenths of a percentage point with 8,733 fewer unemployed in the H-W-S MSA. The local rate of unemployment, while low, was slightly higher than 3.6 percent at the state level and 3.7 percent at the national level

Total Nonfarm Employment in the H-W-S MSA added 3,700 jobs in December. The 0.1 percent increase was much weaker than the historical average increase of 0.5 percent. The primary reasons for the weak increase were a loss of 4,900 jobs in Construction, a loss of 2,200 jobs in Professional and Business Services, and a much weaker than average increase in Retail Trade. The largest gain was in Transportation, Warehousing, and Utilities which had its largest December increase since 2006, up 4,300 jobs. Manufacturing and Leisure & Hospitality also made substantial contributions to the increase adding 1,700 jobs each.

Total Nonfarm Employment in the H-W-S MSA was up 108,300 jobs over the year. The pace of job growth fell for the third consecutive month to 3.5 percent, down eight-tenths of a percentage point from a peak of 4.3 percent in September 2018. The pace of job growth in the H-W-S MSA continues to be more than twice the nation’s despite slowing in recent months.

The largest contribution of job growth continues to be the Professional and Business Services super sector, up 28,500 jobs or 5.8 percent, despite its over-the-year increase having declined from a peak of 42,000 in July. The fastest growing super sector was Construction, up 19,400 jobs or 8.8 percent, where the pace of growth has also been on the decline, down five percent from a peak of 13.8 percent in August. The only industry super sector to report a loss was Information, down 600 jobs or 1.9 percent.

Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 5 and 6 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment was up 3,700 jobs in December and 11,000 jobs from one year earlier. The annual pace of job growth fell for the third consecutive month to 3.6 percent, down from 4.2 percent in September 2018. The pace of job growth in the H-W-S MSA remains twice the nation’s 1.8 percent pace. Overall growth of Total Nonfarm Employment in the H-W-S MSA has also outperformed the nation over the long-term as well with payrolls up 18.9 percent above the prerecession high compared to the nation’s 8.6 percent increase.

Mr. Borski completed his report and no action was taken.

OTHER BUSINESS

On behalf of the staff, Executive Director Mike Temple thanked the Board for its time today. Mr. Temple stated that there were a lot of items on the Agenda and the support is appreciated.

Mr. Temple recognized visitors in the audience from the US Department of Labor who are in town to look at our work with the HEART project. In addition, this year an apprenticeship program for leaders been started. Twenty-five individuals throughout our system were selected and they are engaged in a year long process learning to be leaders so that Workforce Solutions is growing their own leaders for the future. Many of these apprentices are here today and Mr. Temple recognized their participation.

There was no other business to be brought before the Board.

ADJOURN

Chair Guthrie adjourned the meeting at approximately 11:25 a.m.

GULF COAST WORKFORCE REGION

Industries Targeted by the Gulf Coast Workforce Board[1,2]

DRAFT AS 01/19

NAICS	New	Industry Title	Employment Growth Annual Averages 2016	2026	Absolute Change	Percent Change	1st Qtr 2017 Avg. Weekly Wages
		Mining					
2111		Oil and Gas Extraction	50,399	55,853	5,454	10.8%	$5,925
2131		Support Activities for Mining	35,760	40,982	5,222	14.6%	$3,038
		Construction					
2361		Residential Building Construction	12,416	16,310	3,894	31.4%	$1,660
2362		Nonresidential Building Construction	43,077	45,113	2,036	4.7%	$1,898
2371		Utility System Construction	30,358	39,550	9,192	30.3%	$1,775
2381		Foundation, Structure, and Building Exterior Contractors	23,961	29,172	5,211	21.7%	$991
2382		Building Equipment Contractors	48,213	57,524	9,311	19.3%	$1,213
2383		Building Finishing Contractors	19,526	23,220	3,694	18.9%	$937
2389		Other Specialty Trade Contractors	18,999	23,237	4,238	22.3%	$1,193
		Manufacturing					
3241		Petroleum & Coal Products Manufacturing	10,014	9,550	-464	-4.6%	$3,563
3251		Basic Chemical Manufacturing	22,868	24,079	1,211	5.3%	$3,228
3323		Architectural and Structural Metals Manufacturing	13,853	18,635	4,782	34.5%	$1,145
3327		Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	8,506	11,790	3,284	38.6%	$1,113
3329		Other Fabricated Metal Product Manufacturing	11,990	14,970	2,980	24.9%	$1,410
3331		Agriculture, Construction, and Mining Machinery Manufacturing	29,290	34,371	5,081	17.3%	$2,632
		Trade, Transportation & Utilities					
4238		Machinery, Equipment, and Supplies Merchant Wholesalers	31,826	38,866	7,040	22.1%	$1,745
4411		Automobile Dealers	28,501	34,462	5,961	20.9%	$1,181
4811		Scheduled Air Transportation*	18,980	21,229	2,249	11.8%	$2,413
4831		Deep Sea, Coastal, and Great Lakes Water Transportation	1,826	2,030	204	11.2%	$2,341
4832		Inland Water Transportation	2,404	2,746	342	14.2%	$2,185
4841		General Freight Trucking	13,998	15,918	1,920	13.7%	$1,031

GULF COAST WORKFORCE REGION

Industries Targeted by the Gulf Coast Workforce Board[1,2]

DRAFT AS 01/19

NAICS	New	Industry Title	Employment Growth Annual Averages 2016	Employment Growth Annual Averages 2026	Absolute Change	Percent Change	1st Qtr 2017 Avg. Weekly Wages
4842		Specialized Freight Trucking	10,685	12,584	1,899	17.8%	$2,116
4881		Support Activities for Air Transportation	3,460	3,805	345	10.0%	$1,270
4882		Support Activities for Rail Transportation	2,210	2,688	478	21.6%	$997
4883		Support Activities for Water Transportation	9,412	11,419	2,007	21.3%	$1,023
4884		Support Activities for Road Transportation	2,312	2,651	339	14.7%	$1,021
4885		Freight Transportation Arrangement	9,904	12,192	2,288	23.1%	$1,542
4889		Other Support Activities for Transportation	1,173	1,278	105	9.0%	$1,955
4931		Warehousing and Storage	14,162	17,852	3,690	26.1%	$949
		Finance and Insurance					
5239		Other Financial Investment Activities	11,170	13,523	2,353	21.1%	$4,206
5242		Agencies, Brokerages, and Other Insurance Related Activities	20,002	23,298	3,296	16.5%	$1,620
5313		Activities Related to Real Estate	13,340	16,406	3,066	23.0%	$1,098
		Professional and Business Services					
5412		Accounting, Tax Preparation, Bookkeeping, and Payroll Services	25,003	29,570	4,567	18.3%	$1,385
5413		Architectural, Engineering, and Related Services	66,146	82,186	16,040	24.2%	$2,136
5415		Computer Systems Design and Related Services	29,115	34,478	5,363	18.4%	$2,110
5416		Management, Scientific, and Technical Consulting Services	35,537	42,817	7,280	20.5%	$2,255
5419		Other Professional, Scientific, and Technical Services	16,140	19,725	3,585	22.2%	$1,322
5511		Management of Companies and Enterprises	36,003	48,562	12,559	34.9%	$4,276
5611		Office Administrative Services	22,625	27,801	5,176	22.9%	$2,213
		Education and Health Services					
6111		Elementary and Secondary Schools	201,780	242,528	40,748	20.2%	$833
6113		Colleges, Universities, and Professional Schools	69,240	72,033	2,793	4.0%	$1,353
6211		Offices of Physicians	49,576	67,311	17,735	35.8%	$1,574
6212		Offices of Dentists	17,285	20,995	3,710	21.5%	$908

GULF COAST WORKFORCE REGION

Industries Targeted by the Gulf Coast Workforce Board[1,2]

DRAFT AS 01/19

NAICS	New	Industry Title	Employment Growth Annual Averages 2016	2026	Absolute Change	Percent Change	1st Qtr 2017 Avg. Weekly Wages
6214		Outpatient Care Centers	13,671	20,292	6,621	48.4%	$1,257
6221		General Medical and Surgical Hospitals	87,804	102,902	15,098	17.2%	$1,267
6223		Specialty (except Psychiatric and Substance Abuse) Hospitals	23,350	30,254	6,904	29.6%	$1,738
		Other Services					
8113		Commercial and Industrial Machinery and Equipment (except Automotive an	10,269	13,416	3,147	30.6%	$1,584

Notes

1. Criteria used to identify the targeted industries:

Industries with a projected employment growth of at least 2,120 new jobs from 2016-2026

Industries with projected employment growth rate greater than or equal to 80% of the average growth rate for all industries in the region for the period 2016 to 2026. (17.4%)
Industries with an average weekly wage of at least $1,031 per week.

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

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 6111 and 6113 are based on a 9 month year.

Authorized for use by the Gulf Coast Workforce Board: Date TBD

GULF COAST WORKFORCE REGION

High-Skill, High-Growth Jobs Targeted by the Gulf Coast Workforce Board[1,2]

SOC	Occupational Title	New	Employment Growth Annual Averages 2016	2026	Absolute Change	Percent Change	Annual Average Job Openings Exits	Transfers	Growth	Total	Typical Education Needed	Work Experience in Related Occ	Typical On-the-job Training	Median Hrly Wage 2017
13-0000	**Business & Financial Operations**													
13-1051	Cost Estimators		5,194	6,192	998	19.2	179	370	100	649	Bachelor's	None	Moderate-term	$34.46
13-1081	Logisticians	New	4,312	5,066	754	17.5	115	330	75	520	Bachelor's	None	None	$39.60
13-2011	Accountants and Auditors		40,808	48,606	7,798	19.1	1,320	2,572	780	4,672	Bachelor's	None	None	$37.36
15-0000	**Computer and Mathematical Occupations**													
15-1121	Computer Systems Analysts		15,630	17,580	1,950	12.5	304	741	195	1,240	Bachelor's	None	None	$44.48
15-1132	Software Developers, Applications		12,585	16,426	3,841	30.5	198	712	384	1,294	Bachelor's	None	None	$52.59
15-1133	Software Developers, Systems Software		7,212	8,079	867	12.0	104	375	87	566	Bachelor's	None	None	$53.27
15-1141	Database Administrators	New	3,278	3,851	573	17.5	75	148	57	280	Bachelor's	None	None	$42.49
15-1142	Network and Computer Systems Administrators		8,313	9,300	987	11.9	124	414	99	637	Bachelor's	None	None	$45.80
15-2031	Operations Research Analysts	New	2,166	2,838	672	31.0	51	94	67	212	Bachelor's	None	None	$40.21
17-0000	**Architecture and Engineering Occupations**													
17-1022	Surveyors	New	1,520	1,887	367	24.1	50	69	37	156	Bachelor's	Internship/residency	None	$29.07
17-2011	Aerospace Engineers		3,045	3,427	382	12.5	73	116	38	227	Bachelor's	None	None	$61.05
17-2031	Biomedical Engineers		231	259	28	12.1	5	11	3	19	Bachelor's	None	None	$40.29
17-2041	Chemical Engineers		4,061	4,933	872	21.5	98	184	87	369	Bachelor's	None	None	$62.09
17-2051	Civil Engineers		10,634	12,841	2,207	20.8	254	578	221	1,053	Bachelor's	None	None	$50.37
17-2071	Electrical Engineers		4,137	4,987	850	20.5	103	183	85	371	Bachelor's	None	None	$46.87
17-2072	Electronics Engineers, Except Computer		2,693	3,246	553	20.5	67	119	55	241	Bachelor's	None	None	$59.53
17-2081	Environmental Engineers		818	945	127	15.5	20	36	13	69	Bachelor's	None	None	$54.65
17-2111	Health and Safety Engineers, Except Mining Safety Engineers and		1,419	1,627	208	14.7	35	62	21	118	Bachelor's	None	None	$47.50
17-2112	Industrial Engineers		5,093	6,097	1,004	19.7	128	228	100	456	Bachelor's	None	None	$53.72
17-2121	Marine Engineers and Naval Architects		827	976	149	18.0	21	33	15	69	Bachelor's	None	None	$41.48
17-2131	Materials Engineers		647	762	115	17.8	22	27	12	61	Bachelor's	None	None	$45.36
17-2141	Mechanical Engineers		8,127	9,950	1,823	22.4	184	376	182	742	Bachelor's	None	None	$47.94
17-2151	Mining and Geological Engineers, Including Mining Safety Enginee		386	478	92	23.8	73	231	92	396	Bachelor's	None	None	$67.12
17-2171	Petroleum Engineers		10,636	12,567	1,931	18.2	209	537	193	939	Bachelor's	None	None	$75.05
17-3011	Architectural and Civil Drafters	New	4,195	5,070	875	20.9	137	250	88	475	Associate's	None	None	$25.31
17-3013	Mechanical Drafters	New	2,062	2,485	423	20.5	67	123	42	232	Associate's	None	None	$32.44
17-3022	Civil Engineering Technicians	New	2,888	3,462	574	19.9	102	167	57	326	Associate's	None	None	$25.48
17-3023	Electrical and Electronic Engineering Technicians		4,825	5,549	724	15.0	166	273	72	511	Associate's	None	None	$30.27
17-3027	Mechanical Engineering Technicians	New	2,102	2,548	446	21.2	74	122	45	241	Associate's	None	None	$35.31
17-3031	Surveying and Mapping Technicians	New	3,000	3,727	727	24.2	111	239	73	423	High school	None	Moderate-term	$22.03
19-0000	**Life, Physical, and Social Science Occupations**													
19-2042	Geoscientists, Except Hydrologists and Geographers		6,286	7,525	1,239	19.7	149	474	124	747	Bachelor's	None	None	$64.47
19-3031	Clinical, Counseling, and School Psychologists	New	1,779	2,141	362	20.3	49	75	36	160	Doctoral or prof.	None	Internship/residency	$31.19
19-4041	Geological and Petroleum Technicians		2,618	3,043	425	16.2	78	204	42	324	Associate's	None	Moderate-term	$33.10

GULF COAST WORKFORCE REGION

High-Skill, High-Growth Jobs Targeted by the Gulf Coast Workforce Board[1,2]

SOC	Occupational Title	New	Employment Growth Annual Averages 2016	Employment Growth Annual Averages 2026	Absolute Change	Percent Change	Annual Average Job Openings Exits	Transfers	Growth	Total	Typical Education Needed	Work Experience in Related Occ	Typical On-the-job Training	Median Hrly Wage 2017
21-0000	**Community and Social Service Occupations**													
21-1012	Educational, Guidance, School, and Vocational Counselors		5,715	6,902	1,187	20.8	232	413	119	764	Master's	None	None	$30.02
21-1022	Healthcare Social Workers	New	2,708	3,466	758	28.0	111	196	76	383	Master's	None	Internship/residency	$30.26
23-0000	**Legal Occupations**													
23-1011	Lawyers		15,874	18,281	2,407	15.2	339	369	241	949	Doctoral or prof.	None	None	$75.57
23-2011	Paralegals and Legal Assistants		5,965	7,172	1,207	20.2	217	437	121	775	Associate's	None	None	$27.58
25-0000	**Education, Training, and Library Occupations**													
25-1071	Health Specialties Teachers, Postsecondary	New	3,089	3,803	714	23.1	126	131	71	328	Doctoral or prof.	Less than 5 years	None	$70.59
25-2011	Preschool Teachers, Except Special Education		10,651	12,455	1,804	16.9	498	617	180	1,295	Associate's	None	None	$11.55
25-2012	Kindergarten Teachers, Except Special Education		4,357	5,253	896	20.6	207	257	90	554	Bachelor's	None	None	$28.63
25-2021	Elementary School Teachers, Except Special Education		35,949	43,854	7,905	22.0	1,317	1,477	790	3,584	Bachelor's	None	None	$29.04
25-2022	Middle School Teachers, Except Special and Career/Technical Edu		17,238	21,062	3,824	22.2	632	709	382	1,723	Bachelor's	None	None	$29.01
25-2031	Secondary School Teachers, Except Special and Career/Technical		23,694	28,954	5,260	22.2	806	982	526	2,314	Bachelor's	None	None	$28.87
25-2032	Career/Technical Education Teachers, Secondary School		1,657	2,006	349	21.1	56	68	35	159	Bachelor's	Less than 5 years	None	$30.36
25-2051	Special Education Teachers, Preschool		284	345	61	21.5	10	12	6	28	Bachelor's	None	None	$30.80
25-2052	Special Education Teachers, Kindergarten and Elementary School		2,198	2,672	474	21.6	81	89	47	217	Bachelor's	None	None	$30.08
25-2053	Special Education Teachers, Middle School		1,466	1,783	317	21.6	54	59	32	145	Bachelor's	None	None	$30.03
25-2054	Special Education Teachers, Secondary School		2,447	2,976	529	21.6	90	99	53	242	Bachelor's	None	None	$29.47
25-4021	Librarians	New	2,412	2,855	443	18.4	144	98	44	286	Master's	None	None	$28.99
25-9031	Instructional Coordinators	New	3,588	4,337	749	20.9	188	162	75	425	Master's	5 years or more	None	$34.65
27-0000	**Arts, Design, Entertainment, Sports, and Media Occupations**													
27-3091	Interpreters and Translators	New	2,064	2,545	481	23.3	104	100	48	252	Bachelor's	None	None	$24.78
29-0000	**Healthcare Practitioners and Technical Occupations**													
29-1011	Chiropractors		775	881	106	13.7	14	7	11	32	Doctoral or prof.	None	None	$26.64
29-1021	Dentists, General		1,940	2,380	440	22.7	40	16	44	100	Doctoral or prof.	None	None	$77.05
29-1041	Optometrists		846	1,008	162	19.1	16	12	16	44	Doctoral or prof.	None	None	$42.24
29-1061	Anesthesiologists		1,524	1,963	439	28.8	26	19	44	89	Doctoral or prof.	None	Internship/residency	$113.38
29-1062	Family and General Practitioners		2,320	2,942	622	26.8	39	29	62	130	Doctoral or prof.	None	Internship/residency	$98.15
29-1063	Internists, General		1,034	1,338	304	29.4	17	13	30	60	Doctoral or prof.	None	Internship/residency	$69.13
29-1064	Obstetricians and Gynecologists		446	568	122	27.4	75	55	122	252	Doctoral or prof.	None	Internship/residency	$86.15
29-1065	Pediatricians, General		682	874	192	28.2	11	9	19	39	Doctoral or prof.	None	Internship/residency	$71.55
29-1066	Psychiatrists		152	191	39	25.7	2	2	4	8	Doctoral or prof.	None	Internship/residency	$71.14
29-1067	Surgeons		519	669	150	28.9	9	7	15	31	Doctoral or prof.	None	Internship/residency	$103.86
29-1071	Physician Assistants	New	1,817	2,527	710	39.1	38	77	71	186	Master's	None	None	$51.12
29-1081	Podiatrists		78	88	10	12.8	2	2	1	5	Doctoral or prof.	None	Internship/residency	$66.48
29-1122	Occupational Therapists		1,935	2,450	515	26.6	45	61	52	158	Master's	None	None	$42.83
29-1123	Physical Therapists		3,011	3,864	853	28.3	66	72	85	223	Doctoral or prof.	None	None	$44.36
29-1126	Respiratory Therapists		2,628	3,161	533	20.3	68	66	53	187	Associate's	None	None	$29.30
29-1127	Speech-Language Pathologists		2,756	3,499	743	27.0	57	97	74	228	Master's	None	Internship/residency	$38.92
29-1141	Registered Nurses		52,641	65,839	13,198	25.1	1,696	1,288	1,320	4,304	Bachelor's	None	None	$37.49
29-1151	Nurse Anesthetists	New	2,131	2,753	622	29.2	33	80	62	175	Master's	None	None	$75.80

GULF COAST WORKFORCE REGION

High-Skill, High-Growth Jobs Targeted by the Gulf Coast Workforce Board[1,2]

SOC	Occupational Title	New	Employment Growth Annual Averages 2016	Employment Growth Annual Averages 2026	Absolute Change	Percent Change	Annual Average Job Openings Exits	Transfers	Growth	Total	Typical Education Needed	Work Experience in Related Occ	Typical On-the-job Training	Median Hrly Wage 2017
29-1171	Nurse Practitioners	New	2,148	3,048	900	41.9	50	74	90	214	Master's	None	None	$57.93
29-2011	Medical and Clinical Laboratory Technologists		3,306	4,028	722	21.8	111	111	72	294	Bachelor's	None	None	$25.28
29-2012	Medical and Clinical Laboratory Technicians	New	2,544	3,071	527	20.7	85	85	53	223	Associate's	None	None	$25.27
29-2021	Dental Hygienists	New	2,629	3,148	519	19.7	104	65	52	221	Associate's	None	None	$34.51
29-2031	Cardiovascular Technologists and Technicians	New	1,585	1,893	308	19.4	45	43	31	119	Associate's	None	None	$20.90
29-2032	Diagnostic Medical Sonographers	New	1,691	2,274	583	34.5	51	49	58	158	Associate's	None	None	$35.60
29-2034	Radiologic Technologists		3,922	4,924	1,002	25.5	114	110	100	324	Associate's	None	None	$29.76
29-2055	Surgical Technologists	New	3,129	3,820	691	22.1	113	154	69	336	Postsecondary nondegree	None	None	$24.35
29-2061	Licensed Practical and Licensed Vocational Nurses		13,460	16,720	3,260	24.2	532	524	326	1,382	Postsecondary nondegree	None	None	$22.70
29-2071	Medical Records and Health Information Technicians		3,756	4,603	847	22.6	123	124	85	332	Postsecondary nondegree	None	None	$20.16
29-9011	Occupational Health and Safety Specialists	New	4,764	5,601	837	17.6	115	142	84	341	Bachelor's	None	None	$36.05
41-0000	**Sales and Related Occupations**													
41-3021	Insurance Sales Agents		8,964	10,233	1,269	14.2	390	516	127	1,033	High school	None	Moderate-term	$18.51
43-0000	**Office and Administrative Support Occupations**													
43-5061	Production, Planning, and Expediting Clerks	New	8,626	10,164	1,538	17.8	326	610	154	1,090	High school	None	Moderate-term	$23.17
47-0000	**Construction and Extraction Occupations**													
47-2073	Operating Engineers and Other Construction Equipment Operators		10,504	12,741	2,237	21.3	444	815	224	1,483	High school	None	Moderate-term	$19.10
47-2111	Electricians		19,432	22,445	3,013	15.5	729	1,556	301	2,586	High school	None	Apprenticeship	$26.25
47-2132	Insulation Workers, Mechanical	New	1,580	1,863	283	17.9	46	132	28	206	High school	None	Apprenticeship	$20.90
47-2152	Plumbers, Pipefitters, and Steamfitters		14,522	17,420	2,898	20.0	579	1,068	290	1,937	High school	None	Apprenticeship	$25.70
47-2211	Sheet Metal Workers	New	3,204	3,945	741	23.1	124	245	74	443	High school	None	Apprenticeship	$20.30
47-2221	Structural Iron and Steel Workers	New	3,094	3,698	604	19.5	98	256	60	414	High school	None	Apprenticeship	$20.63
47-4011	Construction and Building Inspectors	New	2,452	2,985	533	21.7	134	154	53	341	High school	5 years or more	Moderate-term	$29.89
47-5013	Service Unit Operators, Oil, Gas, and Mining		5,520	6,376	856	15.5	147	552	86	785	No formal credential	None	Moderate-term	$22.94

GULF COAST WORKFORCE REGION

High-Skill, High-Growth Jobs Targeted by the Gulf Coast Workforce Board[1,2]

SOC	Occupational Title	New	Employment Growth Annual Averages 2016	Employment Growth Annual Averages 2026	Absolute Change	Percent Change	Annual Average Job Openings Exits	Transfers	Growth	Total	Typical Education Needed	Work Experience in Related Occ	Typical On-the-job Training	Median Hrly Wage 2017
49-0000	**Installation, Maintenance, and Repair Occupations**													
49-3031	Bus and Truck Mechanics and Diesel Engine Specialists		7,782	9,448	1,666	21.4	264	492	167	923	High school	None	Long-term	$23.04
49-3042	Mobile Heavy Equipment Mechanics, Except Engines		3,448	4,180	732	21.2	119	240	73	432	High school	None	Long-term	$23.05
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installe		6,378	7,725	1,347	21.1	195	473	135	803	Postsecondary nondegree	None	Long-term	$21.85
49-9041	Industrial Machinery Mechanics		10,901	13,138	2,237	20.5	406	621	224	1,251	High school	None	Long-term	$27.94
49-9043	Maintenance Workers, Machinery	New	2,811	3,352	541	19.2	132	178	54	364	High school	None	Long-term	$20.41
51-0000	**Production Occupations**													
51-4011	Computer-Controlled Machine Tool Operators, Metal and Plastic	New	3,915	4,868	953	24.3	121	308	95	524	High school	None	Moderate-term	$21.62
51-4041	Machinists		9,758	12,260	2,502	25.6	382	717	250	1,349	High school	None	Long-term	$21.97
51-4121	Welders, Cutters, Solderers, and Brazers		18,269	22,318	4,049	22.2	540	1,585	405	2,530	High school	None	Moderate-term	$23.04
51-8091	Chemical Plant and System Operators[4]		2,920	2,760	-160	-5.5	66	213	-16	263	High school	None	Moderate-term	$33.90
51-8093	Petroleum Pump System Operators, Refinery Operators, and Gau		4,409	4,578	169	3.8	104	337	17	458	High school	None	Moderate-term	$33.44
53-0000	**Transportation and Material Moving Occupations**													
53-2031	Flight Attendants		6,367	7,831	1,464	23.0	351	402	146	899	High school	Less than 5 years	Moderate-term	$27.13
53-3032	Heavy and Tractor-Trailer Truck Drivers		41,611	48,742	7,131	17.1	1,916	2,838	713	5,467	Postsecondary nondegree	None	Short-term	$19.49
53-7021	Crane and Tower Operators	New	2,678	3,176	498	18.6	96	205	50	351	High school	Less than 5 years	Moderate-term	$26.03

GULF COAST WORKFORCE REGION

High-Skill, High-Growth Jobs Targeted by the Gulf Coast Workforce Board[1,2]

SOC	Occupational Title	New	Employment Growth Annual Averages 2016	Employment Growth Annual Averages 2026	Absolute Change	Percent Change	Annual Average Job Openings Exits	Transfers	Growth	Total	Typical Education Needed	Work Experience in Related Occ	Typical On-the-job Training	Median Hrly Wage 2017

<u>Notes</u>

High-skill jobs targeted by the Gulf Coast Workforce Board are those that offer the best employment opportunities for Gulf Coast residents <u>now</u> and in the immediate future.

1. Criteria used to identify these occupations are:

    Occupuation must be found in one or more GCWB Targeted Industries

    50% or more of total occupational employment must be found in Targeted Industries as of 2026

    Projected employment in 2026 greater than or equal to the median for all occupations in the region (≥ 1,819)

    Projected growth rate greater than or equal to the average of all occupations in the region (≥ 17.4%)

    Minimum education requirements of a postsecondary degree or certificate, moderate on-the-job training, long-term on-the-job training, or work experience in a related occupation

    Median hourly wages equal to or greater than the 2017 median for all occupations in the region (≥ $18.70)

2. Occupations found on the previous High-skill High-growth Occupation List and which meet four of the five qualifying criteria above have been retained.

3. Other occupations meeting some but not all of the above criteria have also been included based on the best regional labor market intelligence available. Employers can petition to have other occupations added or deleted as labor market conditions change.

4. Occupations included on the previous High-Skill High-Growth List that are projected decline over 2016 to 2026, but were retained due to their continued importance to the regional economy.

GULF COAST WORKFORCE REGION

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Where The Jobs Are [1,2]

SOC	Occupational Title	Annual Average Employment 2016	Annual Average Employment 2026	Number Change 2016-2026	Percent Growth 2016-2026	Annual Openings Due to Exits from Workforce	Annual Openings Due to Transfers from Occupation	Annual Openings Due to New Job Growth	Total Annual Openings	Typical Education Needed for Entry into Occupation	Work Experience in a related Occupation	Typical On-the-job Training	Median Wage 2017
00-0000	**Total, All Occupations**	**3,202,048**	**3,757,792**	**555,744**	**17.4**	**160,248**	**218,286**	**55,574**	**434,108**				**$18.70**
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	71,739	98,228	26,489	36.9	7,525	7,870	2,649	18,044	No formal credential	None	Short-term	$9.19
41-2031	Retail Salespersons	91,901	104,572	12,671	13.8	6,219	7,796	1,267	15,282	No formal credential	None	Short-term	$10.68
35-3031	Waiters and Waitresses	57,107	72,560	15,453	27.1	4,799	7,353	1,545	13,697	No formal credential	None	Short-term	$9.26
41-2011	Cashiers	62,233	67,679	5,446	8.8	6,099	5,952	545	12,596	No formal credential	None	Short-term	$9.79
43-9061	Office Clerks, General	89,135	95,378	6,243	7.0	5,414	5,275	624	11,313	High school	None	Short-term	$17.17
43-4051	Customer Service Representatives	54,801	62,295	7,494	13.7	2,993	4,392	749	8,134	High school	None	Short-term	$15.51
39-9021	Personal Care Aides	38,830	54,620	15,790	40.7	3,729	2,809	1,579	8,117	High school	None	Short-term	$9.22
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	46,525	53,881	7,356	15.8	3,268	3,158	736	7,162	No formal credential	None	Short-term	$10.65
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	42,510	49,502	6,992	16.4	2,279	3,934	699	6,912	No formal credential	None	Short-term	$12.48
43-5081	Stock Clerks and Order Fillers	39,913	46,284	6,371	16.0	2,353	3,070	637	6,060	High school	None	Short-term	$12.32
53-3032	Heavy and Tractor-Trailer Truck Drivers	41,611	48,742	7,131	17.1	1,916	2,838	713	5,467	Postsecondary non-degree	None	Short-term	$19.49
47-2061	Construction Laborers	40,323	48,132	7,809	19.4	1,543	2,916	781	5,240	No formal credential	None	Short-term	$14.56
35-3022	Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	20,226	24,505	4,279	21.2	2,687	2,112	428	5,227	No formal credential	None	Short-term	$9.20
11-1021	General and Operations Managers	47,955	57,269	9,314	19.4	1,091	3,138	931	5,160	Bachelor's	5 years or more	None	$58.76
35-2014	Cooks, Restaurant	25,256	33,775	8,519	33.7	1,729	2,361	852	4,942	No formal credential	Less than 5 years	Moderate-term	$11.90
43-6014	Secretaries & Administrative Assistants, Except Legal, Medical, & Executive	45,880	46,253	373	0.8	2,482	2,414	37	4,933	High school	None	Short-term	$16.94
13-2011	Accountants and Auditors	40,808	48,606	7,798	19.1	1,320	2,572	780	4,672	Bachelor's	None	None	$37.36
39-9011	Childcare Workers	26,688	30,706	4,018	15.1	2,342	1,777	402	4,521	High school	None	Short-term	$9.89
29-1141	Registered Nurses	52,641	65,839	13,198	25.1	1,696	1,288	1,320	4,304	Bachelor's	None	None	$37.49
41-3099	Sales Representatives, Services, All Other	29,179	34,546	5,367	18.4	1,008	2,750	537	4,295	High school	None	Moderate-term	$25.04
33-9032	Security Guards	27,035	31,372	4,337	16.0	1,732	2,060	434	4,226	High school	None	Short-term	$11.89
41-4012	Sales Rep., Wholesale & Manufacturing, Except Tech. & Scientific Products	32,851	38,284	5,433	16.5	1,174	2,382	543	4,099	High school	None	Moderate-term	$31.23
43-6013	Medical Secretaries	26,057	34,030	7,973	30.6	1,618	1,574	797	3,989	High school	None	Moderate-term	$16.28
35-1012	First-Line Supervisors of Food Preparation and Serving Workers	20,653	26,789	6,136	29.7	1,063	2,263	614	3,940	High school	Less than 5 years	None	$20.45
43-3031	Bookkeeping, Accounting, and Auditing Clerks	31,635	33,789	2,154	6.8	2,026	1,572	215	3,813	Some college, no degree	None	Moderate-term	$19.59
37-2012	Maids and Housekeeping Cleaners	24,257	27,668	3,411	14.1	1,922	1,451	341	3,714	No formal credential	None	Short-term	$9.48
25-2021	Elementary School Teachers, Except Special Ed.	35,949	43,854	7,905	22.0	1,317	1,477	790	3,584	Bachelor's	None	None	$29.04
41-1011	First-Line Supervisors of Retail Sales Workers	28,309	32,310	4,001	14.1	1,119	2,040	400	3,559	High school	Less than 5 years	None	$19.69
35-2021	Food Preparation Workers	16,257	20,487	4,230	26.0	1,468	1,593	423	3,484	No formal credential	None	Short-term	$11.10
49-9071	Maintenance and Repair Workers, General	28,565	33,391	4,826	16.9	1,262	1,723	483	3,468	High school	None	Moderate-term	$17.45
43-1011	First-Line Supervisors of Office and Administrative Support Workers	29,163	32,350	3,187	10.9	1,193	1,775	319	3,287	High school	Less than 5 years	None	$28.20
35-9031	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	11,073	14,136	3,063	27.7	1,452	1,379	306	3,137	No formal credential	None	Short-term	$9.58
31-1014	Nursing Assistants	19,908	24,802	4,894	24.6	1,358	1,130	489	2,977	Postsecondary non-degree	None	None	$12.70
47-1011	Supervisors of Construction and Extraction Workers	23,931	28,393	4,462	18.6	837	1,650	446	2,933	High school	5 years or more	None	$33.50
37-3011	Landscaping and Groundskeeping Workers	20,683	23,741	3,058	14.8	1,037	1,587	306	2,930	No formal credential	None	Short-term	$12.13
31-1011	Home Health Aides	14,162	20,809	6,647	46.9	1,062	884	665	2,611	High school	None	Short-term	$9.09
47-2111	Electricians	19,432	22,445	3,013	15.5	729	1,556	301	2,586	High school	None	Apprenticeship	$26.25
51-9198	Helpers--Production Workers	12,725	16,455	3,730	29.3	782	1,389	373	2,544	High school	None	Short-term	$13.94

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Where The Jobs Are [1,2]

SOC	Occupational Title	Annual Average Employment 2016	Annual Average Employment 2026	Number Change 2016-2026	Percent Growth 2016-2026	Annual Openings Due to Exits from Workforce	Annual Openings Due to Transfers from Occupation	Annual Openings Due to New Job Growth	Total Annual Openings	Typical Education Needed for Entry into Occupation	Work Experience in a related Occupation	Typical On-the-job Training	Median Wage 2017
25-3098	Substitute Teachers	18,037	21,932	3,895	21.6	1,218	935	390	2,543	Info not available	Info not available	Info not available	$12.24
51-4121	Welders, Cutters, Solderers, and Brazers	18,269	22,318	4,049	22.2	540	1,585	405	2,530	High school	None	Moderate-term	$23.04
25-9041	Teacher Assistants	18,898	23,026	4,128	21.8	1,151	956	413	2,520	Some college, no degree	None	None	$10.66
25-2031	Secondary School Teachers, Except Special and Career/Technical Education	23,694	28,954	5,260	22.2	806	982	526	2,314	Bachelor's	None	None	$28.87
53-3033	Light Truck or Delivery Services Drivers	17,108	20,153	3,045	17.8	790	1,170	304	2,264	High school	None	Short-term	$14.64
31-9092	Medical Assistants	13,726	19,064	5,338	38.9	720	1,007	534	2,261	Postsecondary non-degree	None	None	$15.03
43-4171	Receptionists and Information Clerks	15,114	16,886	1,772	11.7	995	1,062	177	2,234	High school	None	Short-term	$12.52
35-3011	Bartenders	10,700	13,355	2,655	24.8	579	1,380	266	2,225	No formal credential	None	Short-term	$11.38
35-9011	Dining Room and Cafeteria Attendants and Bartender Helpers	10,189	12,847	2,658	26.1	1,025	913	266	2,204	No formal credential	None	Short-term	$9.30
53-7051	Industrial Truck and Tractor Operators	15,658	18,504	2,846	18.2	595	1,278	285	2,158	No formal credential	None	Short-term	$15.91
13-1199	Business Operations Specialists, All Other	17,865	20,928	3,063	17.1	608	1,119	306	2,033	Bachelor's	None	None	$38.95
51-9061	Inspectors, Testers, Sorters, Samplers & Weighers	15,962	16,876	914	5.7	682	1,257	91	2,030	High school	None	Moderate-term	$19.92
43-5071	Shipping, Receiving, and Traffic Clerks	17,737	19,609	1,872	10.6	729	1,112	187	2,028	High school	None	Short-term	$15.32
41-2021	Counter and Rental Clerks	13,940	15,541	1,601	11.5	774	1,082	160	2,016	No formal credential	None	Short-term	$12.07
47-2152	Plumbers, Pipefitters, and Steamfitters	14,522	17,420	2,898	20.0	579	1,068	290	1,937	High school	None	Apprenticeship	$25.70
47-2031	Carpenters	16,398	18,949	2,551	15.6	608	982	255	1,845	High school	None	Apprenticeship	$18.66
35-9021	Dishwashers	9,447	11,555	2,108	22.3	777	837	211	1,825	No formal credential	None	Short-term	$10.35
11-9013	Farmers, Ranchers & Other Ag. Managers	22,792	23,650	858	3.8	1,358	345	86	1,789	High school	5 years or more	None	$26.21
53-7064	Packers and Packagers, Hand	10,729	11,516	787	7.3	753	908	79	1,740	No formal credential	None	Short-term	$10.35
25-2022	Middle School Teachers, Except Special and Career/Technical Education	17,238	21,062	3,824	22.2	632	709	382	1,723	Bachelor's	None	None	$29.01
53-3031	Driver/Sales Workers	14,459	15,622	1,163	8.0	638	945	116	1,699	High school	None	Short-term	$12.55
35-2011	Cooks, Fast Food	10,382	11,809	1,427	13.7	650	888	143	1,681	No formal credential	None	Short-term	$9.70
39-5012	Hairdressers, Hairstylists, and Cosmetologists	11,457	13,365	1,908	16.7	828	620	191	1,639	Postsecondary non-degree	None	None	$12.05
51-1011	First-Line Supervisors of Production and Operating Workers	13,892	15,914	2,022	14.6	475	954	202	1,631	High school	Less than 5 years	None	$32.07
13-1071	Human Resources Specialists	13,918	16,019	2,101	15.1	434	984	210	1,628	Bachelor's	None	None	$30.74
53-7061	Cleaners of Vehicles and Equipment	9,198	10,854	1,656	18.0	517	870	166	1,553	No formal credential	None	Short-term	$10.96
33-3051	Police and Sheriff's Patrol Officers	16,867	20,537	3,670	21.8	452	729	367	1,548	High school	None	Moderate-term	$31.76
47-2073	Operating Engineers and Other Construction Equipment Operators	10,504	12,741	2,237	21.3	444	815	224	1,483	High school	None	Moderate-term	$19.10
41-9022	Real Estate Sales Agents	12,488	14,564	2,076	16.6	692	527	208	1,427	High school	None	Moderate-term	$29.30
49-3023	Automotive Service Technicians and Mechanics	12,515	14,378	1,863	14.9	424	812	186	1,422	Postsecondary non-degree	None	Short-term	$20.05
29-2061	Licensed Practical and Licensed Vocational Nurses	13,460	16,720	3,260	24.2	532	524	326	1,382	Postsecondary non-degree	None	None	$22.70
43-3021	Billing and Posting Clerks	10,446	12,852	2,406	23.0	498	641	241	1,380	High school	None	Moderate-term	$18.19
45-2092	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	8,411	8,935	524	6.2	317	988	52	1,357	No formal credential	None	Short-term	$9.66
51-4041	Machinists	9,758	12,260	2,502	25.6	382	717	250	1,349	High school	None	Long-term	$21.97
43-3071	Tellers	10,719	11,409	690	6.4	567	711	69	1,347	High school	None	Short-term	$13.31
13-1111	Management Analysts	11,328	13,828	2,500	22.1	404	650	250	1,304	Bachelor's	Less than 5 years	None	$47.82
11-9021	Construction Managers	14,488	16,942	2,454	16.9	360	698	245	1,303	Bachelor's	None	Moderate-term	$46.25
25-2011	Preschool Teachers, Except Special Education	10,651	12,455	1,804	16.9	498	617	180	1,295	Associate's degree	None	None	$11.55
15-1132	Software Developers, Applications	12,585	16,426	3,841	30.5	198	712	384	1,294	Bachelor's	None	None	$52.59
35-2012	Cooks, Institution and Cafeteria	7,817	8,954	1,137	14.5	491	671	114	1,276	No formal credential	None	Short-term	$11.87
49-9041	Industrial Machinery Mechanics	10,901	13,138	2,237	20.5	406	621	224	1,251	High school	None	Long-term	$27.94

DRAFT AS OF 01/19

Where The Jobs Are [1,2]

SOC	Occupational Title	Annual Average Employment 2016	Annual Average Employment 2026	Number Change 2016-2026	Percent Growth 2016-2026	Annual Openings Due to Exits from Workforce	Annual Openings Due to Transfers from Occupation	Annual Openings Due to New Job Growth	Total Annual Openings	Typical Education Needed for Entry into Occupation	Work Experience in a related Occupation	Typical On-the-job Training	Median Wage 2017
53-3022	Bus Drivers, School or Special Client	9,044	10,097	1,053	11.6	751	391	105	1,247	High school	None	Short-term	$15.56
15-1151	Computer User Support Specialists	13,202	15,393	2,191	16.6	290	736	219	1,245	Some college, no degree	None	None	$26.78
15-1121	Computer Systems Analysts	15,630	17,580	1,950	12.5	304	741	195	1,240	Bachelor's	None	None	$44.48
41-3031	Securities, Commodities, and Financial Services Sales Agents	10,730	12,382	1,652	15.4	303	762	165	1,230	Bachelor's	None	Moderate-term	$23.97
39-9032	Recreation Workers	5,535	6,791	1,256	22.7	403	616	126	1,145	High school	None	Short-term	$11.17
49-1011	First-Line Supervisors of Mechanics, Installers, and Repairers	10,234	11,960	1,726	16.9	359	572	173	1,104	High school	Less than 5 years	None	$33.06
43-5061	Production, Planning, and Expediting Clerks	8,626	10,164	1,538	17.8	326	610	154	1,090	High school	None	Moderate-term	$23.17
47-2141	Painters, Construction and Maintenance	10,393	11,922	1,529	14.7	381	556	153	1,090	No formal credential	None	Moderate-term	$18.38
51-2092	Team Assemblers	8,480	9,158	678	8.0	377	639	68	1,084	High school	None	Moderate-term	$13.79
39-2021	Nonfarm Animal Caretakers	5,237	6,944	1,707	32.6	416	491	171	1,078	High school	None	Short-term	$9.42
41-1012	First-Line Supervisors of Non-Retail Sales Workers	9,735	11,068	1,333	13.7	346	580	133	1,059	High school	Less than 5 years	None	$36.17
17-2051	Civil Engineers	10,634	12,841	2,207	20.8	254	578	221	1,053	Bachelor's	None	None	$50.37
47-5071	Roustabouts, Oil and Gas	6,876	8,187	1,311	19.1	256	655	131	1,042	No formal credential	None	Moderate-term	$16.54
39-3091	Amusement and Recreation Attendants	4,019	4,653	634	15.8	458	515	63	1,036	No formal credential	None	Short-term	$9.04
41-3021	Insurance Sales Agents	8,964	10,233	1,269	14.2	390	516	127	1,033	High school	None	Moderate-term	$18.51
43-6011	Executive Secretaries and Executive Administrative Assistants	11,725	10,263	-1,462	-12.5	592	576	-146	1,022	High school	Less than 5 years	None	$29.10
11-3031	Financial Managers	8,878	11,623	2,745	30.9	236	507	274	1,017	Bachelor's	5 years or more	None	$69.23
33-3012	Correctional Officers and Jailers	12,166	12,416	250	2.1	434	552	25	1,011	High school	None	Moderate-term	$20.44
31-9091	Dental Assistants	6,933	8,380	1,447	20.9	391	438	145	974	Postsecondary non-degree	None	None	$16.89
39-9031	Fitness Trainers and Aerobics Instructors	4,967	5,782	815	16.4	352	538	82	972	High school	None	Short-term	$20.59
21-2011	Clergy	8,210	8,720	510	6.2	388	519	51	958	Bachelor's	None	Moderate-term	$23.89
23-1011	Lawyers	15,874	18,281	2,407	15.2	339	369	241	949	Doctoral or prof.	None	None	$75.57
17-2171	Petroleum Engineers	10,636	12,567	1,931	18.2	209	537	193	939	Bachelor's	None	None	$75.05
13-1161	Market Research Analysts & Marketing Specialists	6,660	8,667	2,007	30.1	203	526	201	930	Bachelor's	None	None	$35.05
49-3031	Bus & Truck Mechanics & Diesel Engine Specialists	7,782	9,448	1,666	21.4	264	492	167	923	High school	None	Long-term	$23.04
51-9011	Chemical Equipment Operators and Tenders	8,147	8,455	308	3.8	228	651	31	910	High school	None	Moderate-term	$34.55
53-2031	Flight Attendants	6,367	7,831	1,464	23.0	351	402	146	899	High school	Less than 5 years	Moderate-term	$27.13
29-2052	Pharmacy Technicians	8,502	10,246	1,744	20.5	304	416	174	894	High school	None	Moderate-term	$16.55
27-3031	Public Relations Specialists	7,299	8,607	1,308	17.9	223	538	131	892	Bachelor's	None	None	$28.80
13-2051	Financial Analysts	8,081	9,593	1,512	18.7	176	555	151	882	Bachelor's	None	None	$41.02
45-2093	Farmworkers, Farm, Ranch, and Aquacultural Animals	5,456	5,724	268	4.9	204	637	27	868	No formal credential	None	Short-term	$11.96
13-1023	Purchasing Agents, exc. Whoesale, Retail & Farm.	9,172	9,681	509	5.5	280	521	51	852	Bachelor's	None	Moderate-term	$30.33
33-9092	Lifeguards, Ski Patrol, and Other Recreational Protective Service	2,990	3,527	537	18.0	451	344	54	849	No formal credential	None	Short-term	$8.95
13-1151	Training and Development Specialists	6,580	7,961	1,381	21.0	224	467	138	829	Bachelor's	Less than 5 years	None	$33.25
35-3041	Food Servers, Nonrestaurant	4,339	5,434	1,095	25.2	368	344	110	822	No formal credential	None	Short-term	$10.46
25-3021	Self-Enrichment Education Teachers	5,597	6,975	1,378	24.6	383	294	138	815	High school	Less than 5 years	None	$22.53
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	6,378	7,725	1,347	21.1	195	473	135	803	Postsecondary non-degree	None	Long-term	$21.85
41-4011	Sales Rep., Wholesale & Manufacturing, Technical & Scientific Products	6,524	7,480	956	14.7	231	469	96	796	Bachelor's	None	Moderate-term	$41.51
47-5013	Service Unit Operators, Oil, Gas, and Mining	5,520	6,376	856	15.5	147	552	86	785	No formal credential	None	Moderate-term	$22.94
23-2011	Paralegals and Legal Assistants	5,965	7,172	1,207	20.2	217	437	121	775	Associate's degree	None	None	$27.58
21-1012	Educational, Guidance, School, and Vocational Counselors	5,715	6,902	1,187	20.8	232	413	119	764	Master's	None	None	$30.02

DRAFT AS OF 01/19

Where The Jobs Are [1,2]

SOC	Occupational Title	Annual Average Employment 2016	Annual Average Employment 2026	Number Change 2016-2026	Percent Growth 2016-2026	Annual Openings Due to Exits from Workforce	Annual Openings Due to Transfers from Occupation	Annual Openings Due to New Job Growth	Total Annual Openings	Typical Education Needed for Entry into Occupation	Work Experience in a related Occupation	Typical On-the-job Training	Median Wage 2017
11-2022	Sales Managers	6,897	8,144	1,247	18.1	171	456	125	752	Bachelor's	Less than 5 years	None	$64.13
43-9041	Insurance Claims and Policy Processing Clerks	5,922	7,021	1,099	18.6	276	363	110	749	High school	None	Moderate-term	$17.26
11-9199	Managers, All Other	8,345	9,617	1,272	15.2	243	377	127	747	Bachelor's	Less than 5 years	None	$59.91
19-2042	Geoscientists, Except Hydrologists & Geographers	6,286	7,525	1,239	19.7	149	474	124	747	Bachelor's	None	None	$64.47
17-2141	Mechanical Engineers	8,127	9,950	1,823	22.4	184	376	182	742	Bachelor's	None	None	$47.94
49-9098	Helpers--Installation, Maintenance, and Repair Workers	4,648	5,600	952	20.5	246	387	95	728	High school	None	Short-term	$14.37
43-4151	Order Clerks	5,876	6,234	358	6.1	281	396	36	713	High school	None	Short-term	$18.13
47-2051	Cement Masons and Concrete Finishers	5,151	6,222	1,071	20.8	216	386	107	709	No formal credential	None	Moderate-term	$16.03
43-3011	Bill and Account Collectors	6,316	6,639	323	5.1	243	425	32	700	High school	None	Moderate-term	$18.24
35-2015	Cooks, Short Order	4,290	4,873	583	13.6	268	366	58	692	No formal credential	None	Short-term	$11.09
53-1031	First-Line Supervisors of Trans. & Material-Moving Machine & Vehicle Op.	5,334	6,324	990	18.6	187	401	99	687	High school	Less than 5 years	None	$28.53
43-4081	Hotel, Motel, and Resort Desk Clerks	3,999	4,342	343	8.6	231	412	34	677	High school	None	Short-term	$10.36
13-1051	Cost Estimators	5,194	6,192	998	19.2	179	370	100	649	Bachelor's	None	Moderate-term	$34.46

1. Where The Jobs Are represents those occupations projected to offer the largest number of employment opportunities for Gulf Coast residents now and in the immediate future. Note that the majority of openings may be the result of workers switching to new careers (transfers) and thereby creating vacancies.
2. Occupations on this list are those with projected annual average total job openings greater than or equal to 645 per year.

The Gulf Coast Workforce Board

Employer Driven and People Powered

Strategic Plan 2019 – 2023
For the Regional Workforce System

DRAFT

Update January 25, 2019

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

THE GULF COAST WORKFORCE BOARD

Employer Driven and People Powered

Strategic Plan 2019 – 2023

PURPOSE *(Why We Exist)*	To keep our region a great place to do business, work, and live
MISSION *(What Makes Us Different)*	We elevate the economic and human potential of the Gulf Coast region by fulfilling the diverse needs of the businesses and individuals we serve.
VISION *(The Future We Aspire To)*	Our region attracts and retains the best employers, affords everyone the dignity of a job, remains vitally important to the global economy – and all within it are thriving.

<table>
<tr><td>VALUES & BEHAVIORS
(Our Strongly Held Beliefs)</td><td>We are employer-driven

We care passionately
Advocate for others
Inspire hope
Fuel progress
We take responsibilities seriously
Be accountable
Follow up and follow through
Drive results
We imagine possibilities
Seek multiple perspectives
Bring fresh thinking
Engage one another in making a difference</td></tr>
<tr><td>RESULTS
(The Difference
We Will Make)</td><td>1. Competitive Employers

2. An Educated Workforce

3. More and Better Jobs

4. Higher Incomes</td></tr>
</table>

MEASURES, BASELINES, AND TARGETS

(How We Will Measure Progress Toward Achieving Results)

For the Regional Workforce System:

Education Credentials

— 84 percent of the region's population 25 years and older will hold an education credential
— 39 percent of the region's population 25 years and older will hold a post-secondary degree
— 24 percent of those pursuing an education credential will earn one

Job Creation

— 3.23 million individuals will be employed in the region, reflecting the addition of 254,202 jobs created since 2018

For Workforce Solutions:

Market Share

— 31,500 region's employers will use Workforce Solutions

Customer Loyalty

—65 percent of employers using Workforce Solutions will be repeat customers

Education Credentials

— 76 percent of individual customers pursuing an education credential will earn one

Job Creation

— 3,500 new jobs will be created as a direct result of Workforce Solutions' partnering with other business organizations

MEASURES, BASELINES, AND TARGETS *(continued)*	***Employment*** — *78 percent of individual customers will be employed after leaving Workforce Solutions* ***Earnings*** — *37 percent of individual customers leaving Workforce Solutions will have earnings gains of at least 20 percent*
STRATEGIES *(How We Will Achieve Results)*	We help employers meet their human resource needs and people build careers, so both can compete in the global economy, by: 1. Building, maintaining, and continually improving a high-quality, value-add system that serves employers and people 2. Providing skilled workers for employers in critical industries 3. Contributing to high-quality, life-long learning for individuals 4. Delivering accurate and timely career and labor market data 5. Using our resources to leverage the larger system 6. Meeting the requirements of our funding sources

GULF COAST WORKFORCE BOARD

Board Member	02/05/19	04/02/19	06/04/19	08/06/19	10/01/19	12/03/19
Aguilar, Ray						
Alexander, Willie	✓					
Allen, Karlos	✓					
Andrews, Gerald	✓					
Beard, Peter	✓					
Bhargava, Narayan						
Bouse, Sara	✓					
Bowles, Carl	✓					
Cavazos, Mary Helen	✓					
Dillon, Renea						
Garcia, Joe						
Guido, Cheryl	✓					
Guthrie, Mark	✓					
Henderson, Bobbie Allen	✓					
Heskamp, Alan						
Jackson, Guy Robert	✓					
Janes, Sarah						
Josserand, John	✓					
Karr, Doug	✓					
King, Paulette	✓					
LaBroski, Jeff	✓					
Lewis, Ernest	✓					
Marshall, Scott						
McCleskey, Kendrick						
Mechler, Steve	✓					
Melton, Edward	✓					
Nevlud, Jerry	✓					
Ruley, Janice	✓					
Scheiner, Danielle	✓					
Segovia, Valerie						
Shaw, Richard	✓					
Smith, Connie						
Staley, Gil						
Timmins, Evelyn	✓					
Webster, Michael						
Violette, Kelly	✓					
Williams, Shunta	✓					

GULF COAST WORKFORCE BOARD

AGUILAR, RAY
Classic Chevrolet Sugar Land
13115 Southwest Freeway
Sugar Land, TX 77478
281-491-9000
Category: Business
County: Fort Bend
rayfrank11@yahoo.com
Term: January 1, 2017 thru December 31, 2018

ALEXANDER, WILLIE
W J Alexander Associates P.C.
1770 St. James Place, Suite 407
Houston, TX 77056
(713) 802-0900, ext. 12
Fax: (713) 802-1188
Category: Business
County: City of Houston
walex@wjalexander.com
Term: January 1, 2017 thru December 31, 2018

ALLEN, KARLOS
PFM Financial Advisors LLC
1200 Smith Street, Suite 1600
Houston, TX 77002
(713) 353-4600
Category: Business
County: City of Houston
allenka@pfm.com
Term: January 1, 2016 thru December 31, 2017

ANDREWS, GERALD
Gallagher Victory Insurance
122 West Way, Suite 404
Lake Jackson, TX 77566
(979) 297-8604
Fax: (979) 297-7080
Category: Business
County: Brazoria
geraldandrews36@yahoo.com
Term: January 1, 2019 thru December 31, 2020

BEARD, PETER
Greater Houston Partnership
701 Avenida de las Americas, Suite 900
Houston, TX 77010
(713) 844-3602 – office
(281) 906-1088 – cell
Fax: (713) 844-0200
Category: Business
County: City of Houston
pbeard@houston.org
Term: January 1, 2017 thru December 31, 2018

BHARGAVA, NARAYAN
The SDB Group
817 Southmore Ave, Suite 301
Houston, TX 77502
(713) 475-0048
Fax: (713) 475-0083
Category: Business
County: Harris
nbhargava@thesdbgroup.com
Term: January 1, 2017 thru December 31, 2018

BOUSE, SARA
Alvin Community College
3110 Mustang Road
Alvin, TX 77511
(281) 732-8389 – cell
(281) 756-3568 – office
Category: Education
County: Brazoria
sbouse@alvincollege.edu
Term: January 1, 2019 thru December 31, 2020

BOWLES, CARL
Bowles, Womack & Company, PC
24 Greenway Plaza, Suite 970
Houston, TX 77046
(713) 621-0050
Fax: (713) 621-0046
Category: Business
County: Harris
carl@bowleswomack.com
Term: January 1, 2017 thru December 31, 2018

CAVAZOS, MARY HELEN
M.H. Cavazos & Associates
1124 W. Clay Street
Houston, TX 77019
(713) 807-1115
Category: Business
County: Harris
mhcavazos@aol.com
Term: January 1, 2017 thru December 31, 2018

DILLON, RENEA
Goose Creek CISD
4544 I-10 East
Baytown, TX 77521
281-707-3361
Category: Education
County: Harris
carol.dillon@gccisd.net
Term: January 1, 2018 thru December 31, 2019

GARCIA, JOE
ICOTEX
3479 Pollock Drive
Conroe, TX 77303
(832) 699-4693
Category: Business
County: Waller
joe.garcia@ico-tex.com
Term: January 1, 2017 thru December 31, 2018

GUIDO, CHERYL
Department of Assistive and
Rehabilitation Services
427 W. 20th, Suite 407
Houston, TX 77008
(713) 802-3101
Fax: (713) 802-3143
Category: State Agency
cheryl.guido@twc.state.tx.us
Term: January 1, 2018 thru December 31, 2019

GUTHRIE, MARK
Winstead PC
600 Travis Street, Suite 5200
Houston, TX 77002
(713) 650-2730
Fax: (713) 650-2400
Category: Business
County: City of Houston
mguthrie@winstead.com
Term: January 1, 2017 thru December 31, 2018

HENDERSON, BOBBIE ALLEN
Texas Southern University
4203 Charleston Street
Houston, TX 77021-1415
(713) 313-7588/(713) 748-6508(h)
Fax: (713) 741-6196
Category: Education
County: City of Houston
bobbie.henderson@att.net
Term: January 1, 2017 thru December 31, 2018

HESKAMP, ALAN
Heskamp & Associates LLC
311 Hoskins Broadway
El Campo, TX 77437
(979) 758-4521
Category: Business
County: Wharton
aheskamp@sbcglobal.net
Term: January 1, 2018 thru December 31, 2019

JACKSON, GUY ROBERT
Chambers County Abstract Co. Inc.
P.O. Box 640
Anahuac, TX 77514
(409) 267-6262, ext. 35
Fax: (409) 267-6355
Category: Business
County: Chambers
grj@ccac.net
Term: January 1, 2017 thru December 31, 2018

JANES, SARAH
San Jacinto College
8060 Spencer Highway
Pasadena, TX 77505
(281) 478-3605
Fax: (281) 479-8127
Category: Education
County: Harris
sarah.janes@sjcd.edu
Term: January 1, 2018 thru December 31, 2019

JOSSERAND, JOHN
InCite Logix
Category: Business
County: Harris
jjosser@yahoo.com
Term: January 1, 2017 thru December 31, 2018

KARR, DOUG
Pro Staff/Atterro
27 Canoe Birch Place
The Woodlands, TX 77382
832-967-7684
Category: Business
County: Montgomery
doug.karr@prostaff.com
Term: January 1, 2018 thru December 31, 2019

KING, PAULETTE
Health and Human Services
1332 E. 40th Street, Unit B1
Houston, TX 77022
(713) 696-8088 (direct)
(713) 767-3192 (secondary number)
Fax: (713) 695-4593
Category: Public Assistance
paulette.king@hhsc.state.tx.us
Term: January 1, 2017 thru December 31, 2018

LaBROSKI, JEFFREY
Plumbers Local Union No. 68
502 Link Road
P.O. Box 8746
Houston, TX 77249
(713) 869-3592
Fax: (713) 869-3671
Category: Labor
County: City of Houston
ski@plu68.com
Term: January 1, 2017 thru December 31, 2018

LEWIS, ERNEST
Adult Reading Center
2246 N Washington Ave
Pearland, TX 77581
(281) 485-1000
Category: Literacy
County: Brazoria
ernest.lewis@adultreadingcenter.org
Term: January 1, 2018 thru December 31, 2019

MARSHALL, SCOTT
Jacobs
5995 Rogerdale Road
Houston, TX 77072
(832) 351-6655
Category: Business
County: Harris
scott.marshall@jacobs.com
Term: January 1, 2018 thru December 31, 2019

MELTON, EDWARD
Texas Library Association
5749 South Loop East
Houston, TX 77033
(713) 274-6600
Category: Literacy
County: Harris County
edward.melton@hcpl.net
Term: January 1, 2018 thru December 31, 2019

McCLESKEY, KENDRICK
PricewaterhouseCoopers-
1903 Crockett St.
Houston, TX 77007
(281) 788-6046
Category: Business
County: City of Houston
klmccleskey@gmail.com
Term: January 1, 2017 thru December 31, 2018

McCOY, DEXTER
Fort Bend Independent School District
16431 Lexington Blvd
(281) 634-1000
Fax: (281) 327-2834
Category: Education
County: Fort Bend
Dexter.mccoy@fortbendisd.com
Term: January 1, 2019 thru December 31, 2020

MECHLER, STEVE
TI Constructors
4321 Directors Row, Suite 101
Houston, TX 77092
(281) 272-7980
Category: Business
County: Harris
smechler@ticonstructors.com
Term: January 1, 2018 thru December 31, 2019

NEVLUD, JERRY
AGC Houston
3825 Dacoma Street
Houston, TX 77092
(713) 843-3700
Fax: (713) 843-3777
Category: Business
County: Harris
jerry.n@agchouston.org
Term: January 1, 2018 thru December 21, 2019

RULEY, JANICE
Houston Airport Systems
18600 Lee Road, Suite 130
Humble, TX 77338-4172
(281) 233-7853
Fax: (281)230-8020
Category: Labor
County: City of Houston
janice.ruley@houstontx.gov
Term: January 1, 2017 thru December 31, 2018

SCHEINER, DANIELLE
Conroe Economic Development Council
300 W Davis Street
Conroe, TX 77301
(936) 522-3529
Category: Economic Development
County: Montgomery
scheiner@conroeedc.org
Term: January 1, 2018 thru December 31, 2019

SEGOVIA, VALERIE GARCIA
Director of Outreach and Development
Nuclear Power Institute
101 Gateway Blvd, Suite A
College Station, TX 77845
979-240-5005
Category: CBO
County: Matagorda
vsegovia@tamu.edu
valeriegsegovia@gmail.com
Term: January 1, 2019 thru December 31, 2020

SHAW, RICHARD
Harris County Labor Assembly,
AFL-CIO Council
1707 Prism Lane
Houston, TX 77043-3344
(713) 240-2472
Category: Labor
County: City of Houston
shawtrek@aol.com
Term: January 1, 2017 thru December 31, 2018

SMITH, CONNIE
Greensmith Marketing, LLC
8618 Royal Cape Ct.
Houston, TX 77095
(713) 681-9232
Fax: (713) 681-9242
Category: Business
County: City of Houston
mmpfb@msn.com
Term: January 1, 2016 thru December 31, 2017

STALEY, GIL
The Woodlands Area Economic Development Partnership
9320 Lakeside Blvd., Bldg. 2, Suite 200
The Woodlands, TX 77381
(281) 363-8130
Fax: (281) 298-6874
Category: Business
County: Montgomery
gil.staley@edpartnership.net
Term: January 1, 2018 thru December 31, 2019

TIMMINS, EVELYN
Houston Mayor's Committee for
Employment of People with Disabilities
2120 Lundy Lane
Friendswood, TX 77546
(281) 388-1967
Category: CBO
County: City of Houston
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Term: January 1, 2017 thru December 31, 2018

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Term: January 1, 2017 thru December 31, 2018

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Term: January 1, 2019 thru December 31, 2020

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- Guy Robert Jackson – Vice Chair
- Ray Aguilar
- Karlos Allen
- Narayan Bhargava
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- Carl Bowles
- Helen Cavazos
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Audit/Monitoring
April 2019

34TThe Audit/Monitoring Committee met on Thursday, March 21, 2019 in the Southwest local office located at 12710 Bissonnet in Houston with Committee Chair Joe Garcia and members Cheryl Guido, Doug Karr, Cheryl Guido, Carl Bowles and Mark Guthrie present.

- We reported on **financial monitoring reviews** for contractors Interfaith of The Woodlands, ResCare and BakerRipley. There were only minor findings in these reports and all have been corrected.

- The Quality Assurance Team completed **individual reviews of contractors** Employment and Training Centers, Inc. (Employer Service), and BakerRipley (Financial Aid Payment office), rating Employment and Training Centers, Inc. as Strong Performance and the Financial Payment Office as Solid Performance.16T34T

- The Team **reviewed four career offices**, the Willowbrook and Cypress Station locations by Interfaith and the Southeast and Southwest locations managed by BakerRipley. No findings were identified at Willowbrook, documentation needs to be improved at the other locations. All locations are rated Solid Performance.

- The Team also **reviewed payroll records** related to Hurricane Harvey maintained by the staffing agencies and visited temporary worker at their worksites. No major findings were identified.
- We are responding to a monitoring report from the Texas Workforce Commission that identified three areas: 1) Notice for customers tagged in our Supplemental Nutrition Assistance (food stamp) employment and training before initiating a sanction for noncompliance 2) procurement documentation for several career offices leases 3) property inventory for item that cost over $5k.

  We are preparing a response and will work with TWC audit resolution to resolve the concerns.

  Also, TWC will be here for the annual review during the month of May 2019.

- We have successfully integrated 53 vocational rehabilitation services staff in our Humble, Bay City, Liberty, Katy, and Texas City local offices – and in our building at 3555 Timmons.

- Baytown has successfully integrated six vocational rehabilitation staff and Acres Homes is scheduled to integrate six VR staff during the latter part of March.

Government Relations
Legislative Update

Texas Legislature

We continue to pay attention to the activities of the 86th Texas Legislative session. We have very little movement on the initial legislation of interest, but several new items were introduced and are included in this update.

There are two new items related to early education:

- ***Establishing a pilot program to expand participation in the Texas Rising Star Program***
  86(R) HB 3739 Author: Goldman | Last Action 03/19/2019 H Referred to International Relations & Economic Development

  This bill allows for local workforce development boards to implement a pilot program that increases the number of quality child-care providers in the area. This would be done by increasing participation in the Texas Rising Star program, which allows providers to voluntarily improve program criteria above minimum standards. Local workforce development boards can implement the pilot by: 1) allowing all licensed and registered child-care facilities in its area to participate in the program; 2) require all subsidized child-care providers in the local workforce development area to participate in the program; 3) contract with subsidized child-care providers participating in the program to provide child-care services; or 4) a combination of any above methods.

- ***Funding for prekindergarten programs at certain school districts that operate early high school graduation programs***
  86(R) SB 725 Author: Lucio | Last Action 03/01/2019 S Referred to Education

There are six new items related to the minimum wage:

- ***Authorization for a county or municipality to establish a local minimum wage***
  86(R) HB 328 Author: Ortega | Last Action 02/19/2019 H Referred to State Affairs
- ***Raising the (Texas) minimum wage to $10 per hour***
  86(R) HB 1336 Author: Pacheco | Last Action 02/27/2019 H Referred to International Relations & Economic Development
- ***Raising the (Texas) minimum wage to $15 per hour by 2022***
  86(R) HB 2138 Author: Goodwin | Last Action 03/06/2019 H Referred to International Relations & Economic Development
- ***Raising the (Texas) minimum wage to $15 per hour by 2025***
  86(R) HB 3922 Author: Fischer | Last Action 03/07/2019 H Filed
- ***Raising the (Texas) minimum wage to $10.10***
  86(R) HB 3504 Author: Fischer | Last Action 03/18/2019 H Referred to International Relations & Economic Development
- ***Raising the (Texas) minimum wage to $15 for all employees of open-enrollment charters schools and school districts***
  86(R) HB 3274 Author: Gonzalez | Last Action 03/13/2019 H Referred to Public Education

A minimum wage increase to the level identified in any of the bills above would be a significant increase from the current federal minimum wage of $7.25. Currently, the state of Texas sets its minimum wage to equal the rate at the federal level. States such as Colorado and Washington plan to raise their minimum wage rate in the coming years based on a set formula.

We are also following the bills below and will provide additional information as it develops:

Education

86(R) HB 752 Author: Wu
Last Action: 02/21/2019 *H Referred to Public Education*
Caption Text: Relating to providing free full-day prekindergarten for certain children.

86(R) HB 189 Author: Reynolds
Last Action: 02/13/2019 *H Referred to Public Education*
Caption Text: Relating to providing free full-day prekindergarten for certain children.

86(R) SB 287 Author: Miles
Last Action: 02/07/2019 *S Referred to Education*
Caption Text: Relating to the availability of free prekindergarten programs in public schools.

86(R) HB 612 Author: Thierry
Last Action: 02/21/2019 *H Referred to Public Education*
Caption Text: Relating to providing free full-day prekindergarten for certain children.

86(R) HB 1763 Author: Blanco
Last Action: 03/04/2019 *H Referred to Public Education*
Caption Text: Relating to the eligibility of the children of public school educators for free prekindergarten programs in public schools.

86(R) SB 832 Author: Powell
Last Action: 03/01/2019 *S Referred to Financed*
Caption Text: Relating to lottery game revenue for grants to public school prekindergarten programs.

86(R) HB 2030 Author: Turner, John
Last Action: 03/05/2019 *H Referred to Public Education*
Caption Text: Relating to the eligibility of certain children in prekindergarten programs in public schools.

86(R) HB 2081 Author: Coleman
Last Action: 03/06/2019 *H Referred to Public Education*
Caption Text: Relating to the availability of free prekindergarten programs in public schools.

86(R) SB 725 Author: Lucio
Last Action: 03/01/2019 *S Referred to Education*
Caption Text: Relating to funding for prekindergarten programs at certain school districts that operate early high school graduation programs.

86(R) SB 818 Author: Menendez
Last Action: 03/01/2019 *S Referred to Education*

Caption Text: Relating to class size limits and student/teacher ratios for prekindergarten classes provided by or on behalf of public schools.

86(R) HB 2116 Author: White
Last Action: 03/06/2019 *H Referred to Public Education*
Caption Text: Relating to the inclusion of certain students as students at risk of dropping out of school.

86(R) HB 1621 Author: White
Last Action: 03/04/2019 *H Referred to Corrections*
Caption Text: Relating to the establishment of a public junior college district by the Texas Department of Criminal Justice.

86(R) SB 774 Author: Creighton
Last Action: 03/01/2019 *S Referred to Finance*
Caption Text: Relating to a franchise tax credit for taxable entities offering postsecondary tuition assistance.

86(R) HB 1118 Author: Swanson
Last Action: 02/12/2019 *H Referred to Public Education*
Caption Text: Relating to a requirement that public and private institutions of higher education provide certain cost and employment opportunity data for degree programs.

86(R) HB 1133 Author: Stickland
Last Action: 03/13/2019 *H Scheduled for public hearing*
Caption Text: Relating to public school class size limits.

86(R) HB 998 Author: Cortez
Last Action: 02/25/2019 *H Referred to Higher Education*
Caption Text: Relating to the establishment of the Texas Promise Scholarship Program for certain students at participating two-year public institutions of higher education.

86(R) HB 1017 Author: Martinez, "Mando"
Last Action: 02/26/2019 *H Referred to Public Education*
Caption Text: Relating to requiring certain public school campuses to donate and distribute food to students.

86(R) SB 419 Author: Miles
Last Action: 02/14/2019 *S Referred to Education*
Caption Text: Relating to the inclusion of American principles, including social injustice and civil rights concepts, in the public school curriculum and instructional materials and in training materials and resources for use by school districts.

86(R) SB 424 Author: West
Last Action: 02/14/2019 *S Referred to Education*
Caption Text: Relating to determining appropriate disciplinary action to be taken against a public school student who is in foster care or who is homeless.

86(R) HB 1040 Author: Meza
Last Action: 02/26/2019 *H Referred to Higher Education*
Caption Text: Relating to the establishment of the Texas Promise Grant Program for certain students at two-year public institutions of higher education.

86(R) HB 1051 Author: VanDeaver
Last Action: 03/13/2019 *H Scheduled for public hearing on . . .*

Caption Text: Relating to an adult education program provided under an adult high school diploma and industry certification charter school program, eligibility of certain students for Foundation School Program benefits, and reporting requirements regarding the dropout status of certain students.

86(R) HB 1054 Author: VanDeaver
Last Action: 02/26/2019 *H Referred to Public Education*
Caption Text: Relating to proportionality between state accountability performance indicators that apply to school districts and the State's share of the foundation school program for school districts.

86(R) SB 451 Author: Powell
Last Action: 02/14/2019 *S Referred to Education*
Caption Text: Relating to the permissible uses of the bilingual education allotment provided under the foundation school program.

86(R) HB 1160 Author: Johnson
Last Action: 02/26/2019 *H Referred to Public Education*
Caption Text: Relating to the use of the compensatory education allotment for a school district's school guidance and counseling program or counseling or social work services.

86(R) HB 1161 Author: Johnson
Last Action: 02/26/2019 *H Referred to Public Education*
Caption Text: Relating to a grant available to school districts to provide services to students residing in care and treatment facilities and residential placement facilities.

86(R) HB 1182 Author: Goodwin
Last Action: 02/26/2019 *H Referred to Public Education*
Caption Text: Relating to personal financial literacy course for high school students in public schools.

86(R) SB 499 Author: Seliger
Last Action: 02/14/2019 *S Referred to Higher Education*
Caption Text: Relating to the requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provide loan debt information to students.

86(R) SB 501 Author: Seliger
Last Action: 02/14/2019 *S Referred to Education*
Caption Text: Relating to a study of costs associated with dual credit courses offered at public high schools.

86(R) SB 522 Author: Zaffirini
Last Action: 03/19/2019 *S Scheduled for public hearing on . . .*
Caption Text: Relating to the development of an individualized education program for a public school student with a visual impairment.

86(R) HB 1203 Author: Middleton
Last Action: 02/26/2019 *H Referred to Higher Education*
Caption Text: Relating to authorization by the Texas Higher Education Coordinating Board for public junior colleges to offer baccalaureate degree programs.

86(R) SB 570 Author: Creighton
Last Action: 02/21/2019 *S Referred to Finance*
Caption Text: Relating to a franchise tax credit for entities that employ certain students in certain paid internship or similar programs.

86(R) SB 591 Author: Watson

Last Action: 02/21/2019 *S Referred to Education*
Caption Text: Relating to an adult education program provided under an adult high school diploma and industry certification charter school program, eligibility of certain students for Foundation School Program benefits, and reporting requirements regarding the dropout status of certain students.

86(R) HB 1749 Author: Wray
Last Action: 03/04/2019 *H Referred to Higher Education*
Caption Text: Relating to the requirements for a junior college district to receive approval from the Texas Higher Education Coordinating Board to offer baccalaureate degree programs.

86(R) HB 1759 Author: White
Last Action: 03/04/2019 *H Referred to Higher Education*
Caption Text: Relating to the core curriculum at public institutions of higher education.

86(R) SB 863 Author: Watson
Last Action: 03/01/2019 *S Referred to Education*
Caption Text: Relating to a study of costs associated with dual credit courses offered a public high schools.

86(R) HB 1921 Author: Patterson
Last Action: 03/05/2019 *H Referred to Public Education*
Caption Text: Relating to the removal of restrictions on funding and payment of costs for certain full-time online educational programs.

86(R) HB 1933 Author: Howard
Last Action: 03/05/2019 *H Referred to Higher Education*
Caption Text: Relating to authorizing a public institutions of higher education to include certain textbook costs in the institution's charge for tuition or required fees.

86(R) HB 1947 Author: Shaheen
Last Action: 03/05/2019 *H Referred to Public Education*
Caption Text: Relating to state funding for the implementation of teacher excellent initiative programs by school districts.

86(R) HB 1949 Author: Guillen
Last Action: 03/18/2019 *H Scheduled for public hearing*
Caption Text: Relating to the criteria for awarding adult education and literacy program performance incentive funds.

86(R) HB 1991 Author: Leman
Last Action: 03/05/2019 *H Referred to Public Education*
Caption Text: Relating to the authorization of alternative assessment instruments for use under the public school accountability system in evaluating secondary-level student achievement in mathematics, reading, and writing.

86(R) HB 2005 Author: Leach
Last Action: 03/05/2019 *H Referred to Public Education*
Caption Text: Relating to providing accelerated instruction and eliminating certain requirements for public school grade-level promotion that are based on satisfactory performance on state assessment instruments.

86(R) SB 876 Author: West
Last Action: 03/01/2019 *S Referred to Higher Education*
Caption Text: Relating to a limitation on the amount of tuition and fees charged to students by public institutions of higher education.

86(R) SB 882 Author: Menendez
Last Action: 03/01/2019 *S Referred to Higher Education*
Caption Text: Relating to the establishment of the Texas First Generation Matching Scholarship Program for certain first generation students at public institutions of higher education.

86(R) SB 884 Author: Menendez
Last Action: 03/01/2019 *S Referred to Higher Education*
Caption Text: Relating to the establishment of the Texas Emergency Aid for Public Postsecondary Students (TEAPPS) grant program for students at public institutions of higher education.

86(R) HB 2197 Author: Frullo
Last Action: 02/21/2019 *H Referred to Higher Education*
Caption Text: Relating to an agreement between a school district and public institution of higher education to provide a dual credit program to high school students enrolled in the district.

86(R) HB 2193 Author: Munoz, Jr.
Last Action: 03/06/2019 *H Referred to Higher Education*
Caption Text: Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

86(R) HB 2206 Author: Howard
Last Action: 03/06/2019 *H Referred to Higher Education*
Caption Text: Relating to alternative education loans and qualified student loan bonds.

86(R) HB 2416 Author: Frullo
Last Action: 03/06/2019 *H Referred to Internatinoal Relations & Economic Development*
Caption Text: Relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program. Companion bill SB 1055

86(R) HB 2424 Author: Ashby
Last Action: 03/19/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the creation of a micro-credential certification program for public school educator continuing education.

86(R) SB 947 Author: Campbell
Last Action: 03/01/2019 S *Referred to Education*
Caption Text: Relating to the ability of certain students to enroll full-time in courses provided through the state virtual school network.

86(R) SB 972 Author: Birdwell
Last Action: 02/21/2019 *S Referred to Higher Education*
Caption Text: Relating to the requirements for a junior college district to receive approval from the Texas Higher Education Coordinating Board to offer baccalaureate degree programs.

86(R) SB 794 Author: Alvarado
Last Action: 03/01/2019 *S Referred to Education*
Caption Text: Relating to authorizing certain examination fee subsidies for public school teachers who provide instruction in career and technology education courses.

86(R) SB 502 Author: Seliger
Last Action: 02/14/2019 *S Referred to Higher Education*
Caption Text: Relating to requiring certain institutions of higher education to issue reports on the transferability of credit.

86(R) HB 277 Author: Oliverson
Last Action: 03/19/2019 *H Placed on General State Calendar*
Caption Text: Relating to a requirement that online admission application forms for public institutions of higher education include a link to certain comparative gainful employment data.

86(R) HB 4333 Author: Meyer
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to providing free full-day prekindergarten for certain children.

86(R) HB 3 Author: Huberty
Last Action: 03/12/2019 *H Left pending in committee*
Caption Text: Relating to public school finance and public education

86(R) HB 4507 Author: Lucio III
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the allocation of funds under the Jobs and Education for Texans (JET) Grant Program.

86(R) SB 1709 Author: Lucio
Last Action: 03/14/2019 *S Referred to Higher Education*
Caption Text: Relating to the participation of eligible career schools or colleges in the Jobs and Education for Texans (JET) Program.

86(R) SB 2202 Author: Fallon
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to the administration of the Jobs and Education for Texans (JET) Grant Program.

86(R) HB 580 Author: Thierry
Last Action: 02/20/2019 *H Referred to Public Education*
Caption Text: Relating to authorizing school districts to reimburse under the Foundation School Program private employers for paid internships provided to certain students in career and technology education programs in the district

86(R) HB 1630 Author: King
Last Action: 03/04/2019 *H Referred to Higher Education*
Caption Text: Relating to the funding of dual credit courses provided by public institutions of higher education.

86(R) HB 2416 Author: Frullo
Last Action: 03/06/2019 *H Referred to International relations & Economic Development*
Caption Text: Relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program.

86(R) SB 756 Author: Hinojosa
Last Action: 03/01/2019 *S Referred to Higher Education*
Caption Text: Relating to the participation of eligible nonprofit organizations in the Jobs and Education for Texans (JET) Grant program.

86(R) HB 3818 Author: Lozano
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to the establishment of the work-based learning task force.

86(R) HB 4165 Author: Pacheco
Last Action: 03/08/2019 *H Filed*

Caption Text: Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

86(R) HB 4208 Author: Pacheco
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the enforcement of certain requirements regarding the transfer of course credit between public institutions of higher education.

86(R) HB 4282 Author: Lucio III
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to a study by the Texas Education Agency of career and technology education programs.

86(R) HB 4283 Author: Lucio III
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the authority of the commissioner of education to create career and technical credentials and certificates that may be earned through a career and technology education program.

86(R) HB 2609 Author: King
Last Action: 03/11/2019 *H Referred to Public Education*
Caption Text: Relating to permissible teachers assigned to a bilingual education program and the permissible uses of the bilingual education allotment provided under the foundation school program.

86(R) HB 2879 Author: Raney
Last Action: 03/12/2019 *H Referred to Public Education*
Caption Text: Relating to a competitive grant program to fund promotion of early literacy programs in certain communities in this state.

86(R) HB 3650 Author: Turner
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to an agreement between a school district and public institution of higher education to provide a dual credit program to high school students enrolled in the district.

86(R) HB 4047 Author: Dominguez
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to measures to facilitate the award of postsecondary course credit leading to workforce credentialing based on military experience, education, and training.

86(R) HB 4208 Author: Pacheco
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the enforcement of certain requirements regarding the transfer of course credit between public institutions of higher education.

86(R) SB 2058 Author: Menendez
Last Action: 03/07/2019 *S Filed*
Caption Text: Relating to the enforcement of certain requirements regarding the transfer of course credit between public institutions of higher education.

86(R) SB 2074 Author: Paxton
Last Action: 03/07/2019 *S Filed*
Caption Text: Relating to authorizing school districts to reimburse under the Foundation School Program private employers for paid internships provided to certain students in career and technology education programs in the district.

86(R) SB 2380 Author: Hughes
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to the creation of certain pilot programs to encourage economic and educational opportunities in certain regions of this state.

86(R) SB 2398 Author: Menendez
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to establishment of the higher education pilot program for foster youth and former foster youth.

86(R) SB 2411 Author: Menendez
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

86(R) SB 2744 Author: Neave
Last Action: 03/21/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the access of a female inmate of the Texas Department of Criminal Justice to certain educational and vocational programs and services.

86(R) HB 4232 Author: Button
Last Action: 03/21/2019 *H Filed*
Caption Text: Relating to the use of the self-sufficiency fund for job-training programs that assist formerly incarcerated persons.

86(R) HB 4004 Author: Allen
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to a study on improving educational outcomes for public school students of limited English proficiency.

Business & Commerce

86(R) HB 696 Author: Blanco
Last Action: 03/04/2019 *H Left pending in committee*
Caption Text: Relating to employment and referral services for veterans and military service members.

86(R) HB 1911 Author: Meza
Last Action: 03/05/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the creation of a low-interest loan program for entrepreneurs with physical or mental disabilities.

86(R) HB 966 Author: Dutton, Howard, Button, Guillen, King
Last Action: 02/25/2019 *H Referred to Ways & Means*
Caption Text: Relating to providing a sales and use tax refund or franchise tax credit for businesses that employ certain apprentices.

86(R) SB 508 Author: Miles
Last Action: 02/14/2019 *S Referred to Education*
Caption Text: Relating to the development of a statewide online education and career advising tool and the establishment of a grant program to reimburse private employers for paid internships provided to certain public school students in career and technology education programs.

86(R) HB 194 Author: Reynolds
Last Action: 02/25/2018 *H Left pending in committee*
Caption Text: Relating to the minimum wage. Companion senate bill: SB 113 by Menendez

86(R) HB 290 Author: Gonzalez
Last Action: 02/25/2018 *H Left pending in committee*
Caption Text: Relating to the minimum wage.

86(R) HB 820 Author: Turner, Chris
Last Action: 02/25/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the minimum wage.

86(R) HB 1336 Author: Pacheco
Last Action: 02/27/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the minimum wage.

86(R) HB 2138 Author: Goodwin
Last Action: 03/06/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the minimum wage.

86(R) HB 1339 Author: Pacheco
Last Action: 02/27/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to repealing the authority for the payment of a subminimum wage to certain persons with disabilities.

86(R) HB 28 Author: Romero, Jr.
Last Action: 03/20/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the prevailing wage for work associated with public work contracts; authorizing a penalty.

86(R) SB 429 Author: Lucio
Last Action: 02/14/2019 *S Referred to Health & Human Services*
Caption Text: Relating to a comprehensive plan for increasing and improving the workforce in this state to serve persons with mental health and substance use issues.

86(R) HB 1074 Author: Price
Last Action: 02/26/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the prohibition against age discrimination in certain employment training programs.

86(R) HB 1175 Author: Lambert
Last Action: 03/21/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to investments by state banks to promote community development.

86(R) HB 1221 Author: Patterson
Last Action: 02/26/2019 *H Referred to International relations & Economic Development*
Caption Text: Relating to authorizing certain projects to be undertaken by economic development corporations.

86(R) HB 1478 Author: Rosenthal
Last Action: 02/27/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to a prohibition of employment discrimination on the basis of reproductive decisions and certain employment agreements limiting reproductive decisions.

86(R) HB 1630 Author: King

Last Action: 03/04/2019 *H Referred to Higher Education*
Caption Text: Relating to the funding of dual credit courses by public institutions of higher education.

86(R) HB 1654 Author: Goldman
Last Action: 03/04/2019 *H Referred to State Affairs*
Caption Text: Relating to the regulation by a municipality or county of certain employment benefits and policies.
Companion bill: SB 15

86(R) HB 1665 Author: Patterson
Last Action: 03/19/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to certain workers' compensation reporting requirements.

86(R) SB 762 Author: Campbell
Last Action: 03/01/2019 *S Referred to State Affairs*
Caption Text: Relating to wages and employment benefits.

86(R) HB 1822 Author: Neave
Last Action: 03/05/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the definition of "employer" for purposes of a sexual harassment claim.

86(R) HB 1857 Author: Goldman
Last Action: 03/05/2019 *H Referred to Licensing & Administration Procedures*
Caption Text: Relating to an exemption from the plumbing licensing law for plumbing work performed on certain private property.

86(R) HB 1924 Author: Blanco
Last Action: 03/05/2019 *H Referred to State Affairs*
Caption Text: Relating to state agency enforcement of laws regulating small businesses.

86(R) SB 920 Author: West
Last Action: 03/01/2019 *S Referred to Business & Commerce*
Caption Text: Relating to establishing an intergovernmental development corporation in certain counties to foster minority- or women-owned construction businesses.

86(R) HB 3922 Author: Fischer
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to the minimum wage.

86(R) HB 4555 Author: Turner
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the minimum wage and overtime pay for employees.

86(R) HB 3273 Author: Turner
Last Action: 03/13/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the minimum wage.

86(R) HB 3504 Author: Martinez Fischer
Last Action: 03/06/2019 *H Filed*
Caption Text: Relating to the minimum wage.

86(R) HB 3274 Author: Gonzalez
Last Action: 03/13/2019 *H Referred to Public Education*
Caption Text: Relating to the minimum wage for public school employees.

86(R) HB 3259 Author: Allen
Last Action: 03/13/2019 *H Referred to Public Education*
Caption Text: Relating to a wage increase for certain public school employees.

86(R) HB 2946 Author: Rosenthal
Last Action: 03/12/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to repealing the authority for the payment of a subminimum wage to certain persons with disabilities.

86(R) HB 3410 Author: Reynolds
Last Action: 03/06/2019 *H Filed*
Caption Text: Relating to requiring certain employers to provide paid sick leave to employees; providing administrative and civil penalties.

86(R) SB 570 Author: Creighton
Last Action: 02/21/2019 *S Referred to Finance*
Caption Text: Relating to a franchise tax credit for entities that employ certain students in certain paid internship or similar programs.

86(R) HB 2460 Author: Meza
Last Action: 03/11/2019 *H Referred to Ways & Means*
Caption Text: Relating to providing a sales and use tax refund or franchise tax credit for businesses that employ former offenders.

86(R) HB 2521 Author: Turner
Last Action: 03/11/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to establishing an intergovernmental development corporation in certain counties to foster minority- or women-owned construction businesses.

86(R) HB 2784 Author: Turner
Last Action: 03/12/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to establishing an intergovernmental development corporation in certain counties to foster minority- or women-owned construction businesses.

86(R) HB 3242 Author: Meza
Last Action: 03/13/2019 *H Referred to Public Education*
Caption Text: Relating to establishing a minimum wage for school bus drivers.

86(R) HB 3927 Author: Neave
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to a self-employment assistance program for unemployed individuals.

Criminal Justice

86(R) HB 714 Author: Lucio III
Last Action: 02/21/2019 *H Referred to Defense & Veterans' Affairs*
Caption Text: Relating to a reemployment program available to certain veterans placed on community supervision for a misdemeanor offense.

86(R) SB 461 Author: Johnson

Last Action: 02/14/2019 *S Referred to Criminal Justice*
Caption Text: Relating to providing certain discharged or released inmates with documentation to assist in obtaining employment.

86(R) HB 1153 Author: White
Last Action: 02/26/2019 *H Referred to Corrections*
Caption Text: Relating to the consequences of a criminal conviction on a person's eligibility for an occupational license; charging a fee.

86(R) HB 1342 Author: Leach
Last Action: 02/27/2019 *H Referred to Corrections*
Caption Text: Relating to the consequences of a criminal conviction on a person's eligibility for an occupational license.

86(R) HB 1653 Author: White
Last Action: 03/14/2019 *H Left pending in committee*
Caption Text: Relating to certain criminal justice reforms, including measures related to reentry and reintegration of state jail felon defendants and pretrial intervention programs that provide an alternative to incarceration.

86(R) HB 2158 Author: White
Last Action: 03/21/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to certain programs and services for inmates and state jail felony defendants, including the creation of a work release program and the availability of peer support services.

86(R) HB 2232 Author: Reynolds
Last Action: 03/06/2019 *H Referred to Corrections*
Caption Text: Relating to the consequences of a criminal conviction on a person's eligibility for an occupational license.

86(R) HB 2233 Author: White
Last Action: 03/21/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the eligibility for certain occupational licenses and the use of a person's criminal history as grounds for certain actions related to the license.

86(R) SB 965 Author: Alvarado
Last Action: 03/01/2019 *S Referred to Business & Commerce*
Caption Text: Relating to the consequences of a criminal conviction on a person's eligibility for an occupational license.

86(R) SB 523 Author: Hinojosa
Last Action: 02/14/2019 *S Referred to Business & Commerce*
Caption Text: Relating to the consequences of a criminal conviction on a person's eligibility for an occupational license.

86(R) HB 2448 Author: Reynolds
Last Action: 03/21/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to a strategic plan to reduce recidivism by facilitating stable employment for persons who are preparing to reenter communities of this state after incarceration.

86(R) HB 2540 Author: Meza
Last Action: 03/11/2019 *H Referred to Corrections*
Caption Text: Relating to a report on the prevalence of dyslexia and illiteracy among incarcerated persons.

State Matters

86(R) HB 680 Author: Deshotel
Last Action: 03/11/2019 *H Left pending in committee*
Caption Text: Relating to the evaluation of and improvements to the quality of the Texas Workforce Commission's subsidized child care program. Companion bill SB 1002.

86(R) SB 705 Author: Watson
Last Action: 03/19/2019 *S Scheduled for public hearing on . . .*
Caption Text: Relating to certain investigations and evaluation information regarding certain child-care facilities, homes, and programs.

86(R) HB 3739 Author: Goldman
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to including certain child care providers in the Texas Rising Star Program and establishing a pilot program to expand participation in the Texas Rising Star Program.

86(R) HB 3876 Author: Deshotel
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to the creation of a work group to advise the Texas Workforce Commission regarding the Texas Rising Star Program.

86(R) HB 1920 Author: Price
Last Action: 03/05/2019 *H Referred to State Affairs*
Caption Text: Relating to workforce and succession planning by state agencies.

86(R) SB 473 Author: Hancock
Last Action: 02/14/2019 *S Referred to Business & Commerce*
Caption Text: Relating to the effect of certain agreements with a collective bargaining organization on certain state-funded public work contracts

86(R) HB 1001 Author: Israel
Last Action: 03/06/2019 *H Left pending in committee*
Caption Text: Relating to whom certain violations of the law by a state or local governmental entity may be reported.

86(R) SB 568 Author: Huffman
Last Action: 03/12/2019 *S Testimony taken in committee*
Caption Text: Relating to the regulation of child-care facilities and family homes; providing administrative penalties

86(R) SB 582 Author: Perry
Last Action: 02/21/2019 *S Referred to Health & Human Services*
Caption Text: Relating to the distribution of benefits under the supplemental nutrition assistance program.

86(R) HB 1469 Author: Thierry
Last Action: 02/27/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to certain public school workforce training programs funded by the skills development fund.

86(R) HB 1472 Author: Thierry
Last Action: 02/27/2019 *H Referred to International Relations & Economic Development*

Caption Text: Relating to certain public school workforce training programs funded by the skills development fund.

86(R) HB 1483 Author: Frank
Last Action: 03/05/2019 *H Left pending in committee*
Caption Text: Relating to a pilot program for assisting certain recipients of public benefits to gain permanent self-sufficiency. Companion senate bill: SB 643

86(R) HB 1529 Author: Neave
Last Action: 03/18/2019 *H Scheduled for public hearing on*
Caption Text: Relating to the statute of limitations applicable to a sexual harassment complaint filed with the Texas Workforce Commission.

86(R) HB 1751 Author: Collier
Last Action: 03/04/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to a prohibition on sex discrimination in employment compensation.

86(R) HB 1669 Author: Collier
Last Action: 03/04/2019 *H Referred to Public Health*
Caption Text: Relating to a comprehensive plan for increasing and improving the workforce in this state that serves persons with mental health and substance use issues.

86(R) SB 858 Author: Hinojosa
Last Action: 03/01/2019 *S Referred to Business & Commerce*
Caption Text: Relating to liability of certain political subdivisions in certain workers' compensation actions.

86(R) SB 867 Author: Watson
Last Action: 03/01/2019 *S Referred to Health & Human Services*
Caption Text: Relating to the regulation of certain child-care facilities and homes.

86(R) HB 1974 Author: Vo
Last Action: 03/05/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to consolidation of annual reporting requirements of the Texas Workforce Commission.

86(R) HB 2037 Author: Reynolds
Last Action: 03/05/2019 *H Referred to State Affairs*
Caption Text: Relating to the consideration of criminal history record information regarding applicants for state employment.

86(R) HB 2240 Author: Murphy
Last Action: 03/18/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the payment of wages by an employer through a payroll card account.

86(R) HB 2242 Author: Vo
Last Action: 03/06/2019 *H Referred to Business & Industry*
Caption Text: Relating to the classification of workers for purposes of the Texas Unemployment Compensation Act; providing an administrative penalty.

86(R) HB 2278 Author: Zwiener
Last Action: 03/06/2019 *H Referred to International Relations & Economic Development*
Caption Text: Relating to the statute of limitations applicable to a sexual harassment complaint filed with the Texas Workforce Commission.

86(R) HB 2279 Author: Zwiener
Last Action: 03/18/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the prohibition against sexual harassment in the workplace.

86(R) HB 2391 Author: Dutton
Last Action: 03/06/2019 *H Referred to Business & Industry*
Caption Text: Relating to the classification of workers for purposes of the Texas Unemployment Compensation Act; providing an administrative penalty.

86(R) SB 981 Author: Kolkhorst
Last Action: 03/19/2019 *S Scheduled for public hearing on . . .*
Caption Text: Relating to the disaster supplemental nutrition assistance program.

86(R) SB 756 Author: Hinojosa
Last Action: 03/01/2019 *S Referred to Higher Education*
Caption Text: Relating to the participation of eligible nonprofit organizations in the Jobs and Education for Texans (JET) Grant program.

86(R) HB 1712 Author: Rosenthal
Last Action: 03/04/2019 *H Referred to Defense & Veterans' Affairs*
Caption Text: Relating to the expansion of the Texas Innovative Adult Career Education (ACE) Grant Program to include certain nonprofit organizations providing job training to veterans.

86(R) HB 3511 Author: VanDeaver
Last Action: 03/06/2019 *H Filed*
Caption Text: Relating to the creation of the Commission on Texas Workforce of the Future.

86(R) HB 2588 Author: Phelan
Last Action: 03/11/2019 *H Referred to Defense & Veterans' Affairs*
Caption Text: Relating to the award of grants by the Texas Workforce Commission to facilitate the participation of certain veterans and military personnel in apprenticeship training programs.

86(R) HB 2866 Author: Deshotel
Last Action: 03/12/2019 *H Referred to Human Services*
Caption Text: Relating to certain investigation and evaluation information regarding certain child-care facilities, homes, and programs.

86(R) HB 4269 Author: Zedler
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the drug testing of certain persons seeking and receiving financial assistance or supplemental nutrition assistance benefits.

86(R) HB 4291 Author: Flynn
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to a grant program administered by the Texas Veterans Commission to provide energy industry career training for veterans.

86(R) HB 4299 Author: Fierro
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to a report by the Texas Workforce Commission regarding occupational skills training for individuals with intellectual and developmental disabilities.

86(R) HB 2970 Author: Fischer
Last Action: 03/12/2019 *H Referred to Human Services*
Caption Text: Relating to a consolidated eligibility screening process for benefits under certain assistance programs.

86(R) HB 3524 Author: Klick
Last Action: 03/06/2019 *H Filed*
Caption Text: Relating to simplified certification and recertification requirements for certain persons under the supplemental nutrition assistance program.

86(R) HB 2796 Author: Morrison
Last Action: 03/12/2019 *H Referred to State Affairs*
Caption Text: Relating to the use of certain data collected by the Texas Workforce Commission to determine general prevailing wage rates for certain public work contracts.

86(R) HB 2335 Author: Walle
Last Action: 03/20/2019 *H Scheduled for public hearing on . . .*
Caption Text: Relating to the disaster supplemental nutrition assistance program.

86(R) HB 3659 Author: Turner
Last Action: 03/07/2019 *H Filed*
Caption Text: Relating to liability insurance requirements for certain child-care providers.

86(R) HB 4250 Author: Klick
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to licensing requirements for certain child-care facilities.

86(R) HB 4286 Author: Davis
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the regulation of child-care providers by the Texas Workforce Commission.

86(R) HB 4284 Author: Lucio III
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the requirement that the Texas Workforce Commission provide certain employment information for secondary school students.

86(R) HB 4390 Author: Capriglione
Last Action: 03/08/2019 *H Filed*
Caption Text: Relating to the privacy of personal identifying information; imposing a civil penalty.

86(R) SB 2038 Author: Rodriguez
Last Action: 03/07/2019 *S Filed*
Caption Text: Relating to a report by the Texas Workforce Commission regarding occupational skills training for individuals with intellectual and developmental disabilities.

86(R) SB 2152 Author: Zaffirini
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to wage claim data.

86(R) SB 2166 Author: Kolkhorst
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to eligibility for supplemental nutrition assistance program benefits, including transitional benefits.

86(R) SB 1445 Author: Perry
Last Action: 03/14/2019 *S Referred to Health & Human Services*
Caption Text: Relating to simplified certification and recertification requirements for certain persons under the supplemental nutrition assistance program.

86(R) HB 3665 Author: White
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to the creation of certain pilot programs to encourage economic and educational opportunities in certain regions of this state.

86(R) SB 1342 Author: Kolkhorst
Last Action: 03/07/2019 *S Referred to Business & Commerce*
Caption Text: Relating to the use of certain data collected by the Texas Workforce Commission to determine general prevailing wage rates for certain public work contracts.

86(R) SB 1355 Author: Powell
Last Action: 03/07/2019 *S Referred to Natural Resources & Economic Development*
Caption Text: Relating to the establishment of the work-based learning task force.

86(R) SB 1538 Author: Menendez
Last Action: 03/14/2019 *S Referred to Vet Affairs & Border Security*
Caption Text: Relating to the establishment of a career mentoring pilot program for certain students who are veterans.

86(R) SB 1722 Author: Campbell
Last Action: 03/14/2019 *S Referred to Natural Resources & Economic Development*
Caption Text: Relating to the award of grants from the skills development fund.

86(R) SB 1723 Author: Campbell
Last Action: 03/14/2019 *S Referred to Natural Resources & Economic Development*
Caption Text: Relating to the award of grants from the skills development fund.

86(R) SB 2289 Author: Fallon
Last Action: 03/08/2019 *S Filed*
Caption Text: Relating to the drug testing of certain persons seeking benefits under the Temporary Assistance for Needy Families (TANF) program.

Report Card Committee

March 2019 Update
What Is To Be Done?

The Workforce Report Card Committee met on Wednesday, March 20, 2019, at H-GAC. Committee Chair Richard Shaw led the meeting. Additional members included Board Chair Mark Guthrie, Cheryl Guido, Alan Heskamp and Sallie Kay Janes.

Committee members reviewed the narrative that presents what we the indicator data tell us along with the resulting letter grades. Both are included in this packet.

Committee members then engaged in dialogue on potential recommendations to include in this Workforce Report Card as noted below. The Committee provided staff with direction to refine the recommendations and continue working on the Report Card. The Committee will meet again in late May or early June to review the final draft and the distribution and outreach plan.

Report Card Grades

After reviewing 45 indicators in six categories for the 2019 Workforce Report Card, we see that:

- The Gulf Coast region ranks in the middle on most measures with overall economic performance, job creation, and wealth-building weakening since the previous report card due to the local economic downturn of the past few years;
- Labor force composition and quality of life measures continue hold steady despite the downturn;
- Despite percentage point improvements in educational achievement, the Gulf Coast continues to rank towards the bottom of the comparison cities.

What Is Important?

We offer several areas for members to consider what the Board might recommend as action to address findings from the 2019 Report Card.

Industry Diversification

Our region lost between 75-85K jobs in the most recent economic downturn. The downturn, along with the indicator data, shows that our region could improve industry diversification.

- While the most recent downturn related to oil prices was less severe than what Houston experienced in the 1980s, our region is still dependent on the oil and gas industry.
- Attracting employers from a variety of industries is vital if we are to remain competitive in the global economy.

- Attracting tech companies requires a workforce with high-tech skills (AI, robotics, synthetic biology and genomics, computational science, data analytics, artificial/augmented reality, nanotechnology, 3D/4D printing, etc,)

Macroeconomy
Our region's economy experienced a decline due to a drop in oil prices but remained competitive globally. Despite the current recovery, future fluctuations in the national and local economy are likely.

- Along with industry diversification, employers and workers must become more resilient
- Employer-led training of current workers supports business growth and expansion

Worker Protection
Given the projected growth of the gig economy, more workers will be classified as "independent contractors" in the future. This line of work allows greater flexibility with respect to work schedules, but fewer benefits.

- If predictions regarding the rise of contractor work are correct, there will be an increase in the numbers of individuals without personal time off, health insurance, and many other protections currently held by workers classified as employees.

Healthcare
Houston had the highest percentage of individuals without health insurance among the comparison group.

- The cities in states that expanded Medicaid and/or established a healthcare exchange saw lower uninsured rates relative to the cities in the states that did not expand Medicaid and/or establish a healthcare exchange.

Transportation
Since the beginning of 2017, Workforce Solutions has provided 15,000 customers with some form of transportation assistance. Unlike other major US cities, Houston has seen an increase in local bus ridership following a redesign of the bus routes, yet thousands of workers lack adequate transportation services.

- The increase in ridership shows that Houstonians are open to public transportation, but significant gaps exist from home to work.

Education
Our region lagged the comparison group in educational achievement at all levels. An educated workforce is vital for keeping and attracting new businesses.

- Access to quality education at all levels from pre-K through adult education is essential to our region's workforce.

- The Texas Higher Education Coordinating Board's 60x30 plan supports increased credential attainment.
- Life-long learning will be even more critical as automation continual transforms how work is performed in all industries.
- Digital, statistical and other technical skills are increasingly essential to ensure successful collaboration with technology and employment resilience.

What Is To Be Done?

- Although this Report Card's data (from 2017) show us in a relatively weaker economic position than previous Report Cards, strong performance in 2018 of the local job markets and our largest businesses seem to indicate that our economy has recovered and will score well against other regions.

- We will be refining recommendations for action that encompass the education and industry areas of the report card.

Report Card Committee Indicators

Introduction

Much has changed in the Houston-Gulf Coast region's economy since the Workforce Board's 2015 Report Card. The shale oil boom helped the region recover from the Great Recession and then in late 2014 a collapse in oil prices resulted in, by some measures, the most severe commodity-driven downturn since the 1980s.

After two years of no job growth in 2015 and 2016, signs of recovery began to appear in the first-half of 2017 only to be interrupted by one of the most devastating flood-related natural disasters in U.S. history: Hurricane Harvey. Roughly 10 percent of homes in the region were damaged by the storm, displacing thousands of residents.

In a testament to the region's resilience, the overall economy and the job market saw little to no long-term disruption and recovery efforts from the storm may have accelerated the positive economic momentum already gaining traction as oil prices began to rise in the latter-part of 2017.

Our latest Report Card, however, does not reflect that upturn. The data we use to compare ourselves with other regions is not yet available for 2018 – consequently for many of the Report Card's indicators, the Gulf Coast region's indicators will continue to reflect the oil price bust rather than the late 2017-early 2018 recovery.

This Report Card introduces two new comparison regions: Phoenix and Seattle. We chose both areas because of their similarities to the Gulf Coast in terms of geography, pace of growth, and/or industry composition (e.g. ports).

Note that due to only slight differences in geography, the terms Gulf Coast and Houston are used interchangeably throughout this report.

The Report Card compares our region with nine other U.S. regions and the nation on six dimensions:

- Macro Economy and Industry Dynamics
- Employment & Unemployment
- Labor Force Composition
- Income, Wealth, and Poverty
- Quality of Life
- Educational Achievement and Investment

Macro Economy and Industry Dynamics

Understanding the industrial make-up and growth trends of a region is critical to identifying the strengths, weaknesses, and opportunities faced by businesses and workers alike. Ideally, the local economy will be composed of a wide range of industries and job types with high-skill, well-paying jobs serving as both an anchor for the overall labor market and as a catalyst for the creation of even more jobs. This is on top of the desire to see increasing numbers of businesses, rising employment, and expanding economic activity over time.

Population growth is often perceived as one of the most basic indicators of a region's economic well-being. On one hand a growing population signals that the region can meet the needs of present and future residents while also providing opportunities for migrants. At the same time rapid growth can lead to strains on infrastructure and resources and magnify challenges such as crime and pollution.

Among the comparison regions, all of which saw growth over the most recent five-year period of 2012-2017, **Texas metropolitan areas were the fastest-growing** led by the Gulf Coast (11.5 percent increase) followed by San Antonio (10.6 percent) and Dallas (10.3 percent). In terms of absolute population growth, the Gulf Coast also dominated with a net increase of 709,000 new residents, of which 337,000 were added in 2014 and 2015 alone, followed by Dallas (694,000), and Atlanta (433,000).

However, the strong five-year growth in Gulf Coast obscures the most recent trend between 2016 and 2017 which saw population growth slow to 95,000 because of domestic net out-migration caused by the local economic slowdown beginning in late-2014. This illustrates the trend over time that population growth or slowing lags the job market/overall economy by one to two years and could signal at least one more year of relatively low population growth in the Gulf Coast before returning to an average growth since 2011 of 130,000 new residents each year.

AREA	% Growth in Population (Census Estimates 2012-2017)
GULF COAST	**11.5%**
SAN ANTONIO	10.6%
DALLAS	10.3%
PHOENIX	9.6%
DENVER	9.1%
SEATTLE	8.9%
ATLANTA	7.9%
MIAMI	6.5%
SAN DIEGO	5.0%
U.S.	3.7%

Metropolitan gross domestic product (GDP), which measures the market value of all final goods and services produced within a metropolitan area over a period served as one of the starkest examples of the Houston area's slowdown related to falling oil prices. Of the nine comparison areas, the Gulf Coast saw the smallest percentage increase in MGDP at 6.0 percent, the only area that did not experience double-digit growth between 2012 and 2017. This stood in contrast to the previous Report Card covering 2008 to 2013 when the Gulf Coast had the fastest growth rate at nearly 24 percent.

At the other end of the spectrum in the current Report Card are San Antonio (39 percent), Seattle (33 percent), and Atlanta (32 percent).

AREA	% Change Metropolitan GDP (BEA 2012-2017)
SAN ANTONIO	38.5%
SEATTLE	33.3%
ATLANTA	32.3%
MIAMI	29.4%
DALLAS	28.4%
DENVER	24.7%
PHOENIX	24.2%
SAN DIEGO	22.6%
GULF COAST	**6.0%**
U.S.	21.1%

In perhaps a function of the slightly offset timeframe (2011-2016), the **growth in the number of business establishments** showed more variety that MGDP with the Gulf Coast virtually tying with Denver for second-place with a 12.3-percent increase and preceded only by Dallas at 13.6 percent. On a final note, all the nine comparison regions exceeded the national rate of business establishment growth of 5.5 percent.

AREA	% Growth in Business Establishments (County Business Patterns 2011-2016)
DALLAS	13.6%
DENVER	12.3%
GULF COAST	**12.3%**
MIAMI	11.3%
SAN ANTONIO	11.0%
SAN DIEGO	9.6%
PHOENIX	9.3%
ATLANTA	9.3%
SEATTLE	8.5%
U.S.	5.5%

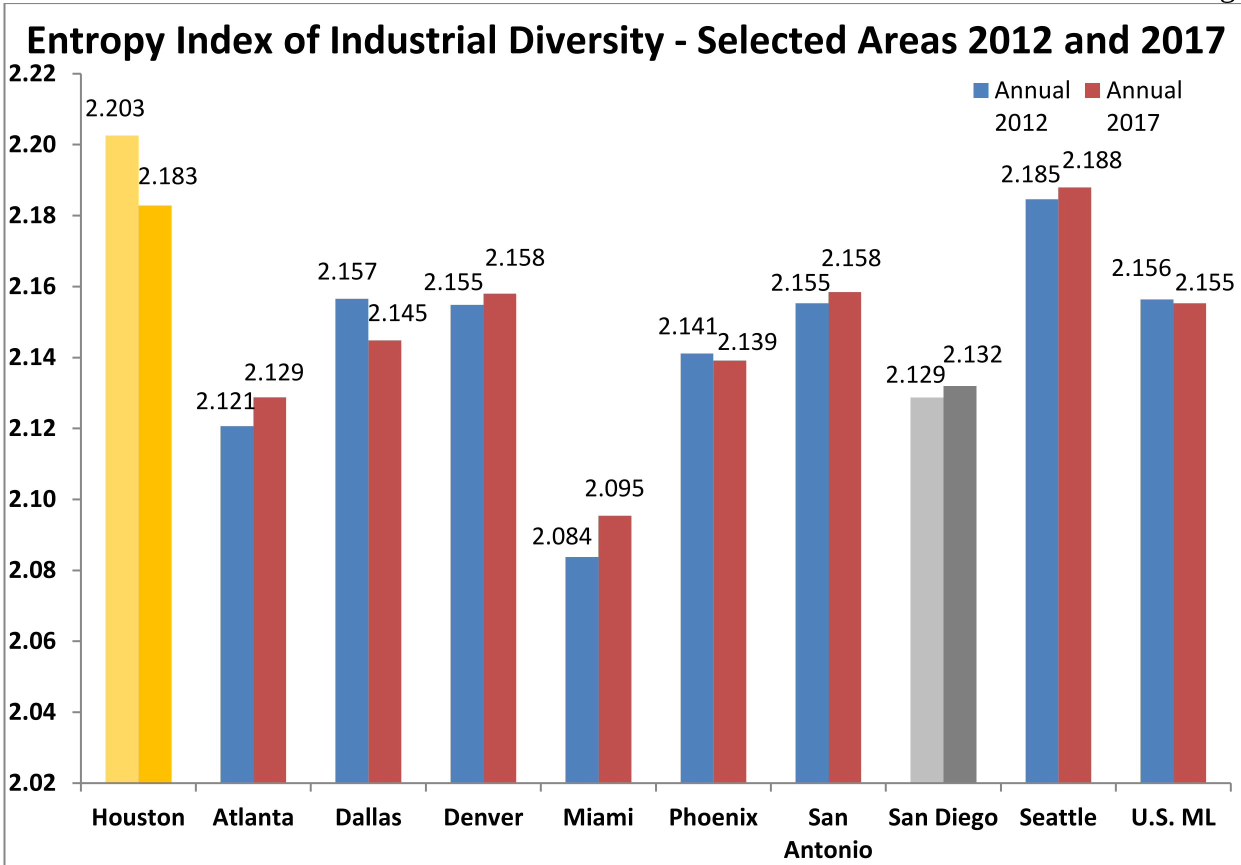
Industrial diversity attempts to measure the extent to which an area is insulated from a downturn across its entire economy because of a decline in one of its key industries.

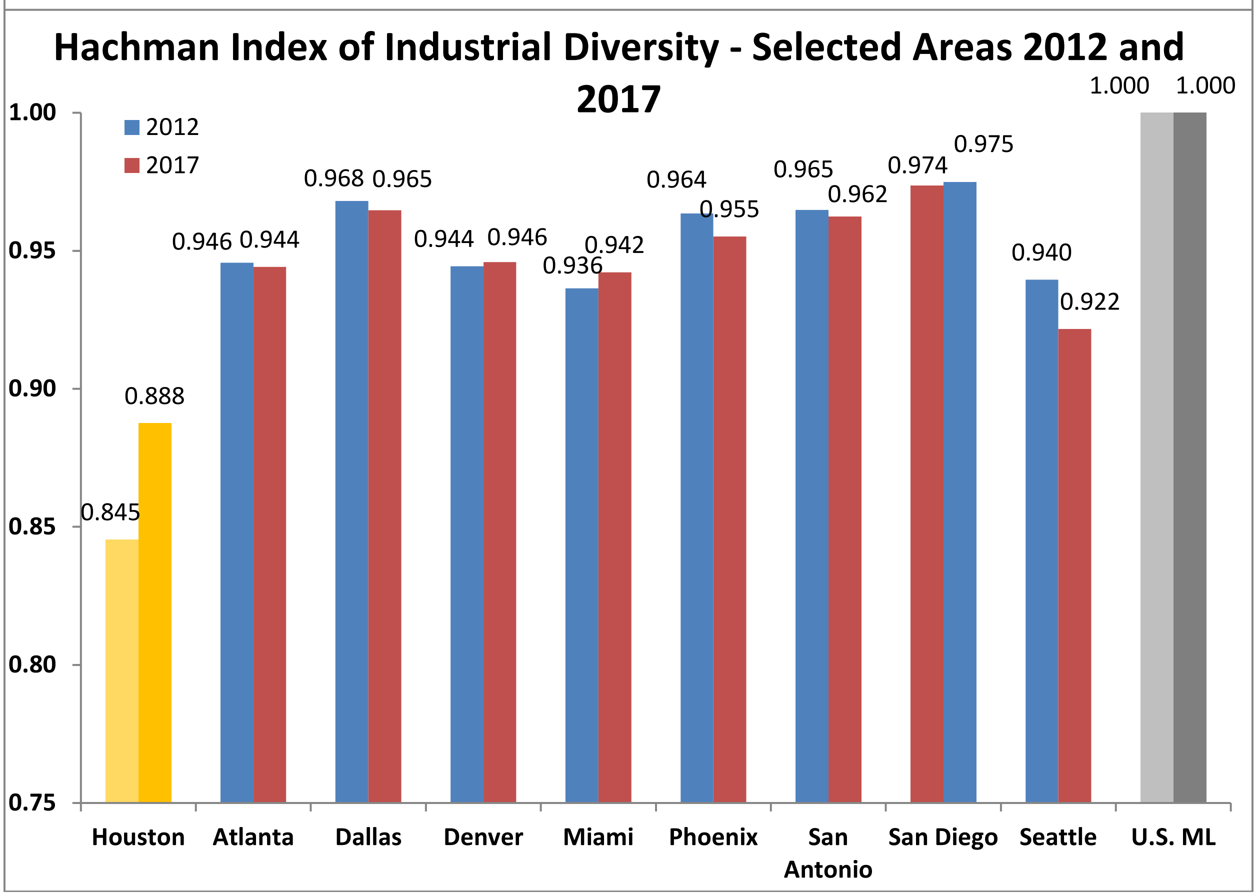
One widely recognized approach known as an **entropy index** measures how evenly employment is distributed across industries for a chosen area. Another--known as the **Hachman Index**--determines local area similarity to the national mix of industries. In the case of the latter index, the result is a number between zero and one with a higher value indicating more similarity to the U.S. as a whole. This presupposes that the national mix of industries represents the ideal level of diversification and therefore resilience to economic shocks.

On the first measure, the Gulf Coast demonstrated the second-most evenly distributed employment across industries of the nine comparison areas after Seattle. However, when benchmarking our region's industrial composition to the nation, our area was the most dissimilar (i.e., the least industrially diverse metropolitan area of this same group). This was also the case in the 2015 Report Card. In short, jobs in the Gulf Coast were spread relatively evenly across the local mix of industries yet this mix of industries differed heavily from the U.S. profile.

Despite the near lack of movement in terms of rank on either measure between the previous Report Card and the present one, a final observation is the Houston area's score on the entropy index fell--suggesting that the distribution of jobs became slightly less even as a result of the downturn in oil and gas while the region's Hachman index rose the most of any of the comparison areas. This latter observation suggests that the Gulf Coast mix of industries became more similar to the U.S. as a result of oil and gas's share of employment shrinking.

Unfortunately, neither measure of industrial diversity can account for situations where an area relies heavily on a single industry such as oil and gas that has high multiplier effect and in fact permeates other sectors of the economy such as manufacturing and professional services. In the Gulf Coast region it has been estimated that one oil and gas job generates four additional jobs ranging from other professional occupations to entry-level service positions.


Entropy Index of Industrial Diversity - Selected Areas 2012 and 2017
Annual 2012
Annual 2017
2.22
2.20
2.18
2.16
2.14
2.12
2.10
2.08
2.06
2.04
2.02
2.203
2.183
2.121
2.129
2.157
2.145
2.155
2.158
2.084
2.095
2.141
2.139
2.155
2.158
2.129
2.132
2.185
2.188
2.156
2.155
Houston
Atlanta
Dallas
Denver
Miami
Phoenix
San Antonio
San Diego
Seattle
U.S. ML


Hachman Index of Industrial Diversity - Selected Areas 2012 and 2017
2012
2017
1.00
0.95
0.90
0.85
0.80
0.75
0.845
0.888
0.946
0.944
0.968
0.965
0.944
0.946
0.936
0.942
0.964
0.955
0.965
0.962
0.974
0.975
0.940
0.922
1.000
1.000
Houston
Atlanta
Dallas
Denver
Miami
Phoenix
San Antonio
San Diego
Seattle
U.S. ML

Employment and Unemployment

When assessing an area's labor market, the mix of high-skill jobs, relative involvement of working-age people in the labor force, age of the workforce, and the diversity of its participants are all important indicators of economic competitiveness. In terms of the **rate of job growth**, and consistent with the poor showing in metropolitan gross domestic product, the Gulf Coast posted the slowest five-year increase in employment, up 10.4 percent. While this was above the U.S. rate at only 9.3 percent, all other comparison areas saw rates above 13 percent with Denver growing the fastest at 17 percent followed by Dallas (16.7 percent) and San Antonio (16.3 percent).

AREA	Rate of Job Growth (BLS 2012-2017)
DENVER	17.0%
DALLAS	16.7%
SAN ANTONIO	16.3%
ATLANTA	15.7%
PHOENIX	15.6%
SEATTLE	15.4%
MIAMI	15.0%
SAN DIEGO	13.1%
GULF COAST	**10.4%**
U.S.	9.3%

The below average job growth observed in the Gulf Coast was also reflected in the area's above average **unemployment rate,** which showed a mirror image of the employment trend, even when considering 2017 alone rather than a five-year period. The Gulf Coast posted the highest unemployment rate of the comparison areas at 5 percent, although this was down from a cycle high of 5.3 percent recorded in 2016. As one would expect based on the rate of job growth discussed earlier, Denver had the lowest unemployment rate at 2.7 percent followed by San Antonio (3.5 percent) and Dallas (3.6 percent).

AREA	Unemployment Rate (BLS 2017)
DENVER	2.7%
SAN ANTONIO	3.5%
DALLAS	3.6%
SAN DIEGO	4.0%
SEATTLE	4.1%
PHOENIX	4.2%
MIAMI	4.3%
ATLANTA	4.5%
GULF COAST	**5.0%**
U.S.	4.4%

Closely related to the concept of unemployment is the proportion of individuals **not in the labor force,** which measures the adult working age population that is “unattached” to the labor force – meaning they are neither working nor looking for work. Expressed as a percentage of the total civilian population, this indicator is the converse of the more commonly known **labor force participation rate**. Denver was again the top performer in terms of labor market metrics with the smallest percentage of individuals not in the labor force at 28.8 percent followed by Dallas and Seattle, tied at 31.6 percent. The Gulf Coast came in sixth while Miami came in last place among the comparison areas.

In the previous Report Card, the Houston area came in third. While less than ideal, the fact that working-age residents in the region remained engaged in the job market despite being more likely to face unemployment compared to the timeframe of the previous Report Card reinforces the notion that Houston’s performance was more a reflection of the local commodities cycle rather than systemic voluntary, long-term disengagement from the labor force.

AREA	% Not in the Labor Force (ACS 2013)
DENVER	28.8%
DALLAS	31.6%
SEATTLE	31.6%
ATLANTA	32.6%
SAN DIEGO	33.7%
GULF COAST	**34.0%**
SAN ANTONIO	36.5%
PHOENIX	37.2%
MIAMI	37.6%
U.S.	36.8%

Labor Force Composition

The percentage of **managerial, professional, and related jobs** serves as a proxy for the share of "knowledge jobs" in a region's economy-- key to providing value-added goods and services and spurring innovation. Surprisingly, despite the downturn in oil and gas, the share of these jobs in the Houston area rose slightly compared to the previous Report Card from 37 percent to 38 percent of total employment. However, all other areas saw larger increases of two percentage points or more leaving the Gulf Coast in only sixth place.

Nonetheless, given the severity of the most recent local downturn, and given the region's concentration of high-paying professional jobs related to oil and gas, the region's resilience on this metric is encouraging.

AREA	% Managerial, Professional & Related Jobs (ACS 2017)
SEATTLE	46.0%
DENVER	43.8%
SAN DIEGO	41.9%
ATLANTA	41.2%
DALLAS	39.3%
GULF COAST	**38.0%**
PHOENIX	37.4%
SAN ANTONIO	35.7%
MIAMI	34.8%
U.S.	38.2%

The **Simpson Index of Diversity** measures the likelihood that two individuals of a population will be from different racial or ethnic groups. The result is a number between zero and one, with a higher number indicating more diversity. This measure saw increases of various magnitudes across most regions with the exceptions of Miami and San Antonio. However, the Gulf Coast remains the most diverse area followed by Dallas and San Diego. Despite a slight increase in diversity compared to figures from 2013, Denver remained the least diverse of the comparison areas.

AREA	Simpson Index of Racial & Ethnic Diversity (ACS 2017)*
GULF COAST	**0.70**
DALLAS	0.67
SAN DIEGO	0.66
MIAMI	0.66
ATLANTA	0.65
PHOENIX	0.59
SAN ANTONIO	0.58
SEATTLE	0.56
DENVER	0.53
U.S.	0.58

While Miami saw its diversity-measure decline slightly between 2013 and 2017, its **percentage of foreign-born individuals** remained the highest of any comparison region by a significant margin at 41 percent. The Gulf Coast had the second-highest rate at 23.6 percent, likely supported by rising international net migration even throughout the most recent local downturn to the tune of roughly 43,000 new residents in each of 2015, 2016, and 2017. Since the last Report Card, San Antonio has emerged as the comparison area with the lowest percentage of foreign-born residents at 11.6 percent, a title previously held by Denver.

AREA	% Foreign Born (ACS 2017)*
MIAMI	41.0%
GULF COAST	**23.6%**
SAN DIEGO	23.3%
SEATTLE	18.8%
DALLAS	18.7%
PHOENIX	14.2%
ATLANTA	14.1%
DENVER	12.3%
SAN ANTONIO	11.6%
U.S.	13.7%

As a proxy for the pipeline of future talent, the **balance between entering and exiting workforce** indicator measures the balance of 15 to 24-year-olds to 55 to 64-year-olds in a population. The former age group is presumed to be entering or already participating in the workforce while the latter group is presumed to consist of late-career individuals or those already in retirement. Positive values suggest a labor force with a growing proportion of relatively young, working-age individuals, which may reduce future talent shortages.

AREA	Balance Between Entering & Exiting Workforce (ACS 2017)
SAN ANTONIO	3.1%
DALLAS	2.3%
GULF COAST	**2.1%**
SAN DIEGO	2.1%
PHOENIX	1.7%
ATLANTA	1.6%
DENVER	-0.2%
SEATTLE	-0.7%
MIAMI	-1.2%
U.S.	0.4%

This trend was demonstrated by all areas with the youngest skewing workforce in San Antonio and the oldest in Miami, like findings in the previous Report Card. The Houston-area came in third. Miami's relatively older workforce was reflected in its **median age**, the highest among the comparison regions at 41.0 years. Rather than San Antonio, the Gulf Coast region had the lowest median age at 34.4 years. In contrast to the last Report Card, all comparison areas saw their balances decrease, seemingly corroborating concerns nationwide regarding aging workforces.

AREA	Median Age (ACS 2017)*
MIAMI	41.0
SEATTLE	37.1
PHOENIX	36.7
DENVER	36.6
ATLANTA	36.4
SAN DIEGO	35.8
DALLAS	34.9
SAN ANTONIO	34.7
GULF COAST	**34.4**
U.S.	38.1

Ideally, regional economies that work well for their residents should maintain a balance between the supply and demand for jobs and workers. **Job growth-labor force growth alignment** measures this by comparing the number of jobseekers to the number of jobs available. The previous timeframe 2003-2013 overlapped with some of the severest parts of the Great Recession as well as the strongest years of the recovery. The current 10-year period of 2007-2017 saw a mixture of positive and negative alignment among comparison areas with Denver experiencing the largest positive change, indicating more jobs than workers, while Phoenix saw the largest negative change indicating more workers than jobs, and possibly reflecting the severity of the Great Recession on the area's housing market. The Gulf Coast saw negative alignment comparable to Phoenix because of the late-2014 downturn related to falling oil prices.

AREA	Growth Alignment-Job Growth-Labor Force Growth (BLS 2007-2017)
DENVER	1.3%
DALLAS	0.8%
SAN ANTONIO	0.7%
SAN DIEGO	0.6%
ATLANTA	-0.1%
SEATTLE	-0.5%
MIAMI	-0.9%
GULF COAST	**-1.0%**
PHOENIX	-1.1%
U.S.	0.3%

Income, Wealth, & Poverty

Income, wealth, and poverty levels reflect to varying degrees how well regional economies and labor markets work for their residents. Measuring household income is important as it the starting point for household purchasing power at a given point in time. **Nominal median household income** ranged from a low of $54,000 in Miami to a high of $82,000 in Seattle with the Gulf Coast appearing in sixth place at nearly $64,000.

AREA	Nominal Median Household Income in 2017 dollars (ACS 2017)
SEATTLE	$82,133
DENVER	$76,643
SAN DIEGO	$76,207
DALLAS	$67,382
ATLANTA	$65,381
GULF COAST	**$63,802**
PHOENIX	$61,506
SAN ANTONIO	$56,774
MIAMI	$54,284
U.S.	$60,336

After adjusting each region's income by its respective rate of inflation between 2012 and 2017, **real median household income** increased by as little as 4.2 percent in San Antonio to as much as 14.7 percent in San Diego. The Gulf Coast Region saw relatively muted real wage growth over the five-year period as well, posting an increase of only 5.6 percent, the second-lowest among the comparison areas.

AREA	Change in Real Median Household Income (ACS & BLS CPI-U 2012-2017)
SAN DIEGO	14.7%
SEATTLE	13.6%
PHOENIX	11.6%
DALLAS	11.0%
DENVER	9.8%
ATLANTA	9.4%
MIAMI	6.6%
GULF COAST	**5.6%**
SAN ANTONIO	4.2%
U.S.	10.0%

Another measure of financial well-being is captured by the income needed for a family to attain a secure, yet modest standard of living based on local, typical living expenses, or what might be termed a "**living wage**." Assuming a family unit composed of two parents and two children, the annual total income needed to comfortably meet basic needs ranged from $72,300 in San Antonio to $98,200 in Denver. Houston required the second-smallest annual income at $74,700.

Comparing these figures to nominal household income revealed a wide-range of shortfalls in income relative to the amount needed to cover typical living expenses. At the high-end sat Miami with a deficit of nearly $31,000 while at the opposite end was Dallas with a difference of just $8,000. The Gulf Coast had the smallest difference between household income and a living wage at just under $11,000.

	Monthly Cost for a Family with 2 Parents and 2 Children 2017								
	Housing	Food	Child Care	Transportation	Health Care	Other Necessities	Taxes	Monthly Total	Annual Total
Houston	$1,066	$718	$1,044	$1,125	$935	$720	$620	$6,228	$74,736
Atlanta	$1,031	$772	$968	$1,159	$1,010	$727	$893	$6,560	$78,720
Dallas	$1,077	$723	$1,044	$1,115	$973	$726	$632	$6,290	$75,480
Denver	$1,418	$805	$1,682	$1,208	$966	$897	$1,208	$8,184	$98,208
Miami	$1,351	$853	$1,123	$1,052	$1,027	$889	$786	$7,081	$84,972
Phoenix	$1,013	$748	$1,409	$1,154	$1,531	$710	$1,020	$7,585	$91,020
San Antonio	$1,001	$674	$984	$1,135	$974	$676	$580	$6,024	$72,288
San Diego	$1,682	$847	$1,281	$1,249	$903	$1,021	$1,146	$8,129	$97,548
Seattle	$1,527	$854	$1,691	$1,230	$849	$961	$984	$8,096	$97,152

EPI's Family Budget Calculator measures the income a family needs in order to attain a secure yet modest living standard by estimating community-specific costs of housing, food, child care, transportation, health care, other necessities, and taxes. The calculator now includes data for all 3,142 U.S. counties and county equivalents and for all 611 metropolitan areas and 10 family types (one or two adults with zero to four children).

As compared with official poverty thresholds such as the federal poverty line and Supplemental Poverty Measure, EPI's family budgets offer a higher degree of geographic customization and provide a more accurate measure of economic security. In all cases, they show families need more than twice the amount of the federal poverty line to get by.

The **Regional Purchasing Power Parity** index allows for comparisons between any two areas with the U.S. serving as the benchmark. In 2016 Houston registered a value of 101.6 indicating that the cost of living in the Gulf Coast was 1.6 percent higher than the U.S. as a whole. San Antonio had the lowest index indicating a cost of living that was 5.6 percent below the national average while San Diego had the highest of the comparison cities at 16.3 percent above the national average.

AREA	Regional Purchasing Parity (BEA 2016)
SAN ANTONIO	94.4
ATLANTA	96.3
PHOENIX	97.1
DALLAS	100.2
GULF COAST	**101.6**
DENVER	106.0
MIAMI	107.6
SEATTLE	110.5
SAN DIEGO	116.3
U.S.	100.0

The **percentage of families in poverty** decreased in all comparison regions for which comparable data were available[i] and the U.S. since the last Report Card with all areas posting rates in 2017 of less than 8 percent however, the Gulf Coast, again likely due to the recent downturn in oil and gas, had the highest percentage of families in poverty at 7.9 percent and just surpassing San Antonio's 7.8 percent. Denver and Seattle tied for the lowest rates of the nine areas at 3.6 percent.

AREA	% of Families in Poverty (ACS 2017)
DENVER	3.6%
SEATTLE	3.6%
SAN DIEGO	5.4%
DALLAS	5.8%
ATLANTA	6.0%
PHOENIX	6.2%
MIAMI	7.1%
SAN ANTONIO	7.8%
GULF COAST	**7.9%**
U.S.	6.2%

A related metric, the **percentage of households receiving public assistance** decreased across all regions and the nation since the last Report Card. Miami had the highest percentage of households receiving public assistance at 19.8 percent and was the only region with a higher percentage than the nation. The Gulf Coast had the second-highest percentage at 13.8 percent While lower than the 14.8 percent recorded in the early years of recovery from the Great Recession, this rate was likely elevated due the recent oil and gas-related downturn. Lastly, as was the case in the previous Report Card, Denver had the lowest percentage of households receiving assistance of any comparison area at 8.3 percent, the only area with a rate below 10 percent.

AREA	% of Households Receiving Public Assistance (ACS 2017)
DENVER	8.3%
SAN DIEGO	10.3%
DALLAS	10.3%
PHOENIX	11.1%
ATLANTA	11.9%
SAN ANTONIO	13.2%
SEATTLE	13.3%
GULF COAST	**13.8%**
MIAMI	19.8%
U.S.	14.7%

The **percentage of individuals (16 years and over) in poverty and working** also saw declines across areas compared to the previous Report Card. In contrast to the other poverty indicators where Denver had lowest proportions of individuals, the Mile-High City had the highest percentage of working individuals in poverty based on the 2019 Census poverty threshold of $12, at 38.5 percent, maintaining its rank from the previous Report Card. The Gulf Coast had the second-highest rate once again at 35.6 percent followed by Dallas and Atlanta while Miami continued to have the lowest rate at 27.8 percent.

AREA	% in Poverty and Working - 16 years and over (ACS 2017)
MIAMI	27.8%
SAN ANTONIO	30.6%
SEATTLE	31.0%
PHOENIX	31.6%
SAN DIEGO	33.5%
ATLANTA	35.0%
DALLAS	35.3%
GULF COAST	**35.6%**
DENVER	38.5%
U.S.	31.1%

Individuals who do not have health insurance coverage face insufficient access to medical care and greater financial risk from medical expenses. Seattle had the lowest percentage of individuals with **no health insurance** at 5.6 percent and the highest percentage with **employer-provided health insurance** at 62 percent. The Gulf Coast had the highest percentage without health insurance at 18.2 percent and the second-lowest rate of employer-provided coverage at 52.3 percent despite improvements on both measures since the last Report Card. As noted throughout this report, the Gulf Coast's ranking on this measure may be related to significant numbers of individuals experiencing layoffs between 2014 and 2017 resulting in a loss of insurance coverage, employer-provided or otherwise.

AREA	% No Health Insurance (ACS 2017)
SEATTLE	5.6%
DENVER	7.2%
SAN DIEGO	7.7%
PHOENIX	10.2%
ATLANTA	13.0%
SAN ANTONIO	14.5%
MIAMI	15.5%
DALLAS	16.5%
GULF COAST	**18.2%**
U.S.	8.7%

AREA	% with Employer Provided Health Insurance (ACS 2017)
SEATTLE	62.0%
DENVER	60.0%
ATLANTA	57.3%
DALLAS	56.1%
PHOENIX	53.1%
SAN DIEGO	52.7%
GULF COAST	**52.3%**
SAN ANTONIO	50.9%
MIAMI	41.5%
U.S.	55.0%

Quality of Life

The overall desirability of a region as a place to live has an indirect, but important impact on the region's competitiveness and health of its labor market. Regions that are perceived as being economically vibrant, culturally diverse, affordable, and safe with access to services and amenities have an advantage in attracting and retaining the best employers and talent.

Among the nine comparison areas, **median home values**, the point at which 50% of homes are either more or less expensive, ranged from a low of $170,100 in San Antonio to a high of $563,800 in San Diego. The Gulf Coast had the second-lowest median home value at $192,200, which was roughly 11 percent below the national average of $217,600.

AREA	Median Home Value (ACS 2017)
SAN DIEGO	$563,800
SEATTLE	$439,800
DENVER	$386,800
MIAMI	$278,700
PHOENIX	$246,900
ATLANTA	$215,100
DALLAS	$214,900
GULF COAST	**$192,900**
SAN ANTONIO	$170,100
U.S.	$217,600

In general, rising home values are a desirable outcome. This is particularly the case if it results in a return to positive equity in one's home as many individuals found themselves owing more than their homes were worth in the wake of the recession.

However rapid appreciation in values compared to wages can result in housing costs that consume a disproportionate amount of income and hamper affordability. Furthermore, when home value appreciation outpaces wage gains, this can serve as a barrier to homeownership for new entrants into the housing market.

The five-year **average home appreciation rate** from 2012 to 2017 rose in all nine comparison regions. Seattle saw the largest increase up 68.9 percent followed by Denver (67.9 percent) and Miami (62.0 percent). The Gulf Coast saw an increase of 40.8 percent, the second-lowest after San Antonio at 34.3 percent.

AREA	Average Home Appreciation, 5 years through Q4 (2012-2017)
SEATTLE	68.9%
DENVER	67.9%
MIAMI	62.0%
PHOENIX	59.4%
DALLAS	56.8%
SAN DIEGO	51.7%
ATLANTA	48.1%
GULF COAST	**40.8%**
SAN ANTONIO	34.3%
U.S.	30.4%

As evidence of possible declines in housing affordability, the nominal pace of home appreciation outstripped nominal wage growth across all nine areas with Miami experiencing an increase in home values 3.79 times faster than wages followed by San Antonio (3.33), despite seeing the smallest home value appreciation, and Dallas (3.10). The Gulf Coast was not immune to these trends as home values grew 2.89 times faster than wages.

AREA	Ratio of Home Value to Annual Income (ACS 2017)
SAN ANTONIO	3.0
GULF COAST	**3.0**
DALLAS	3.2
ATLANTA	3.3
PHOENIX	4.0
DENVER	5.0
MIAMI	5.1
SEATTLE	5.4
SAN DIEGO	7.4
U.S.	3.6

A general rule of thumb suggests that spending on housing whether owned or rented should not exceed 30% of one's gross monthly income. Beyond this figure there is concern that a household could have difficulty affording other necessities such as food, clothing, transportation, and healthcare.

If a growing percentage of a region's population surpasses this threshold it could serve as a drag on overall growth due to less discretionary income and less financial resilience during an economic downturn. The Gulf Coast had the fourth-lowest **percentage of housing units with monthly home ownership costs greater than 30 percent**. San Antonio, Dallas and Atlanta had marginally lower proportions than the Gulf Coast while Miami and San Diego had the highest percentages of housing units with costs above the recommended threshold.

AREA	% Monthly Home Ownership Cost Greater than 30% (ACS 2017)
SAN ANTONIO	20.4%
DALLAS	20.5%
ATLANTA	20.6%
GULF COAST	**20.7%**
PHOENIX	21.9%
DENVER	22.8%
SEATTLE	24.8%
SAN DIEGO	31.4%
MIAMI	32.3%
U.S.	22.1%

Another way of evaluating housing affordability lies in the relationship between a home's value and its owner's income. Of the comparison regions, the Gulf Coast and San Antonio tied for the title of lowest **ratio of home value to annual income** at 3.0, however this was above the 2.5 ratio recommended by many mortgage lenders and financial advisors. This also marked an increase in the Gulf Coast's ratio from 2.51 recorded in 2013, further suggesting that housing affordability in this region, along with others, has declined in recent years.

AREA	Ratio of Home Value to Annual Income (ACS 2017)
SAN ANTONIO	3.0
GULF COAST	**3.0**
DALLAS	3.2
ATLANTA	3.3
PHOENIX	4.0
DENVER	5.0
MIAMI	5.1
SEATTLE	5.4
SAN DIEGO	7.4
U.S.	3.6

The decision to buy a home rather than rent remains one of the most important financial decisions that one can make. Since the recession, large numbers of would-be homebuyers have been excluded from home ownership due to stricter lending requirements or the conscious choice to rent rather than own in an uncertain job market. Consequently, homeownership rates remain low compared to historical trends. Since the last Report Card, **the rate of homeownership versus renting** rose in some areas while it declined in others.

Houston saw a slight increase in this indicator between 2013 and 2017 from 60.1 percent to 60.7 percent, leaving it in the middle of the pack with the fifth-lowest ownership rate of the comparison areas and three percentage points lower than the national average. Denver posted the highest percentage of owned housing units in the cohort at 64.1 percent while San Diego had the lowest rate at 53.5 percent, reflecting that area's relatively high cost of housing.

AREA	% Housing Units Owned versus Rent (ACS 2017)
DENVER	64.1%
PHOENIX	63.7%
SAN ANTONIO	63.3%
ATLANTA	63.0%
GULF COAST	**60.7%**
SEATTLE	60.0%
DALLAS	59.7%
MIAMI	59.5%
SAN DIEGO	53.5%
U.S.	63.9%

Another factor that can affect quality of life involves transportation. The time spent commuting from home to work can greatly impact one's quality of life. The longest **mean travel time to work** was found in Atlanta at 32.3 minutes followed by Seattle at 31 minutes. San Diego had the shortest commute time. Since the last Report Card, commute times rose across most areas with Atlanta seeing the largest increase of 2.27 minutes followed by Miami at 2.20 minutes. The Gulf Coast saw the smallest increase at 0.75 minutes, but still ranks among the regions with the longest commute times.

AREA	Mean Travel Time to Work (minutes) (ACS 2017)
SAN DIEGO	26.3
SAN ANTONIO	26.5
PHOENIX	26.8
DENVER	28.1
DALLAS	28.6
GULF COAST	**29.9**
MIAMI	29.9
SEATTLE	31.0
ATLANTA	32.3
U.S.	26.9

One might assume that longer commute times to work would result in increased use of alternative forms of transportation whether public or private. Surprisingly, this relationship proved less than straightforward when examining **usage rates of public transportation** or **carpooling** compared to commute time. For example, Seattle had a comparatively long average commute time of 31 minutes and the highest use of public transit or carpooling at 10.1 percent and 10.5 percent, respectively. On the other hand, Atlanta residents had the longest commutes with public transit use at 3.1 percent and carpooling a respectable yet undistinguished 9.7 percent. The Gulf Coast came in sixth place in terms of public transit use rate and fourth place when it came to carpooling.

AREA	% Using Public Transportation (ACS 2017)
SEATTLE	10.1%
DENVER	4.4%
SAN DIEGO	3.1%
ATLANTA	3.1%
MIAMI	3.1%
GULF COAST	**2.1%**
PHOENIX	1.8%
SAN ANTONIO	1.8%
DALLAS	1.3%
U.S.	5.0%

The 2019 marks the second Report Card in which we include two additional indicators that seek to further gauge the quality of life across regions: **violent crime per 100,000 residents** and **property crime per 100,000 residents**. In the case of the former, the Gulf Coast registered the highest ratio at 553.1 followed by San Antonio (523.9) and Phoenix (470.6). San Diego had the lowest rate at 337.1 incidents per 100,000 residents. Data on property crime was not available for four out nine comparison areas including the Gulf Coast, Dallas, Denver, San Antonio and Seattle due to the FBI's determination that data reported by each area's respective law enforcement agency were either over or under-reported.

AREA	Violent Crime per 100,000 Inhabitants (FBI 2017)
SAN DIEGO	337.1
SEATTLE	353.7
ATLANTA	367.6
DALLAS	369.3
DENVER	413.9
MIAMI	458.2
PHOENIX	470.6
SAN ANTONIO	523.9
GULF COAST	**593.1**
U.S.	382.9

AREA	Property Crime per 100,000 Inhabitants (FBI 2017)*
SAN DIEGO	1,695.5
PHOENIX	2,815.3
ATLANTA	2,865.7
MIAMI	3,076.4
GULF COAST	**N/A**
DALLAS	N/A
DENVER	N/A
SAN ANTONIO	N/A
SEATTLE	N/A
U.S.	2,362.2

Education Achievement and Investment

For the demand side of a regional economy (i.e. employers), the most critical aspect is the skill level of the workforce. Skill level is in turn heavily influenced by educational outcomes, which serve as proxies for workforce readiness.

The adjusted freshman graduation rate is an estimate of the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class. From the beginning of 9th grade (or the earliest high school grade), students who are entering that grade for the first time form a cohort that is adjusted by adding any students who subsequently transfer into the cohort and subtracting any students who subsequently transfer out.

For the school year ended in 2015-2016, the most recent year for which data were available, the lowest adjusted freshman graduation rate was recorded in Seattle at 77 percent, which stood in contrast to this area having the highest **percentage of individuals 25 and over with a high school diploma** (92.6 percent) and the second-highest **percentage of residents over 25 with a bachelor's degree** after Denver at 41.9 percent. This seems to suggest below-average educational outcomes among existing residents, yet the region continues to attract highly educated workers from other areas, likely as a result its technology industry.

The Gulf Coast posted the second-lowest adjusted graduation rate of the comparison areas after Seattle at 78 percent but differed from that area in that it possessed the lowest percentage of residents with a high school diploma at 83.5 percent. Although this was an increase over the 82.1 percent registered in 2013, it was insufficient to advance the region beyond last place, a title it also held in 2013 among comparison areas. The Gulf Coast also saw an increase in the percentage of residents with a bachelor's degree from 30.9 percent to 32.4 percent, leaving the region in sixth place in 2017, like its standing in 2013.

AREA	Adjusted Cohort Graduation Rate (NCES Entered fall 2011 Exited SY 2015-16)[1]
SAN ANTONIO	95%
SAN DIEGO	91%
ATLANTA	87%
DALLAS	87%
PHOENIX	84%
DENVER	83%
MIAMI	80%
GULF COAST	**78%**
SEATTLE	77%
U.S.	-

AREA	% HS Diploma or Equivalent (25 and older) (ACS 2017)
SEATTLE	92.6%
DENVER	91.2%
ATLANTA	89.6%
SAN DIEGO	87.6%
PHOENIX	87.3%
MIAMI	85.9%
SAN ANTONIO	85.6%
DALLAS	85.4%
GULF COAST	**83.5%**
U.S.	88.0%

AREA	% Bachelor's or Higher (25 and older) (ACS 2017)
DENVER	43.9%
SEATTLE	41.9%
SAN DIEGO	38.8%
ATLANTA	37.9%
DALLAS	34.6%
GULF COAST	**32.4%**
MIAMI	32.1%
PHOENIX	31.1%
SAN ANTONIO	28.1%
U.S.	32.0%

One aspect with the potential to impact educational attainment is the percentage of people age five and over with **limited English proficiency.** Miami had the largest share of residents meeting this criterion with 24.4 percent which echoed its high percentage for foreign-born residents at 41 percent. In the Gulf Coast, 16.9 percent of residents possessed limited English proficiency, again a reflection of above-average share of the foreign-born population (23.6 percent).

Lastly, this indicator saw a mixture of increases and declines across areas with Miami experiencing a relatively large increase of 1.1 percentage points while San Diego saw a relatively decrease (-2.7 ppts).

The Gulf Coast saw a modest increase of 0.3 percentage points from the previous Report Card.

AREA	% Limited English Proficiency (ACS 2017)
DENVER	6.9%
ATLANTA	7.1%
PHOENIX	8.8%
SEATTLE	9.2%
SAN ANTONIO	10.1%
SAN DIEGO	13.3%
DALLAS	13.7%
GULF COAST	**16.9%**
MIAMI	24.4%
U.S.	8.5%

As a measure public investment in education, **expenditure per student** saw increases for areas since the last report where comparable past data were available.

For the 2014-2015 school year, the most recent year of data, the largest urban school districts representing the three Texas metropolitan areas in this report (Houston ISD, Dallas ISD, and Northside ISD), saw increases in spending led by Dallas ($2,706) and followed by the Gulf Coast ($2,157) and San Antonio ($2,088). In terms of absolute spending among comparison cities major districts, Seattle had the highest outlays at $14,678 per pupil per year followed by San Diego ($13,540) and Atlanta $12,846. A brief look at expenditures relative to graduation rates revealed no strong correlations indicating that improvements in student outcomes are likely to require various interventions, a component of which may include additional per student spending.

AREA	Expenditure by Student (NCES & NEA 2014-2015)[1,2]
SEATTLE	$14,678
SAN DIEGO	$13,540
ATLANTA	$12,846
PHOENIX	$11,541
DALLAS	$11,142
SAN ANTONIO	$10,676
GULF COAST	**$10,544**
DENVER	$10,165
MIAMI	$10,153
U.S.	-

[i] Due to definitional changes in the geography comprising Denver and the absence of Phoenix and Seattle in the previous Report Card, statements about changes in the percentage of families could not be made with certainty.

For the 2019 Workforce Report Card the Gulf Coast Region:

- Ranks in the middle on most measures with overall economic performance, job creation, and wealth-building weakening due to the local economic downturn of the past few years;

- Holds steady in rankings for labor force composition and quality of life;

- Continues to rank towards the bottom of the comparison cities despite percentage point improvements in educational achievement

2018 Report Card DRAFT

	Macro Economy & Industry Dynamics	Employment & Unemployment	Labor Force Composition	Income, Wealth & Poverty	Quality of Life	Educational Achievement and Investment
GULF COAST	**B**	**C**	**B**	**C**	**B**	**C**
ATLANTA	**C**	**B**	**B**	**B**	**B**	**A**
DALLAS	**A**	**A**	**B**	**B**	**B**	**B**
DENVER	**B**	**A**	**B**	**A**	**B**	**A**
MIAMI	**C**	**B**	**B**	**C**	**B**	**C**
PHOENIX	**B**	**B**	**C**	**B**	**B**	**B**
SAN ANTONIO	**A**	**B**	**B**	**B**	**B**	**B**
SAN DIEGO	**B**	**B**	**B**	**B**	**B**	**A**
SEATTLE	**B**	**B**	**A**	**A**	**B**	**A**

7

Financial Monitoring
Proposed Contract Renewals

Background
As part of its work for the Gulf Coast Workforce Board, H-GAC solicits and contracts with accounting and audit firms to conduct financial monitoring for all the Workforce Solutions and adult education contracts. We are currently in the first year of a four-year procurement with two firms: Christine Nguyen, CPA and Weaver. Our financial monitoring contracts run from May through April.

Each of our financial monitoring firms:

- reviews contractors for compliance with federal, state, and local laws, regulations, and rules governing public workforce dollars;
- reviews contractors' financial systems;
- checks contractor billings and financial reports to ensure their accuracy;
- tests financial aid payments and the systems we use for determining individuals eligible for financial aid;
- provides training and technical assistance to contractors and H-GAC workforce staff on financial systems and issues;
- conducts special reviews as needed.

Current Situation
Both firms have delivered good service for us, completing a significant number of reviews, offering training and technical assistance as needed, and providing timely and relevant advice to us on financial systems and related matters.

During the next 12 months, we expect to have at least two reviews of each of 25 contractors, four system level reviews focused on our $200+ million financial aid system, at least four seminar/training events on financial compliance topics, and the capacity for additional consulting or special reviews at the H-GAC workforce staff level.

The Board's 2019 budget includes $700,000 for financial monitoring contracts. We recommend contracting the budgeted amount because of the size and complexity of the regional system.

Action
Authorize staff to negotiate second-year financial monitoring contracts with Christine Nguyen, CPA and Weaver in amounts of $350,000 each for the year May 1, 2019 through April 30, 2020.

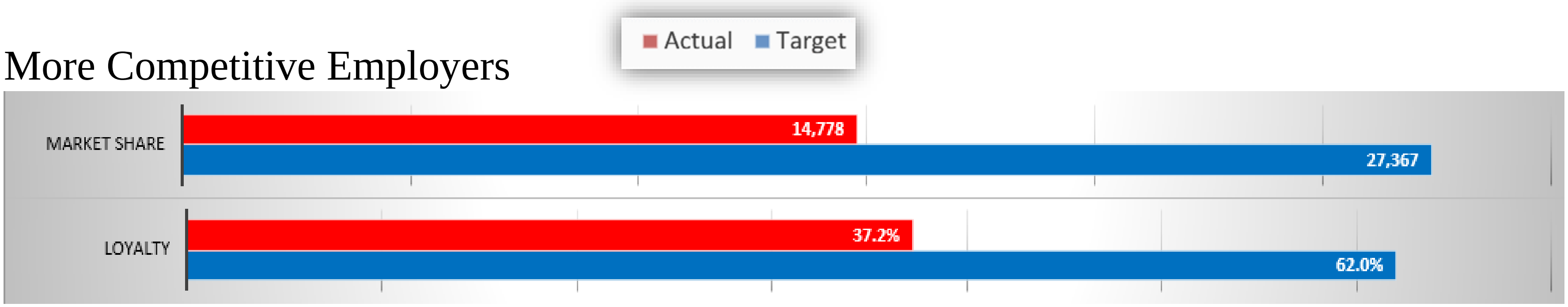
8

Gulf Coast Workforce Board
System Performance
October 2018 to February 2019

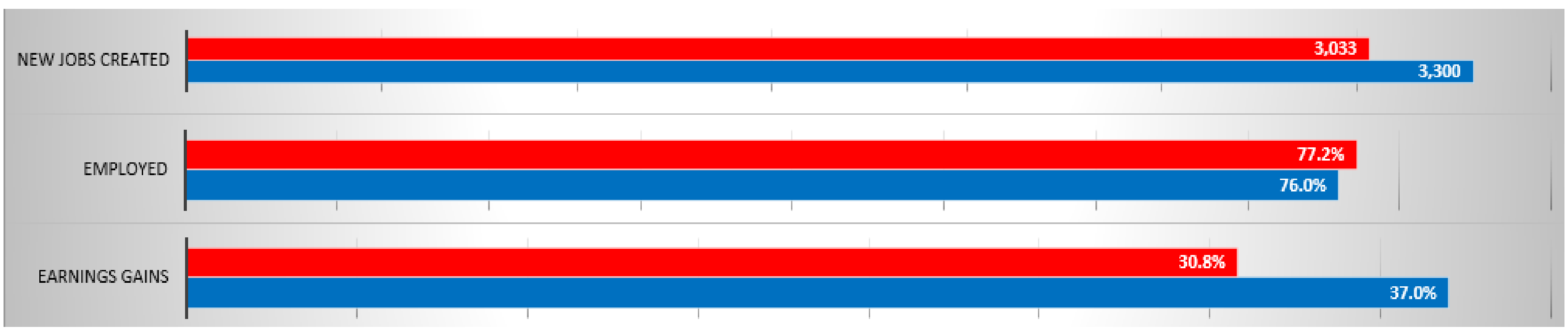
Board Measures

These measures gauge progress toward meeting the results set out in the Board's strategic plan for the Board's operating affiliate, Workforce Solutions.

More Competitive Employers



More and Better Jobs



A Better Educated Workforce

Production

In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production. For the production measurement year beginning October 1, 2018, we are meeting or exceeding nineteen of nineteen state measures.

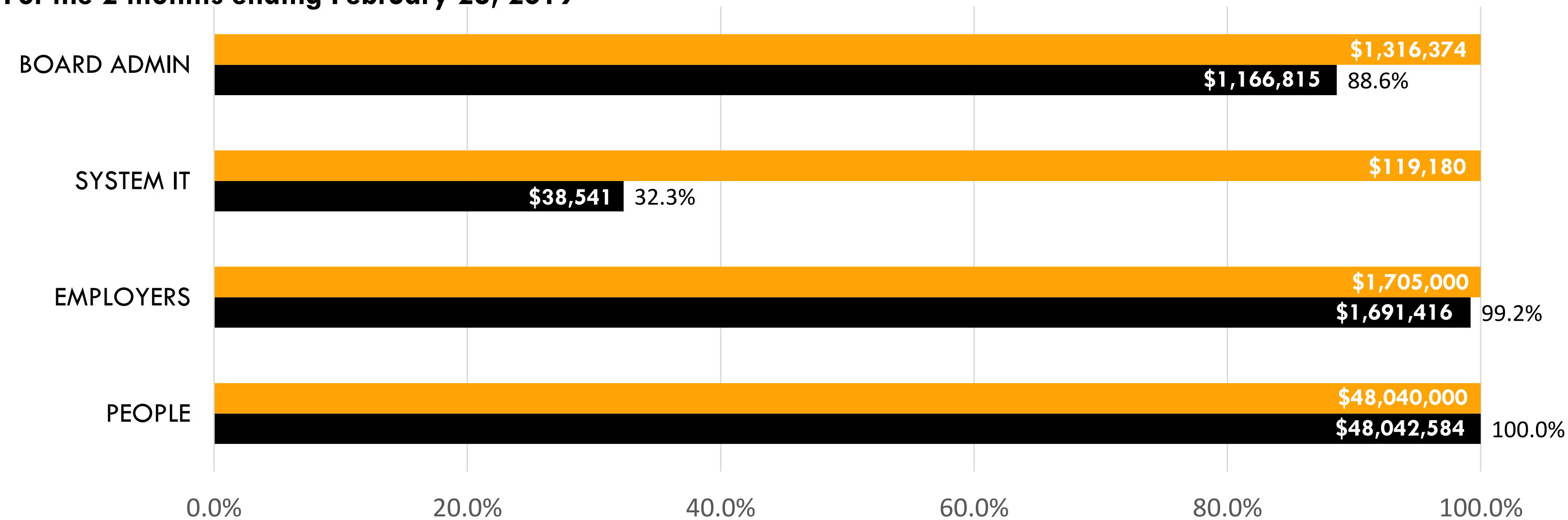
Adult education production for the period July 2018 through February 2019 includes:

	Target	Year to Date
Total Enrollments	**19,438**	**16,745**
12+ Hour Enrollments	18,166	14,999
IET Program	1,100	549
EL Civics	615	1,561
Integrated EL Civics	500	250
Intensive Services.	490	265

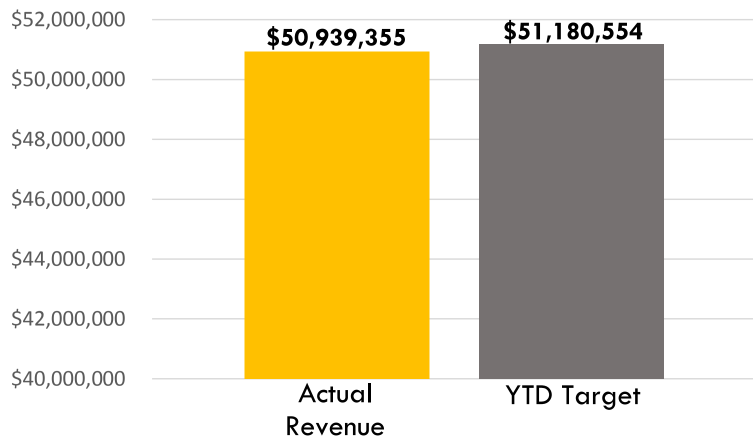
1. Total enrollments - includes individuals who begin an adult education class.
2. 12+ hour enrollments - includes individuals who are in adult education classes 12 or more clock hours.
3. Integrated Education and Training (IET) – includes individuals enrolled in Adult Education and Literacy classes concurrently and contextually with Workforce Preparation Activities and Workforce Training for specific in-demand or targeted occupations for educational and career advancement.
4. English Literacy and Civics (EL Civics) - includes English Language Learners receiving instruction to achieve competency in the English language and acquire the information and skills needed to function effectively as parents, workers, and citizens in the United States.
5. Integrated English Language (IET) and English Language (EL) Civics – includes individuals enrolled in English Literacy and Civics who are also enrolled in Integrated Education and Training.
6. Intensive Services – includes individuals who receive various college and career-focused adult education options including: workplace Adult Education and Literacy activities, services for internationally-trained English Language Learner professionals and transition assistance to offenders for re-entry and post-release services.

Gulf Coast Workforce Financial Status Report

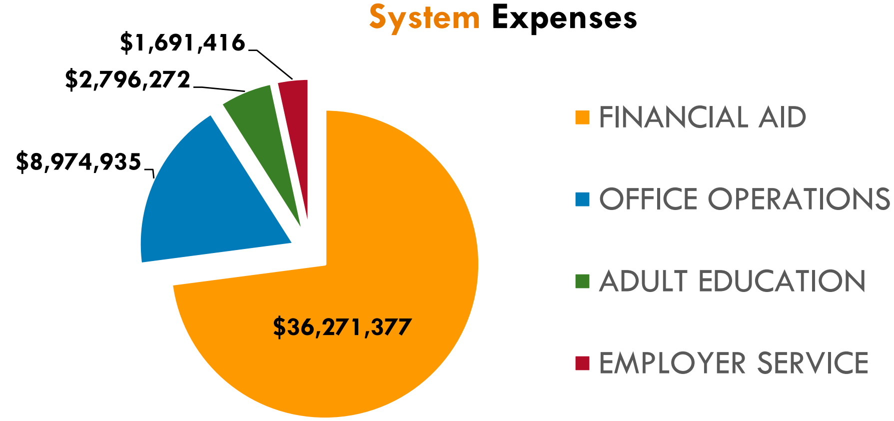
For the 2 months ending February 28, 2019



Workforce Revenue



System Expenses



Labor **M**arket **I**nformation

FEBRUARY 2019 Employment Data

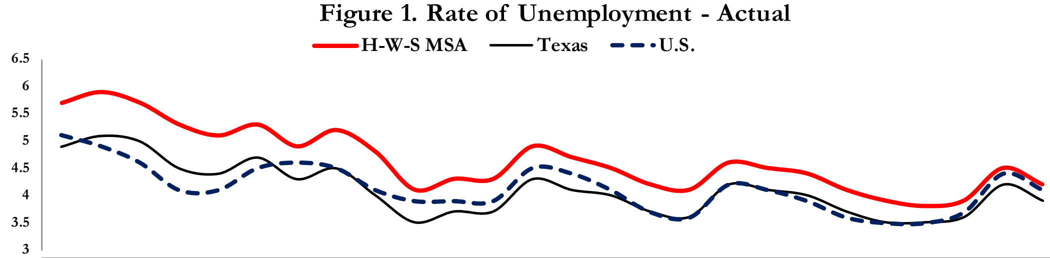
HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA Visit our website at www.wrksolutions.com

The actual rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) fell three-tenths of a percentage point to 4.2 percent in February. The rate of unemployment at the state and national level also fell three-tenths of a percentage point in February, see figure 1. Over the previous year the rate of unemployment has declined five-tenths of a percentage point with 15,744 fewer unemployed in the H-W-S MSA. The local rate of unemployment, while low, was slightly higher than 3.9 percent at the state level and 4.1 percent at the national level.

Unemployment Rate (Actual)

	FEB 2019	JAN 2019	FEB 2018
Civilian Labor Force	3,449,107	3,422,941	3,393,747
Total Employed	3,304,490	3,268,081	3,233,386
Unemployed	144,617	154,860	160,361
Unemployment Rate	4.2%	4.5%	4.7%

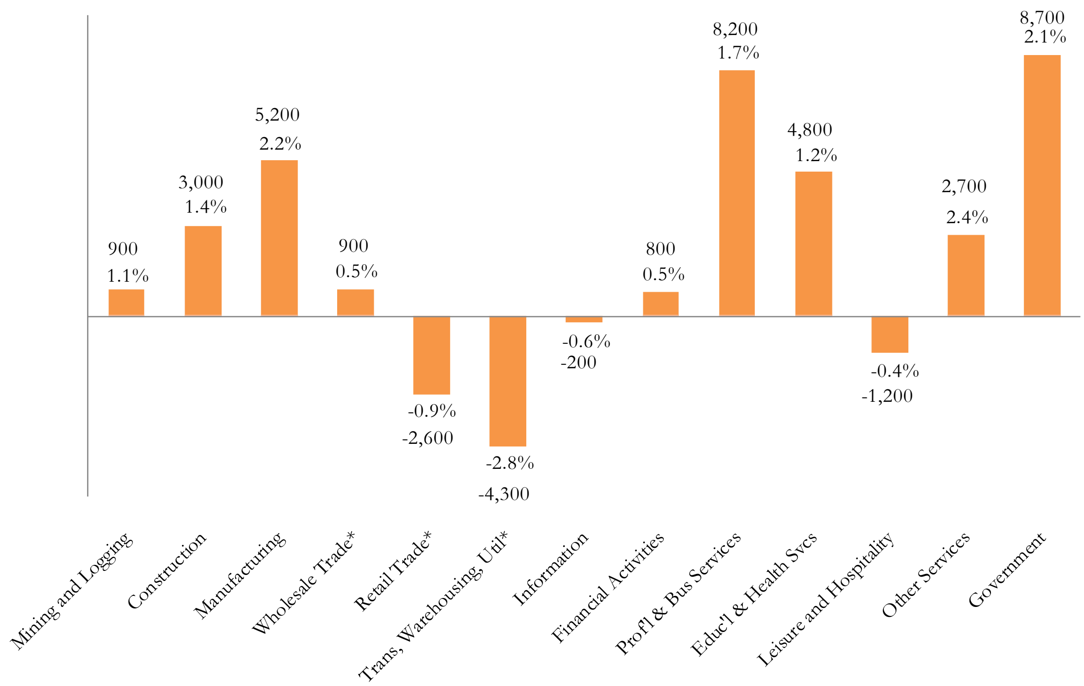
Figure 1. Rate of Unemployment - Actual



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
H-W-S MSA	5.7	5.9	5.7	5.3	5.1	5.3	4.9	5.2	4.8	4.1	4.3	4.3	4.9	4.7	4.5	4.2	4.1	4.6	4.5	4.4	4.1	3.9	3.8	3.9	4.5	4.2
Texas	4.9	5.1	5.0	4.5	4.4	4.7	4.3	4.5	4.0	3.5	3.7	3.7	4.3	4.1	4.0	3.7	3.6	4.2	4.1	4.0	3.7	3.5	3.5	3.6	4.2	3.9
U.S.	5.1	4.9	4.6	4.1	4.1	4.5	4.6	4.5	4.1	3.9	3.9	3.9	4.5	4.4	4.1	3.7	3.6	4.2	4.1	3.9	3.6	3.5	3.5	3.7	4.4	4.1

Total Nonfarm Employment in the H-W-S MSA experienced an increase of 26,900 jobs in February. The 0.9 percent increase was weaker than a 1.3 percent increase in February 2018 but slightly stronger than the historical average of 0.7 percent. The largest contributors to February gains were Professional & Business Services, up 8,200 jobs or 1.7 percent, and Local Government, up 7,800 jobs or 2.6 percent. If preliminary estimates hold, Manufacturing will have experienced its largest one-month increase ever according to records dating back to 1990, up 5,200 jobs or 2.2 percent. Trade, Transportation, & Utilities incurred a loss of 6,000 jobs, down 1.0 percent, driven by a strong decline in Transportation, Warehousing, & Utilities, down 4,300 jobs or 2.8 percent. February changes for major industry sectors can be seen in figure 2. For a complete list of February estimates see pages 11 & 12.

Figure 2. Houston-The Woodlands-Sugar Land MSA
Month Change January 2019 to February 2019



*The Trade, Transportation, and Utilitis super sector is the aggregate of Wholesale Trade, Retail Trade, and Transportation, Warehousing, and Utilities.

Total Nonfarm Employment in the H-W-S MSA was up 72,600 jobs over the year with the pace of job growth falling four-tenths of a percentage point to 2.4 percent. The 2.4 percent pace of job growth was faster than the nation's 1.7 percent, see figure 3. Manufacturing added jobs at the fastest pace of 7.6 percent, up 17,100 jobs over the year. Professional & Business Services added a similar number of jobs but at a slower pace, up 17,000 jobs or 3.5 percent. The only super sectors not reporting over-the-year increases were Information where payrolls were down 800 jobs and Leisure & Hospitality where payrolls were the same as a year earlier. Within the Trade, Transportation, & Utilities super sector, Retail Trade reported the largest loss of any published industry sector, down 4,600 jobs or 1.5 percent. See figure 4.

Additional comments by super sector can be found beginning on page 5. Detailed data can be viewed on pages 11 & 12.

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

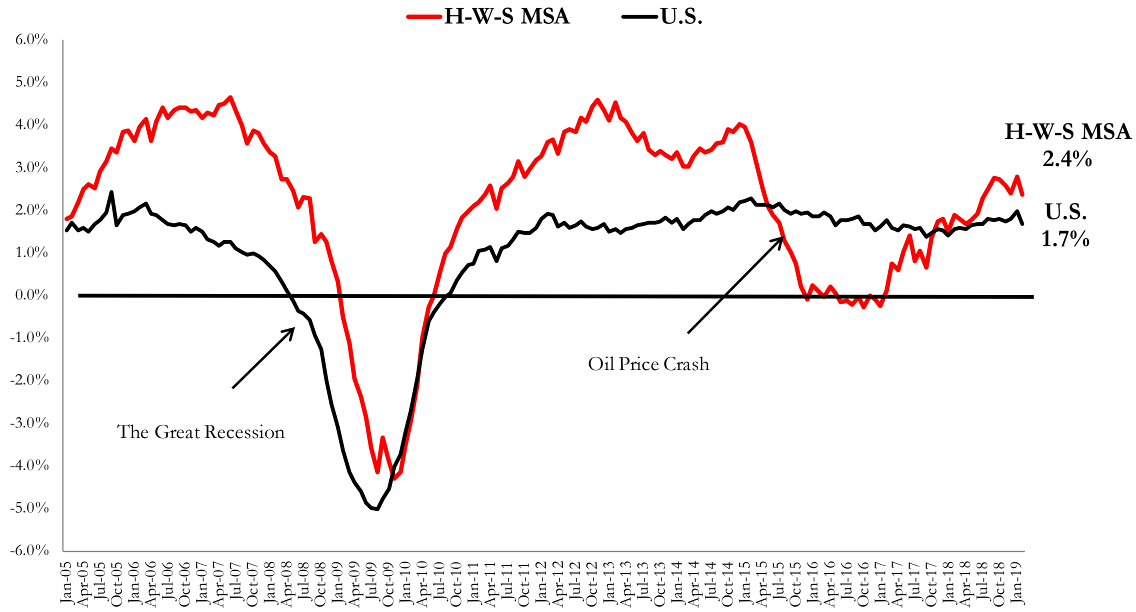
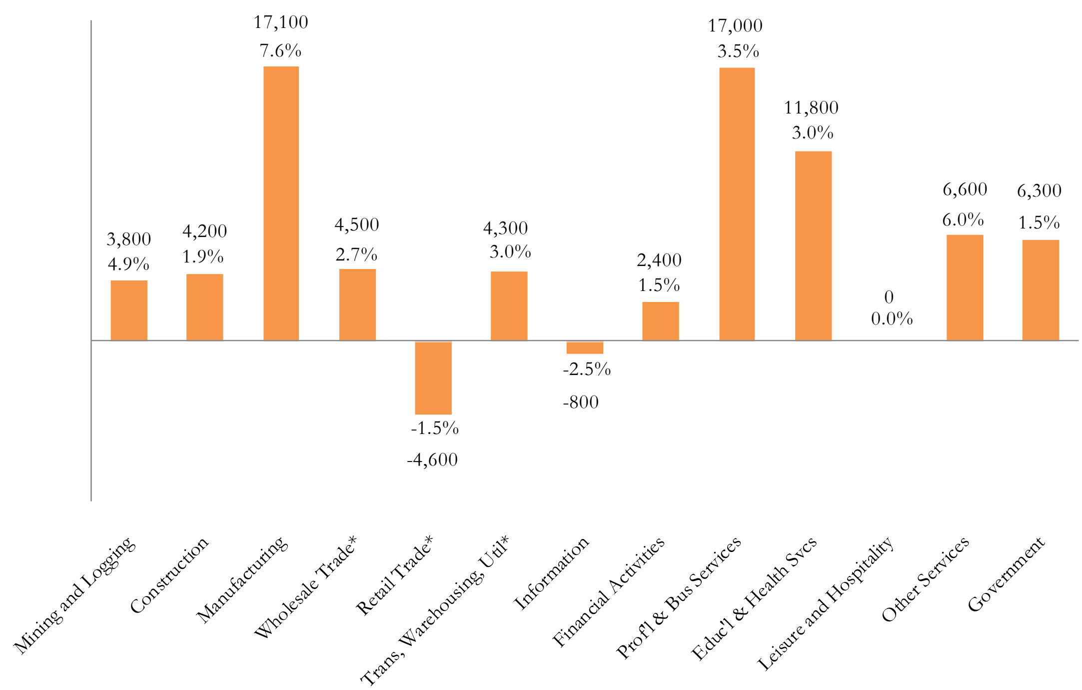


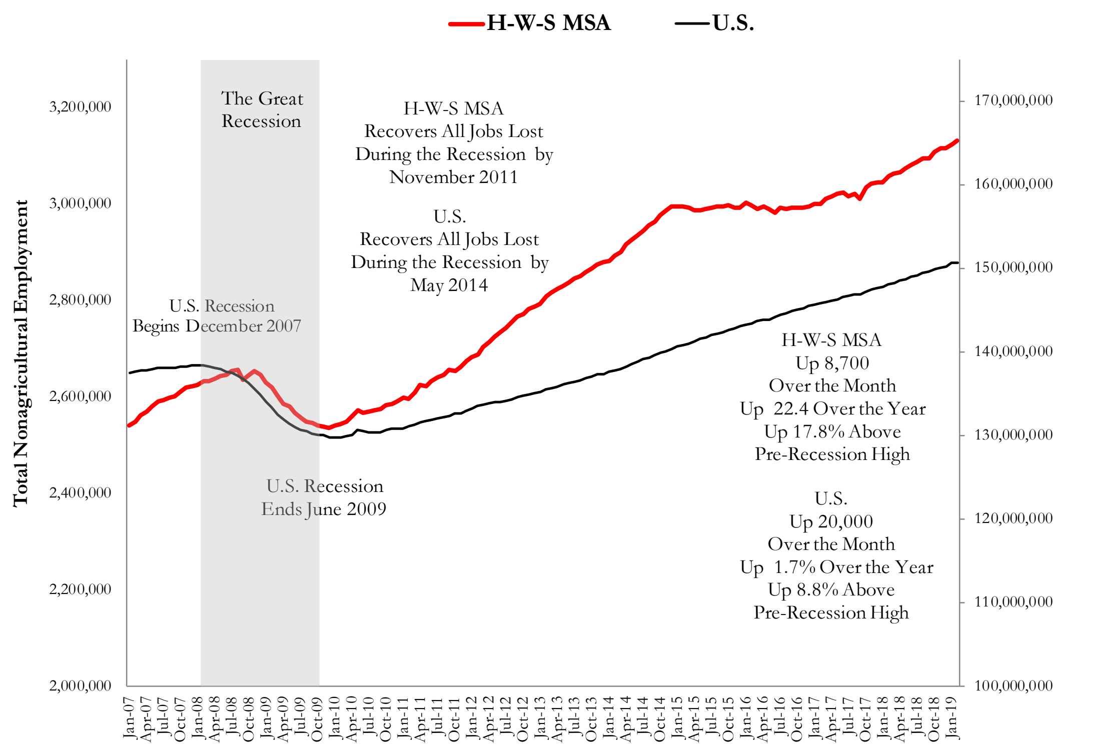
Figure 4. Houston-The Woodlands-Sugar Land MSA
Annual Change February 2018 to February 2019

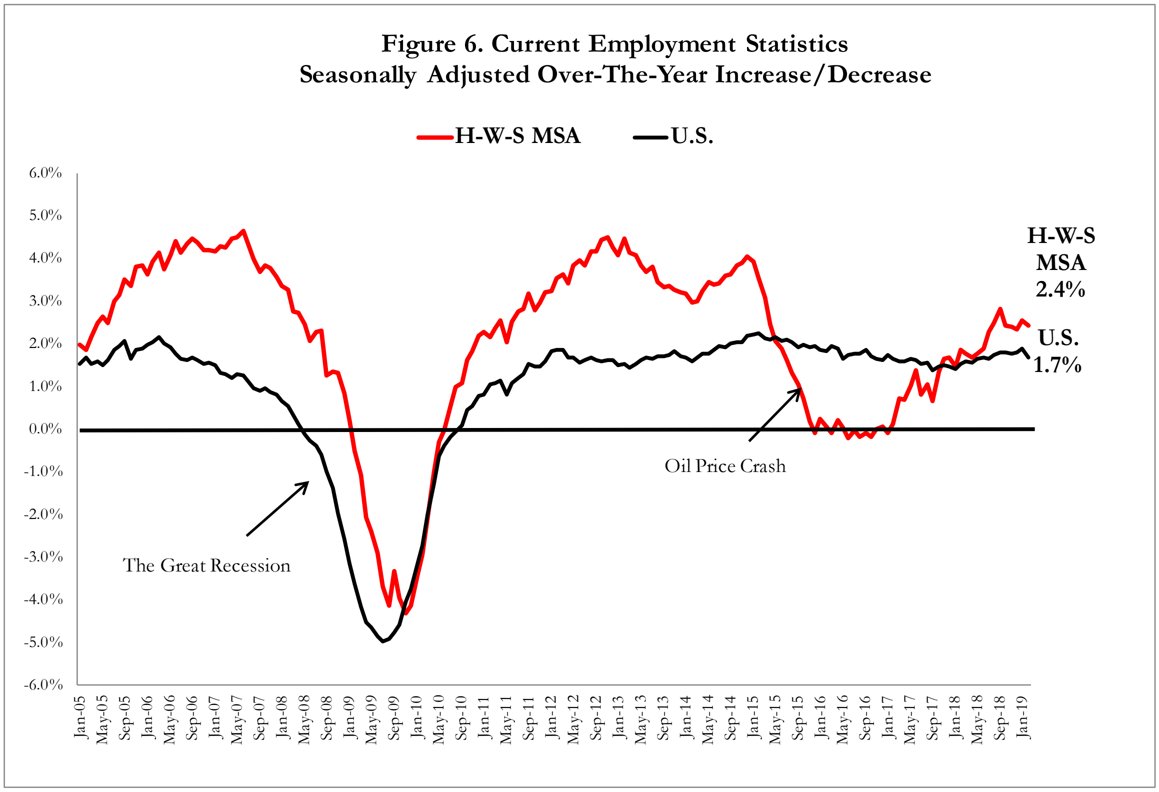


*The Trade, Transportation, and Utilitis super sector is the aggregate of Wholesale Trade, Retail Trade, and Transportation, Warehousing, and Utilities.

Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 5 and 6 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment was up 8,700 jobs in February and 74,300 jobs from one year earlier. The annual pace of job growth fell two-tenths of a percentage point to 2.4 percent but continues to be higher than the nation's 1.7 percent pace. Growth of Total Nonfarm Employment in the H-W-S MSA has also outperformed the nation over the long-term as well with payrolls up 17.8 percent above the prerecession high compared to the nation's 8.8 percent increase.

Figure 5. Total Non-farm Employment-Seasonally Adjusted





DETAILS BY SUPER SECTOR

Mining and Logging employment added 900 jobs in February, up 1.1 percent. Most of the increase was in Support Activities for Mining, where companies that perform most of the field services required in the physical extraction of oil and gas are found, up 500 jobs or 1.2 percent.

Mining and Logging added 3,800 jobs over the year with the pace of job growth rising to 4.9 percent, its fastest pace since March 2014. Job gains have been driven by hiring in Support Activities Mining, up 3,600 jobs or 9.0 percent over the year. Oil and Gas Extraction, where most engineering and office related services are performed to develop or operate oil and gas field properties, continues to report over-the-year losses, down 300 jobs or 0.8 percent. Payrolls in the super sector remain well below their peak levels during the shale boom recovering only 6,000 jobs (16.1 percent) of the 37,300 jobs lost from December 2014 to December 2016 and will likely never recover all jobs lost as the industry becomes more efficient., see figure 7 and 8.

The average U.S. rig count was down by 12 over the month at 1,048 in February, up 79 over the year and 639 (156.2) percent from May 2016 when the rig count bottomed out at 409. While the average U.S. rig count remains considerably higher than it was in 2016 it is starting to fall as producers reduce their 2019 drilling plans with the decline in crude prices at the end of last year.

Figure 7. Mining and Logging

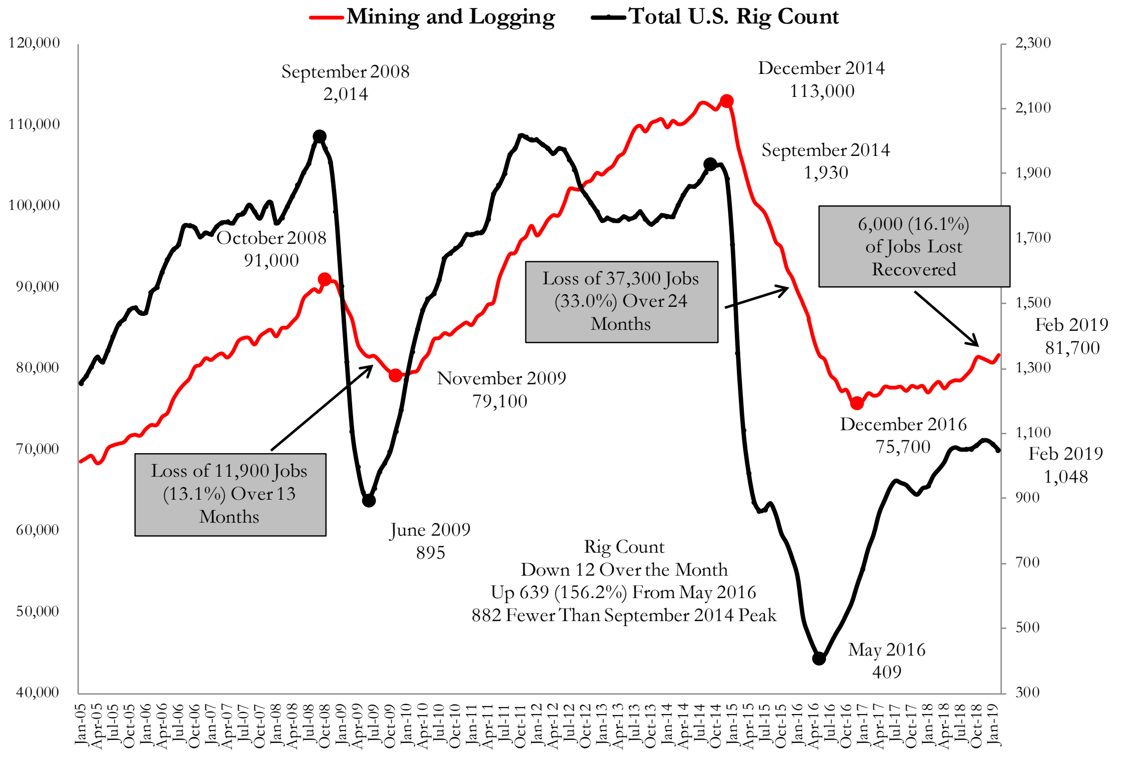
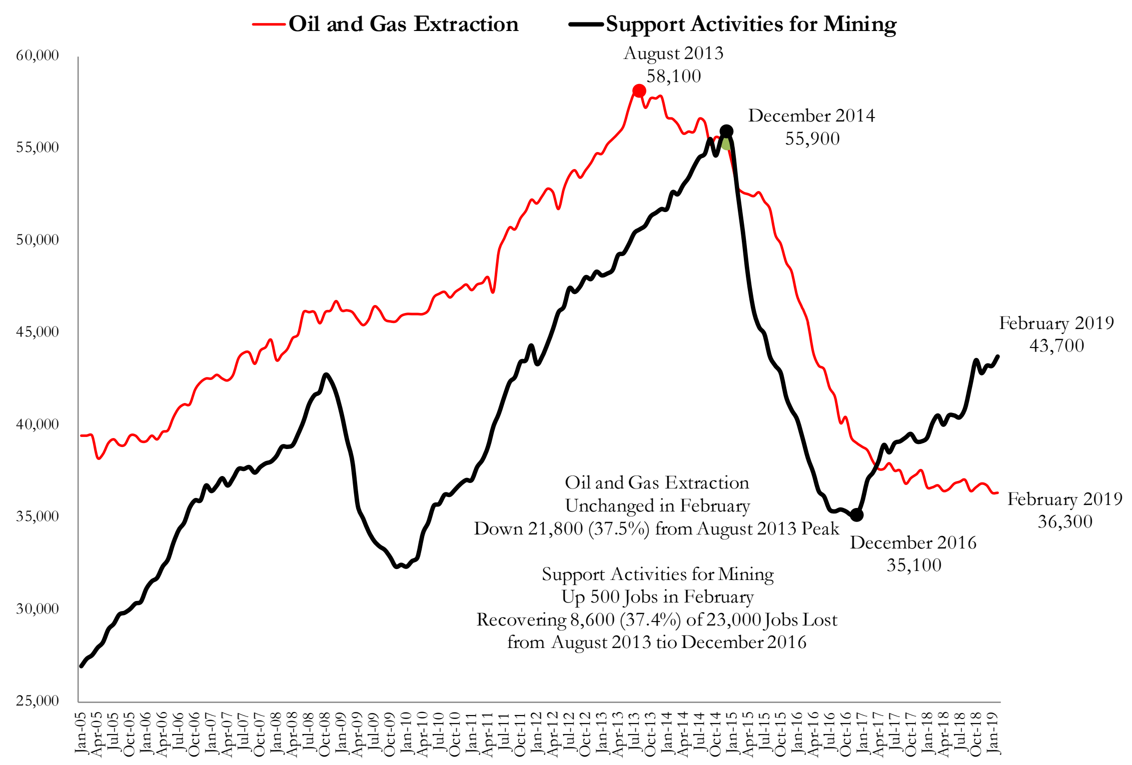


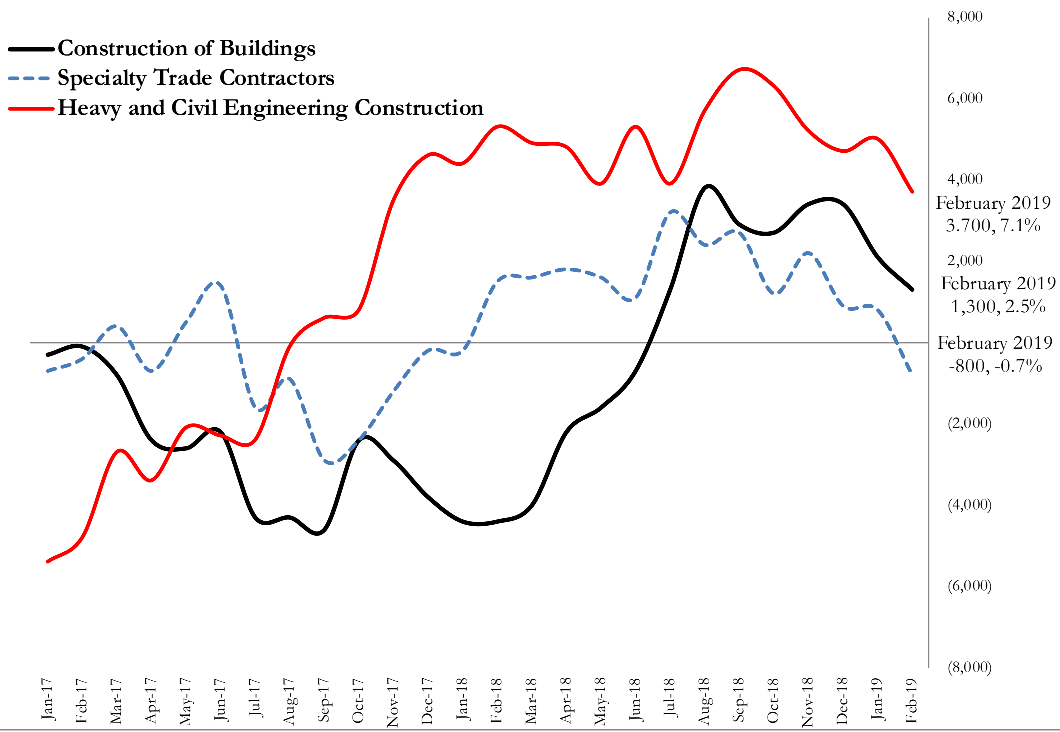
Figure 8. Mining and Logging



Construction added 3,000 jobs in February, up 1.4 percent. Job gains were found in Heavy and Civil Engineering Construction, up 1,600 jobs or 3.0 percent, and Specialty Trade Contractors, up 1,400 jobs or 1.3 percent.

Construction was up 4,200 jobs over the year with the pace of job growth falling from 3.8 percent in January to 1.9 percent. Largest gains were in Heavy and Civil Engineering Construction with payrolls up 3,700 jobs or 7.1 percent over the year, see figure 9. Construction of Buildings also reported job gains, up 1,300 jobs or 2.5 percent over the year. Specialty Trade Contractors reported an over-the-year loss for the first time in more than a year, down 800 jobs or 0.7 percent.

Figure 9. Construction
Over-the-Year Change



Manufacturing experienced a strong increase of 5,200 jobs in February, up 2.2 percent. While there is a possibility that the estimate could be revised, it is currently the largest one-month increase on record according to data dating back to 1990. Most of the increase was in Durable Goods Manufacturing, up 3,500 jobs or 2.3 percent. Non-Durable Goods Manufacturing added 1,700 jobs in February, up 2.0 percent.

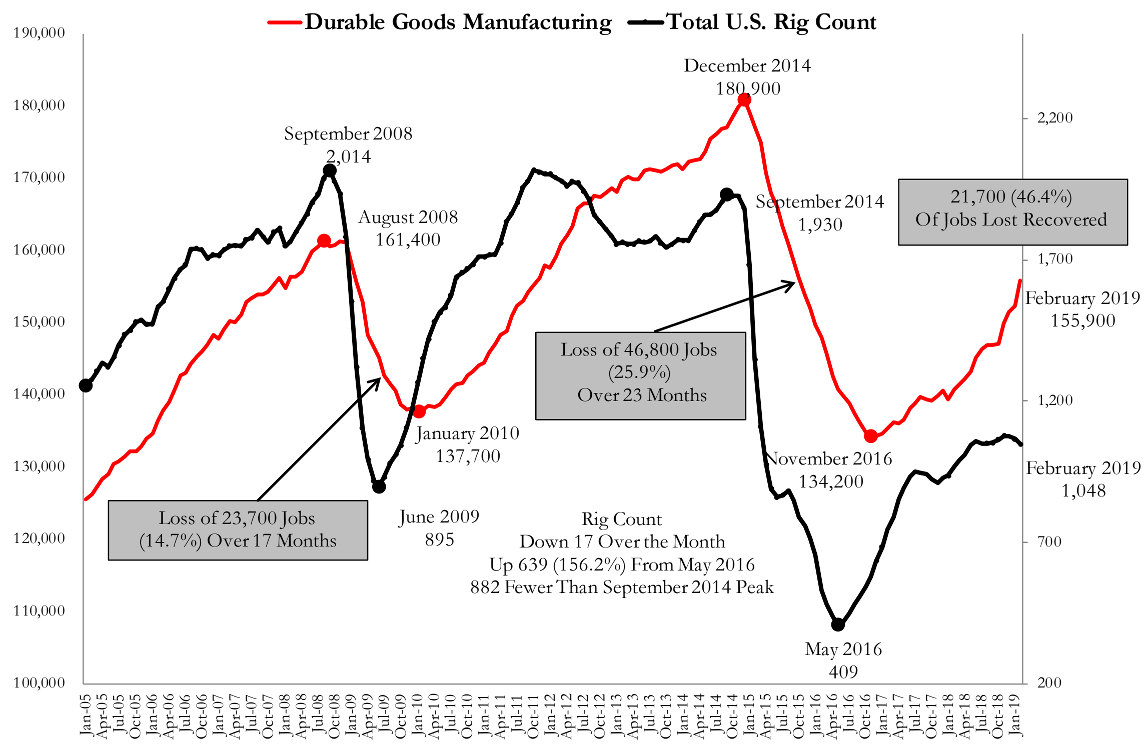
Manufacturing was the fastest growing super sector with payrolls up 17,100 jobs or 7.6 percent over the year. Most of the new jobs were in Durable Goods Manufacturing where payrolls were up 15,200 jobs over the year and the pace of growth at 10.8 percent. Job growth in the durable goods sector have been driven by steady oil and gas drilling activity. Largest job gains are found in Fabricated Metal Product Manufacturing, up 6,300 jobs or

12.4 percent, and Agriculture, Construction, and Mining Machinery Manufacturing, up 2,800 jobs or 9.8 percent. Looking back, Durable Goods Manufacturing has recovered some 21,700 jobs (46.4%) of 46,800 jobs lost during the last downturn, see figure 10.

The pace of job growth in Non-durable Goods Manufacturing rose to 2.3 percent, up 1,900 jobs over the year. Gains in Chemical Manufacturing were primarily responsible for the increase with payrolls up 1,300 jobs or 3.3 percent.

The Houston Purchasing Managers Index rose 0.1 points in February to 56.1 indicating expanding economic activity in the region over the next several months. The Houston PMI indicates likely shifts in production three or four months in advance. Readings over 50 generally indicate production expansion over the near term, while readings below 50 show coming contraction.

Figure 10. Durable Goods Manufacturing



Trade Transportation, Warehousing & Utilities experienced a loss of 6,000 jobs in February. While the super sector has reported declines every February since records began in 1990, this year's 1.0 percent decline was twice as deep as the historical average of 0.5 percent. Most of the decline was in Transportation, Warehousing, and Utilities, down 4,300 jobs or 2.8 percent. The remaining losses were in Retail Trade, down 2,600 jobs or 0.9 percent. Wholesale Trade helped offset losses adding 900 jobs over the month, up 0.5 percent.

The pace of job growth in Trade, Transportation, Warehousing & Utilities fell from 1.4 percent to 0.7 percent because of February declines with payrolls up 4.200 jobs over the year. In the trade sector, Wholesale Trade managed an increase of 4,500 jobs or 2.7 percent while Retail Trade shed some 4,600 jobs, down 1.5 percent. Within Retail Trade, Building Material and Garden Equipment and Supplies Dealers suffered the largest decline, down 2,100 jobs or 8.8 percent. Transportation, Warehousing, and Utilities reported a substantial increase of 4,300 jobs over the year, up 3.0 percent. While much of the detailed data within Transportation, Warehousing, and Utilities is not available, Truck Transportation made the largest contribution to the increase, up 1,700 jobs or 6.4 percent.

Information continued its long-term decline with a loss of 200 jobs in February, down 0.6 percent. Payrolls in the super sector were down 800 jobs or 2.5 percent over the year. About half of the MSA's employment in Information resides in Telecommunications where payrolls were down 400 jobs or 2.9 percent over the year. The remainder of the declines were in areas such as newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services. The Information super sector continues to suffer from declines over the long term due to several issues including, but not limited to, automation, growth in wireless communications, and changes in customers demand and access to media.

Financial Activities added 800 jobs in February, up 0.5 percent. An increase of 1,200 jobs in Finance and Insurance, 1.2 percent, was responsible for the increase. The only February decline was in Real Estate and Rental and Leasing, down 400 jobs or 0.7 percent.

Financial Activities added 2,400 jobs over the year with the pace of job growth at 1.5 percent. Most of the increase was in Finance and Insurance, up 2,000 jobs or 2.0 percent. Real Estate and Rental and Leasing saw the pace of job growth fall from 2.2 percent to 0.7 percent because of February declines, up 400 jobs.

Professional and Business Services reported its strongest February increase since 1998, up 8,200 jobs or 1.7 percent. Most gains were in Professional, Scientific, and Technical Services, up 6,700 jobs or 2.9 percent. The only loss was found in Employment Services, down 400 jobs or 0.5 percent.

Professional and Business Services was the second largest contributor to over-the-year job growth in the H-W-S MSA in February, up 17,000 jobs or 3.5 percent. Job gains were widespread with strongest growth found in Architectural, Engineering, and Related Services, up 6,300 jobs or 9.4 percent, and Computer Systems Design and Related Services, up 1,800 jobs or 5.6 percent. The only industry sector reporting a loss was Employment Services where the pace of losses was accelerating, down 2,600 jobs or 3.2 percent.

Education and Health Services reported a seasonal gain of 4,800 jobs in February. The 1.2 percent increase was stronger than the historical average increase of 0.8 percent. Strongest gains were in Educational Services, up 1,500 jobs or 2.5 percent. Hospitals was the only sector not reporting a February gain where payrolls were unchanged over the month.

Education and Health Services added 11,800 jobs over the year in February, up 3.0 percent, with job gains found across all industry sectors. The strongest increases were in Ambulatory Health Care Services, up 5,200 jobs or 3.3 percent, and Educational Services, up 1,500 jobs or 2.5 percent.

Leisure and Hospitality experienced a loss of 1,200 jobs in February, down 0.4 percent. The super sector has added some 3,400 jobs each February on average and if the estimate is not revised this will be the first February decline on record according to data dating back to 1990. A loss of 2,600 jobs in Food Services and Drinking Places was responsible for the decline.

Payrolls in the Leisure and Hospitality super sector were unchanged over the year. A loss of 1,200 jobs in Food Services and Drinking Places offset a combined increase of 1,200 jobs in Arts, Entertainment, and Recreation and Accommodations.

Other Services reported its largest one month increase since June 2015 in February, up 2,700 jobs or 2.4 percent.

Other Services was up 6,600 jobs over the year and if February's increase is not revised the pace of job growth in Other Services will have risen to its fastest pace since December 1992, up 6.0 percent. Other Services is comprised of personal care services, dry cleaning and laundry services, various repair service companies (industrial equipment, mining machinery and equipment), as well as the previously mentioned religious and social advocacy organizations and others.

Government reported a seasonal increase of 8,700 jobs over the month, up 2.1 percent. Most of the increase was at educational institutions with Local Government Educational Services up 7,200 jobs or 3.5 percent and State Government Educational Services, up 300 jobs or 0.6 percent.

Government added 6,300 jobs over the year, up 1.5 percent. Most new jobs were in Local Government, up 5,500 jobs, driven by gains in Local Government Educational Services, up 4,200 jobs or 2.0 percent. Within State Government, up 500 jobs, State Government Educational Services was down 800 jobs or 1.5 percent.

NONAGRICULTURAL EMPLOYMENT		Month Change		Year Change	
Houston-The Woodlands-Sugar Land MSA	FEB 2019	Net	Percent	Net	Percent
Total Nonfarm	3,120,300	26,900	0.9%	72,600	2.4%
.Total Private	2,698,200	18,200	0.7%	66,300	2.5%
.Goods Producing	543,300	9,100	1.7%	25,100	4.8%
..Mining, Logging and Construction	302,500	3,900	1.3%	8,000	2.7%
...Mining and Logging	81,700	900	1.1%	3,800	4.9%
.....Oil and Gas Extraction	36,300	0	0.0%	-300	-0.8%
.....Support Activities for Mining	43,700	500	1.2%	3,600	9.0%
...Construction	220,800	3,000	1.4%	4,200	1.9%
.....Construction of Buildings	54,300	0	0.0%	1,300	2.5%
.....Heavy and Civil Engineering Construction	55,700	1,600	3.0%	3,700	7.1%
.....Specialty Trade Contractors	110,800	1,400	1.3%	-800	-0.7%
..Manufacturing	240,800	5,200	2.2%	17,100	7.6%
...Durable Goods	155,900	3,500	2.3%	15,200	10.8%
....Fabricated Metal Product Manufacturing	57,000	1,600	2.9%	6,300	12.4%
....Machinery Manufacturing	47,900	600	1.3%	4,600	10.6%
.....Agriculture, Construction, and Mining Machinery Manufacturing	31,400	400	1.3%	2,800	9.8%
....Computer and Electronic Product Manufacturing	13,300	-100	-0.7%	200	1.5%
...Non-Durable Goods	84,900	1,700	2.0%	1,900	2.3%
....Petroleum and Coal Products Manufacturing	10,300	300	3.0%	300	3.0%
....Chemical Manufacturing	40,200	200	0.5%	1,300	3.3%
.Service-Providing	2,577,000	17,800	0.7%	47,500	1.9%
.Private Service Providing	2,154,900	9,100	0.4%	41,200	1.9%
..Trade, Transportation, and Utilities	621,600	-6,000	-1.0%	4,200	0.7%
...Wholesale Trade	170,400	900	0.5%	4,500	2.7%
....Merchant Wholesalers, Durable Goods	106,200	-200	-0.2%	3,000	2.9%
.....Professional and Commercial Equipment and Supplies Merchant Wholesaler	18,100	200	1.1%	500	2.8%
....Merchant Wholesalers, Nondurable Goods	53,100	500	1.0%	1,700	3.3%
...Retail Trade	302,000	-2,600	-0.9%	-4,600	-1.5%
....Motor Vehicle and Parts Dealers	41,700	100	0.2%	0	0.0%
....Building Material and Garden Equipment and Supplies Dealers	21,700	600	2.8%	-2,100	-8.8%
....Food and Beverage Stores	66,000	200	0.3%	-700	-1.0%
....Health and Personal Care Stores	19,100	-100	-0.5%	0	0.0%
....Clothing and Clothing Accessories Stores	28,800	-1,300	-4.3%	-300	-1.0%
....General Merchandise Stores	59,600	-2,000	-3.2%	-200	-0.3%
.....Department Stores	20,100	-1,400	-6.5%	-400	-2.0%
.....General Merchandise Stores, including Warehouse Clubs and Supercenters	39,500	-600	-1.5%	200	0.5%
...Transportation, Warehousing, and Utilities	149,200	-4,300	-2.8%	4,300	3.0%
....Utilities	17,000	0	0.0%	300	1.8%
.....Air Transportation	19,700	0	0.0%	-300	-1.5%
.....Truck Transportation	28,300	200	0.7%	1,700	6.4%
.....Pipeline Transportation	11,100	0	0.0%	-500	-4.3%
..Information	30,900	-200	-0.6%	-800	-2.5%
....Telecommunications	13,300	100	0.8%	-400	-2.9%
..Financial Activities	165,100	800	0.5%	2,400	1.5%
...Finance and Insurance	104,400	1,200	1.2%	2,000	2.0%
....Credit Intermediation and Related Activities including Monetary Authorities -	45,400	700	1.6%	600	1.3%
.....Depository Credit Intermediation including Monetary Authorities - Central B	29,400	300	1.0%	400	1.4%
....Financial Investments and Related Activities including Financial Vehicles	21,500	100	0.5%	700	3.4%
....Insurance Carriers and Related Activities	37,500	400	1.1%	700	1.9%
...Real Estate and Rental and Leasing	60,700	-400	-0.7%	400	0.7%

NONAGRICULTURAL EMPLOYMENT		Month Change		Year Change	
Houston-The Woodlands-Sugar Land MSA	**FEB 2019**	**Net**	**Percent**	**Net**	**Percent**
..Professional and Business Services	504,000	8,200	1.7%	17,000	3.5%
...Professional, Scientific, and Technical Services	239,600	6,700	2.9%	12,800	5.6%
.....Legal Services	26,100	100	0.4%	800	3.2%
.....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	28,800	600	2.1%	200	0.7%
.....Architectural, Engineering, and Related Services	73,300	1,800	2.5%	6,300	9.4%
.....Computer Systems Design and Related Services	34,100	1,100	3.3%	1,800	5.6%
...Management of Companies and Enterprises	46,800	100	0.2%	800	1.7%
...Administrative and Support and Waste Management and Remediation Services	217,600	1,400	0.6%	3,400	1.6%
....Administrative and Support Services	206,000	1,700	0.8%	3,000	1.5%
.....Employment Services	77,600	-400	-0.5%	-2,600	-3.2%
.....Services to Buildings and Dwellings	48,700	900	1.9%	1,300	2.7%
..Education and Health Services	401,300	4,800	1.2%	11,800	3.0%
...Educational Services	62,300	1,500	2.5%	1,500	2.5%
...Health Care and Social Assistance	339,000	3,300	1.0%	10,300	3.1%
....Ambulatory Health Care Services	163,400	1,200	0.7%	5,200	3.3%
....Hospitals	86,400	0	0.0%	1,400	1.6%
..Leisure and Hospitality	316,100	-1,200	-0.4%	0	0.0%
...Arts, Entertainment, and Recreation	32,600	900	2.8%	300	0.9%
...Accommodation and Food Services	283,500	-2,100	-0.7%	-300	-0.1%
....Accommodation	28,300	500	1.8%	900	3.3%
....Food Services and Drinking Places	255,200	-2,600	-1.0%	-1,200	-0.5%
..Other Services	115,900	2,700	2.4%	6,600	6.0%
..Government	422,100	8,700	2.1%	6,300	1.5%
...Federal Government	29,400	300	1.0%	300	1.0%
...State Government	87,500	600	0.7%	500	0.6%
....State Government Educational Services	51,300	300	0.6%	-800	-1.5%
...Local Government	305,200	7,800	2.6%	5,500	1.8%
....Local Government Educational Services	214,200	7,200	3.5%	4,200	2.0%

UNEMPLOYMENT RATE	FEB 2019	JAN 2019	FEB 2018
H-W-S MSA	4.2	4.5	4.7
Texas (Actual)	3.9	4.2	4.1
United States (Actual)	4.1	4.4	4.4

Houston-The Woodlands-Sugar Land MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. All Data is Subject to Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Institute for Supply Management, Baker Hughes, and The Federal Reserve Bank of Dallas.

Current Employment Statistics
Houston-The Woodlands-Sugar Land
Special Report: 2018 Benchmark Revisions

March 2019

Workforce Solutions is an affiliate of the Gulf Coast Workforce Board, which manages a regional system that helps employers solve their workforce problems and residents build careers so both can compete in the global economy. The workforce system serves the City of Houston and the surrounding 13 Texas Gulf Coast counties including: Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.

Total Nonfarm Employment and the Impacts of 2018 Benchmark Revisions

- In addition to the release of January 2019's initial estimated employment, 2018 benchmark revisions impacting previous estimates in some cases as far back as 1990 were also issued by the Texas Workforce Commission, however the most significant revisions affected estimated employment for years 2017 and 2018.
- Earlier reports of year-end job growth in 2017 (+62,900 jobs) and 2018 (+108,300 jobs) were revised to show smaller gains of 54,200 and 73,300, respectively. 2015 saw no further revisions while 2016 saw only a slight revision from -2,200 to -2,400 jobs lost. In each case, these figures represent the over-the-year net change from the previous December.
- December 2018 reported 35,000 fewer jobs added than previously estimated. These downward revisions were spread across eight sectors: Professional and Business Services; Construction; Trade, Transportation, and Utilities; Manufacturing; Educational and Health Services; Financial Activities; Mining and Logging; and Other Services. Collectively these sectors accounted for 43,800 jobs and of those Professional and Business Services comprised one-third with another quarter attributed to Construction.
- The remaining three sectors saw either smaller losses (Information, 400 fewer jobs lost, yet still negative year over year) or larger gains (Leisure and Hospitality, an additional 5,400 jobs gained and Government, an additional 3,000 jobs) for a combined 8,800 jobs. These jobs offset the 43,800 job referenced above resulting in the net over-estimation of 35,000. (See Charts 1 and 2. And Exhibit 1.)
- One major consequence of the 2018 benchmark revisions was the erasure of what was previously believed to be a new all-time record high for over-the-year job growth in September 2018 of 128,000 jobs, at the time surpassing the previous record of 116,700 jobs recorded in December 2014. After revisions, over-the-year growth for September 2018 was a respectable, but not record-setting, 82,800 jobs for a difference of over 45,000. This earlier pace of job growth was generally considered to be out of line with other surveys and forecasts throughout the year and furthermore suggested that job growth in late-2018 was stronger than what was observed during the best years of the shale boom between 2011 and 2014 when oil averaged $96 per barrel.[i]
- As already noted, estimates for 2016 saw little change before and after 2018 benchmark revisions. This was also true of October of that year, which remains the low for the most recent local economic downturn with -7,300 jobs lost revised to a larger decline of -7,800 jobs.
- **NOTE:** Some of the employment series referenced in this report reflect negative distortions in September 2017 as a result of Hurricane Harvey, particularly Trade, Transportation, and Utilities and Leisure and Hospitality. These temporary declines were followed by comparably positive distortions in September 2018. While the use of over-the-year changes is a standard technique for analyzing data of this type in order to minimize the effects of seasonality, this method has the unintended consequence of exaggerating trends, particularly those occurring during or immediately after the disruptive event. The reader should be aware of this possibility and use additional caution when interpreting labor market developments occurring in late-2018.

Line Chart Color Key

Sector Over-the-year Net Change	
Sub-sector/Industry Group within Sector Over-the-year Net Change	
Implied/Unpublished Detailed Industry within Industry Group Over-the-year Net Change	
Denotes September 2017 - Hurricane Harvey	

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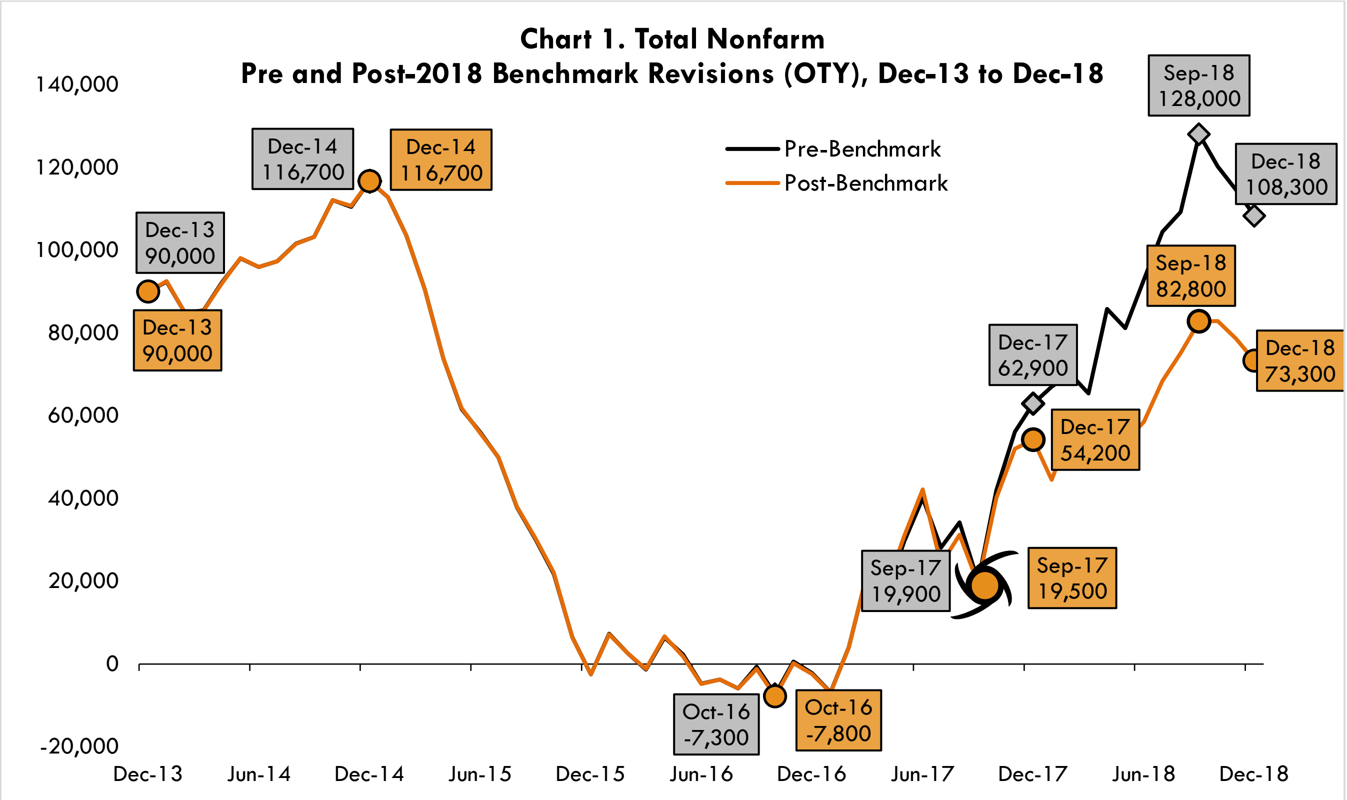

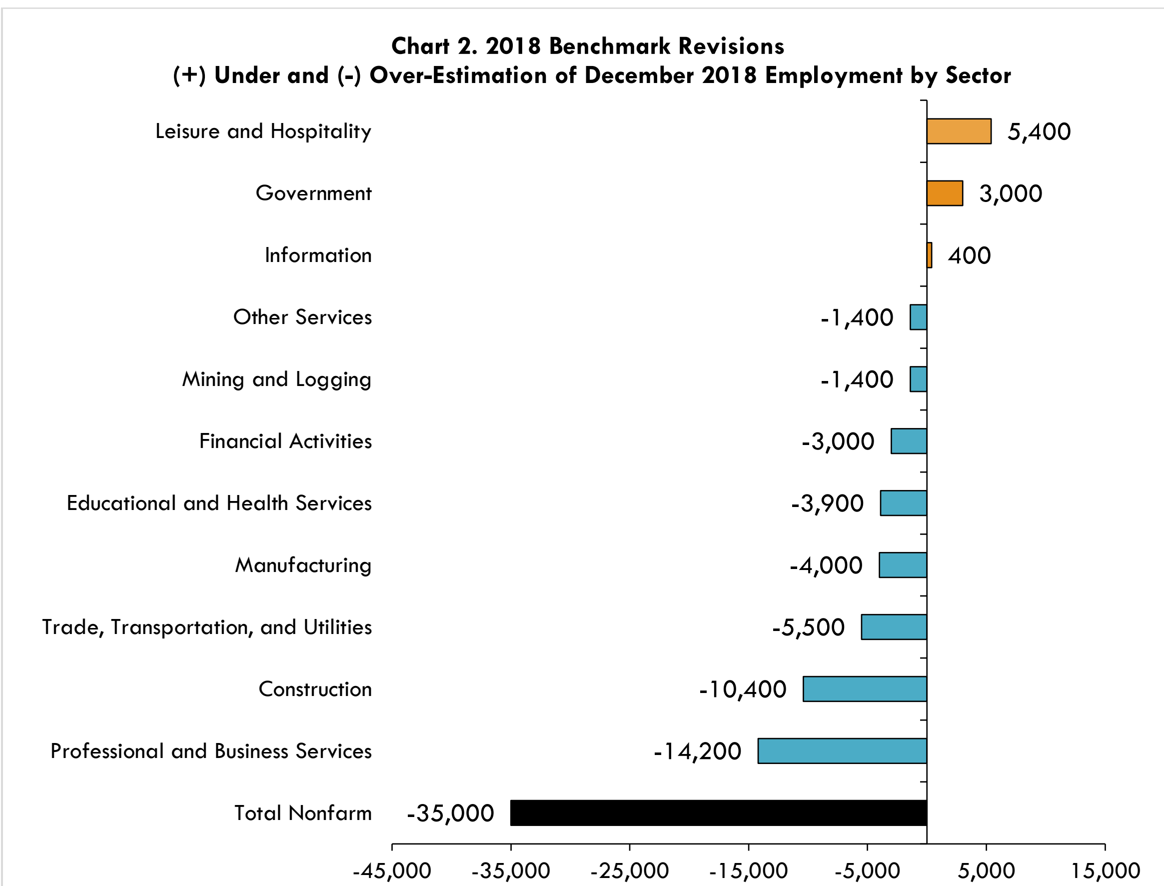

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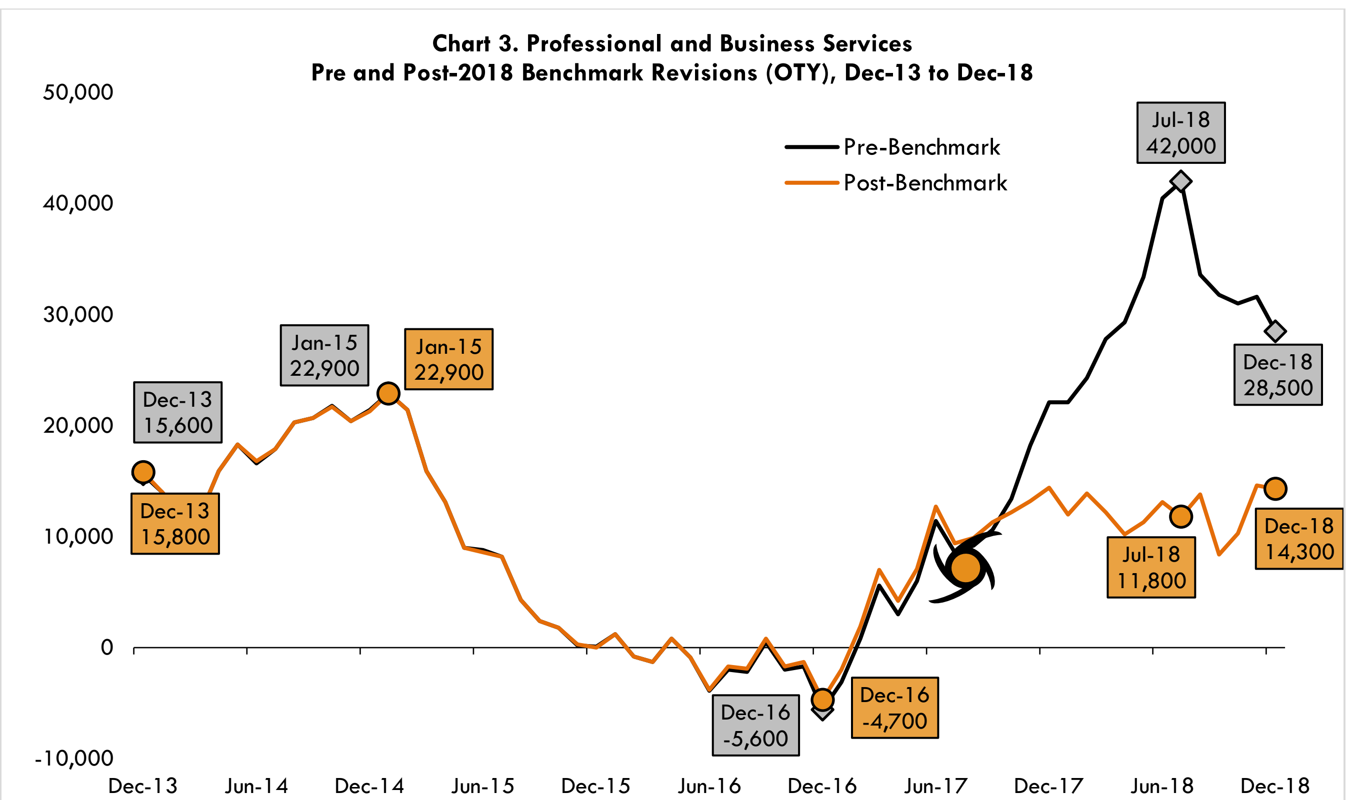
SECTORS WITH OVER-ESTIMATED EMPLOYMENT

Professional and Business Services

- As a result of benchmark revisions, Professional and Business Services demonstrated notably more modest job growth from October 2017 onward. (See Chart 3.)
- Prior to benchmark revisions, this sector saw a sharp rise in over-the-year growth culminating in July 2018 at 42,000 jobs added, which at the time set a new record in this sector. In reality, job growth during this month was only 11,800 for an over-estimation of 30,200 jobs.
- Ultimately, for the 12-month period ending December 2018, Professional and Business services added 14,200 fewer jobs than originally thought and furthermore this sector dropped from third-fastest growing to fifth as a result of the revisions.
- The bulk of the over-estimation in Professional and Business Services occurred in its sub-component Administrative and Support and Waste Management and Remediation Services, in the amount of 11,800 jobs. Mirroring the overall sector, initial estimates of job growth in this industry group indicated strong growth throughout 2018 peaking at 24,000 jobs added year-over-year in June. After revisions, this figure was lowered to just 1,400 jobs and furthermore this industry group now shows a slight downward trend marked by a dip into negative territory in September 2018 (-100 jobs) and rebound in December (+5,000 jobs). (See Chart 4.)
- After Administrative and Support, the next largest driver of over-estimated growth in Professional and Business Services was Professional, Scientific, and Technical Services in the amount of 3,800 jobs. The overall shape of the trend observed before revisions remained afterwards albeit with a much lower magnitude. (See Chart 5.)
- Lastly, in contrast to the other industry group sub-components of Professional and Business Services, Management of Companies and Enterprises was under-estimated by 1,400 jobs as of December 2018. (See Chart 6.)



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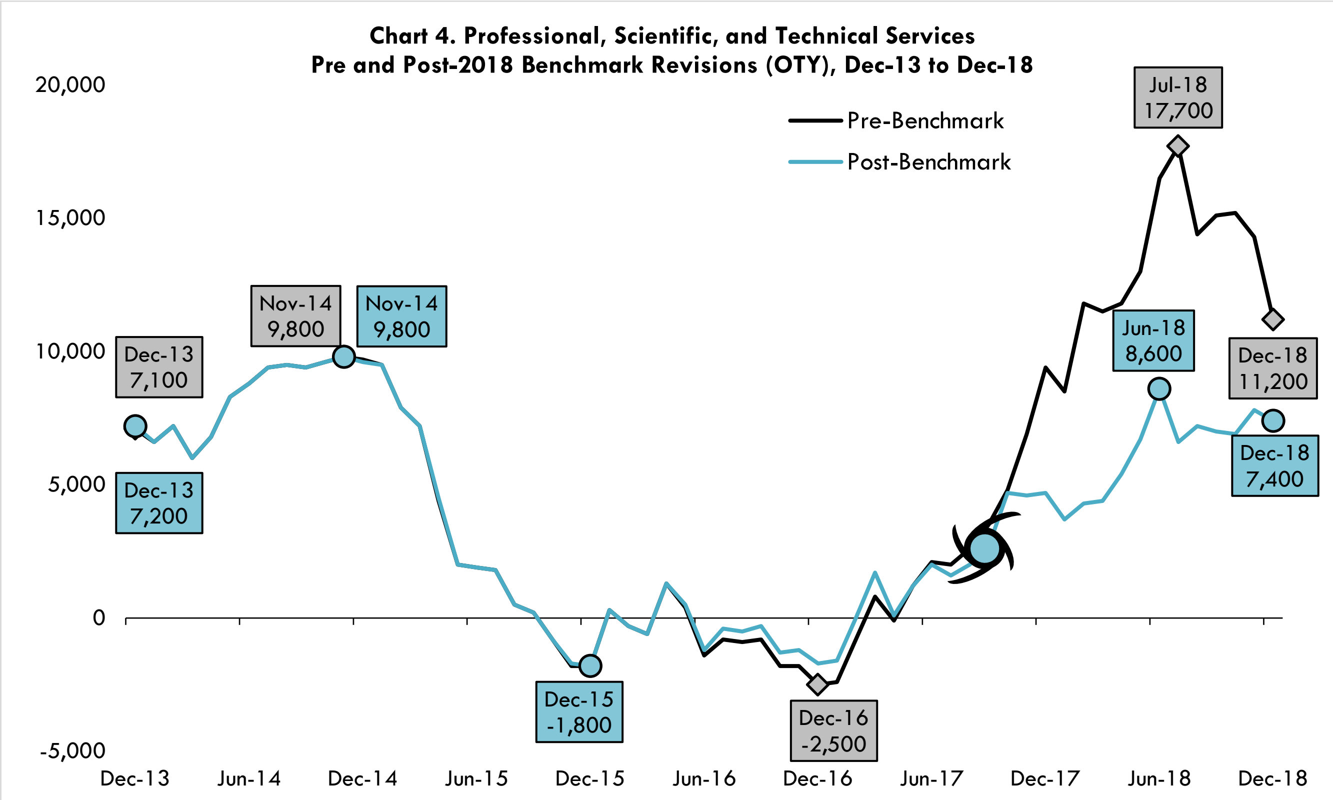

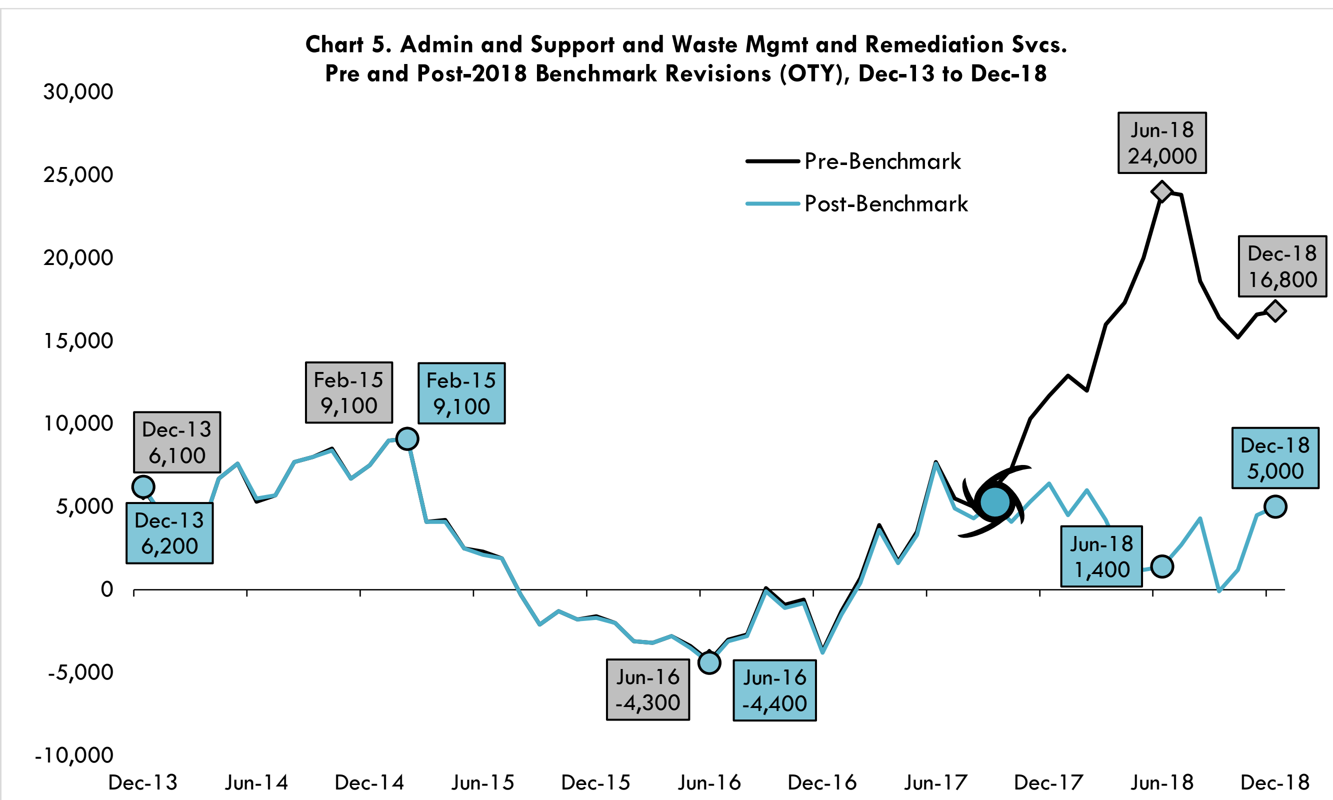

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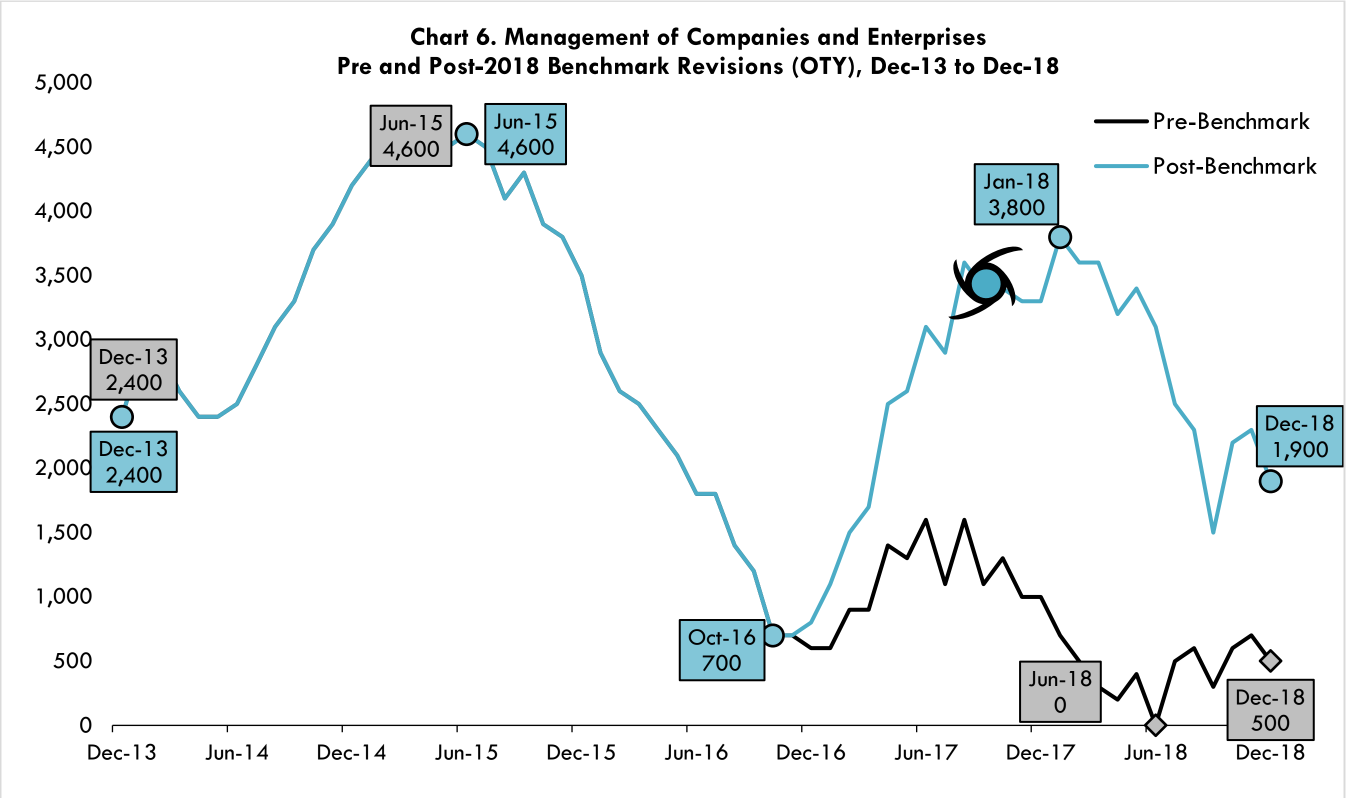

Construction

- Given the occurrence of Hurricane Harvey between late-August and early-September 2017, Construction was expected to show some degree of job growth after the storm. This was in fact the case as evidenced by a return to growth in November 2017 after extended period of decline over the previous two years. Pre-benchmark estimates for 2018 showed a sharp second-wave of growth between May 2018 and August 2018 peaking at 29,500 jobs added year over year, the reason for which was unclear. Employment figures reported by the Quarterly Census of Employment and Wages (QCEW) indicated a surge in pipeline construction activity far surpassing residential construction, the latter of which was presumed to be the source of construction growth due to the storm. Regardless, there was little to suggest that the sudden rise in pre-benchmark estimates could be wholly explained by either pipeline or residential construction. With the release of revisions, it appears that Construction job growth in the year after Hurricane Harvey was decidedly more muted. While the shape of both the pre- and post-benchmark trends remains somewhat similar, the magnitude of the latter was much smaller. In short, despite the roughly 100,000 residential dwellings damaged by the storm, recovery and repair work failed to ignite a new construction boom. Moreover, the slope of the recovery in this sector beginning in July 2017, which currently marks the most recent inflection point, mirrors the slope of the decline of the previous two years suggesting a normal cyclical pattern rather than a sudden exogenous shock leading rapid employment gains.
- Ultimately, the difference in estimates for December 2018 resulted in an over-estimation of job growth of 10,400 for the year, the second-largest over-estimation of the 8 major sectors for which employment gains were over-stated. The bulk of the over-estimation came from the sub-sector Construction of Buildings (7,100 jobs) and Specialty Trade Contractors (4,600 jobs). (See Chart 7.)
- The over-estimation in Construction of Buildings prior to 2018 benchmark revisions proved puzzling. Given that the damage from Hurricane Harvey was primarily the result of flooding, causing significant but largely cosmetic damage to dwellings, rather than wind which would have resulted in structural damage necessitating demolition and rebuilding, there was no logical explanation for the sharp growth in Construction of Buildings relative to Specialty Trade Contractors. Benchmark revisions indicate that suspicions were correct that the described pre-

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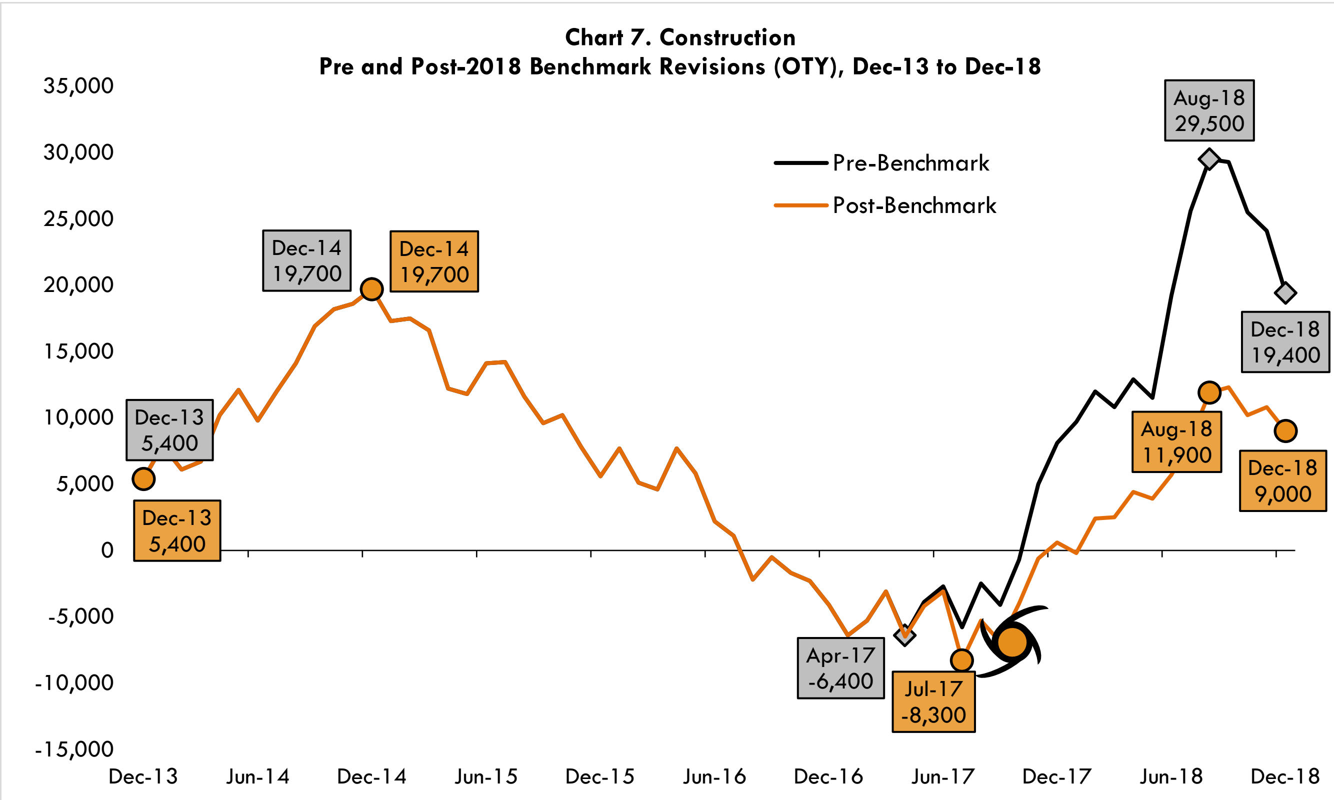
benchmark pattern failed to capture an arguably more intuitive trend. While growth in Specialty Trade Contractors was also revised lower, it did display modest growth from 2017 onward after revisions, consistent with a reasonable amount of storm recovery, in contrast to Construction of Buildings which turned positive only after July 2018, nearly a year after the storm. (See Charts 8 & 9.)

- Lastly, Heavy and Civil Engineering Construction comprising the remaining one-third of the overall Construction sector saw under-estimated growth throughout 2018 ending the year up 4,700 jobs versus an initial estimate of 3,400. As noted, QCEW indicated growth in this industry group was driven by pipeline construction. Further analysis of QCEW, which is generally regarded to be more accurate but less timely, suggests that even after benchmark revisions of CES data, job growth in Heavy and Civil Engineering Construction may be understated as year-over-year growth as of September 2018 per QCEW stood at 8,052 compared to a CES-reported 6,700 jobs. (See Chart 10.)



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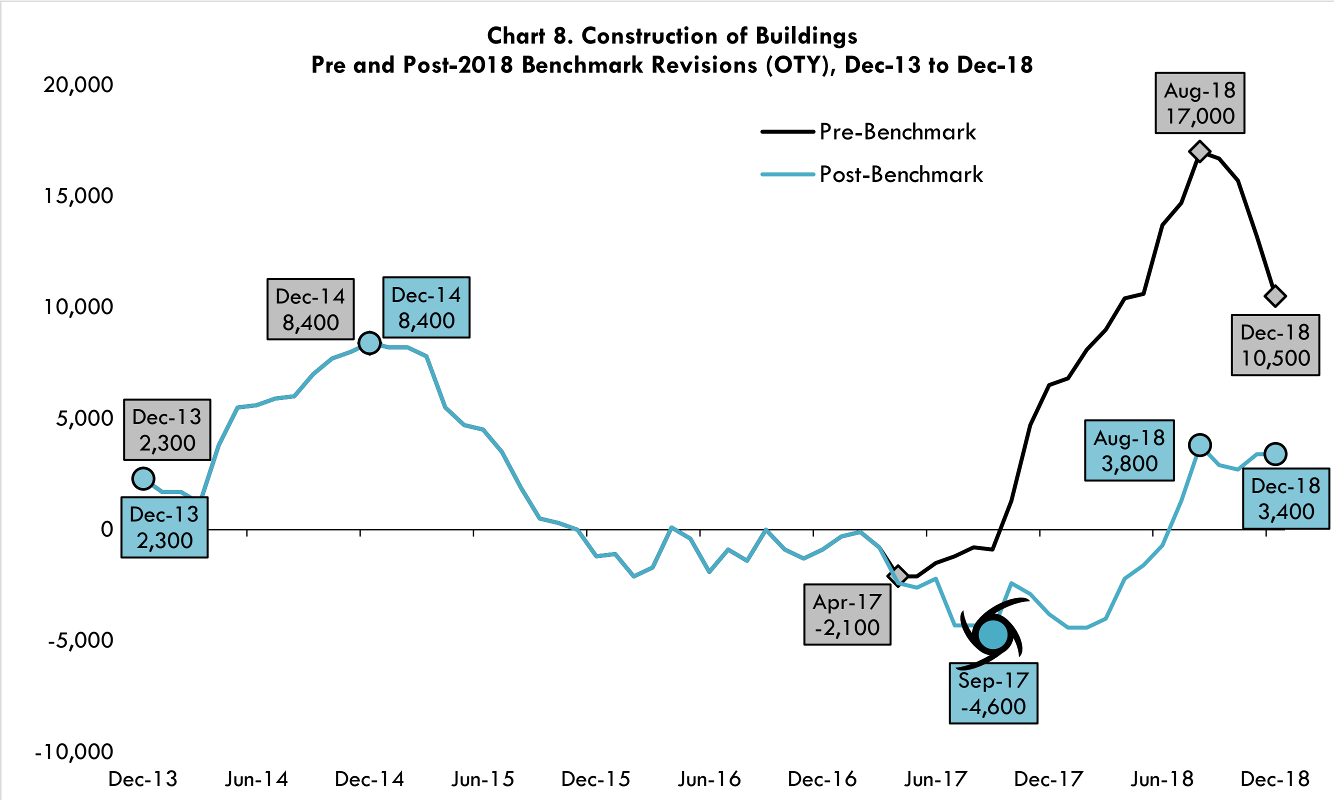

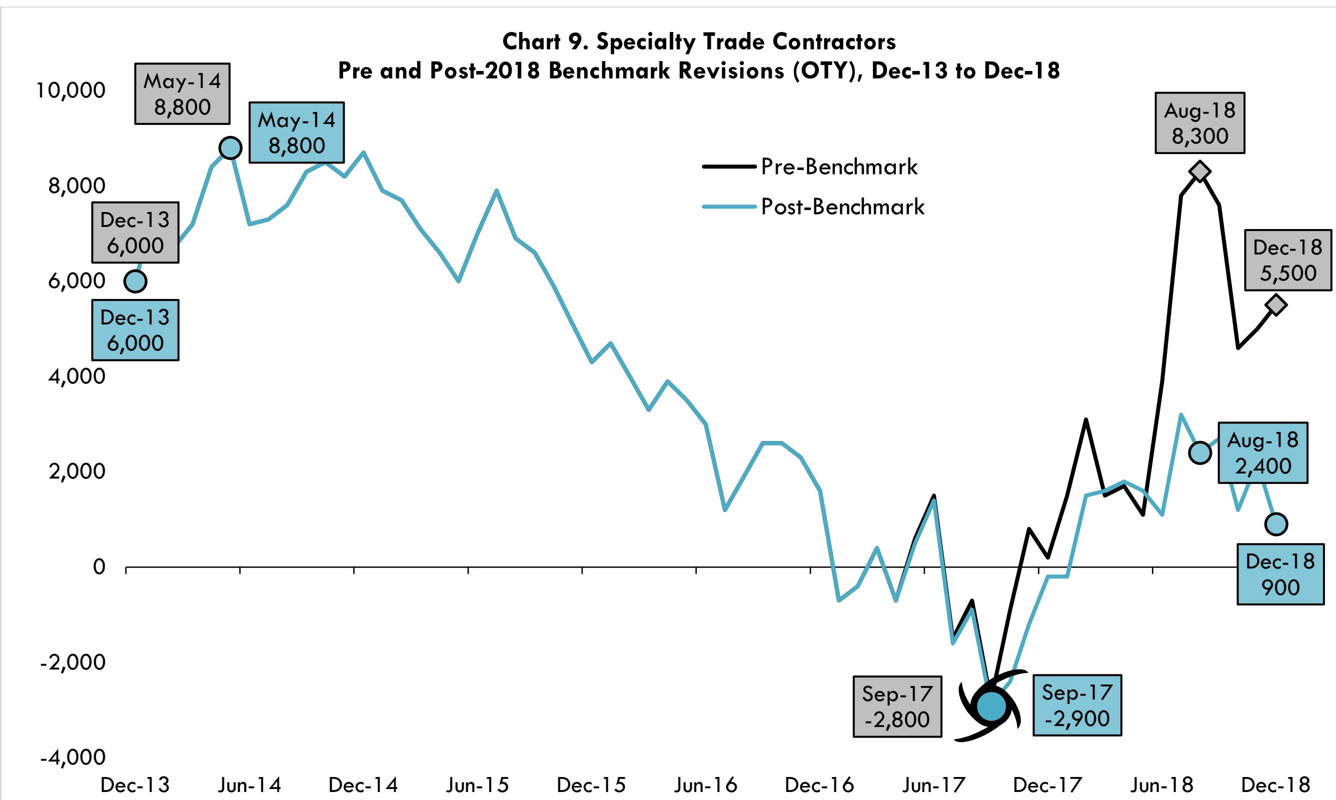

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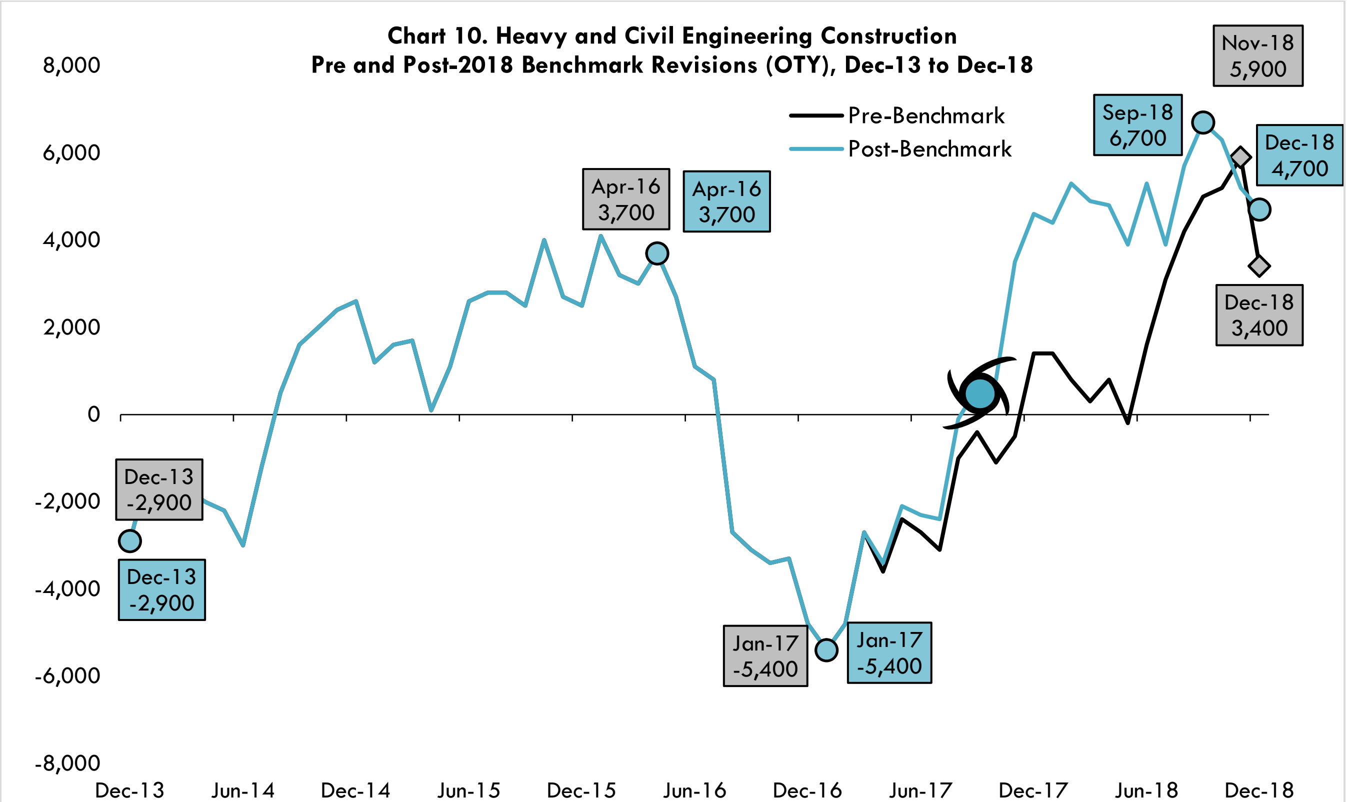
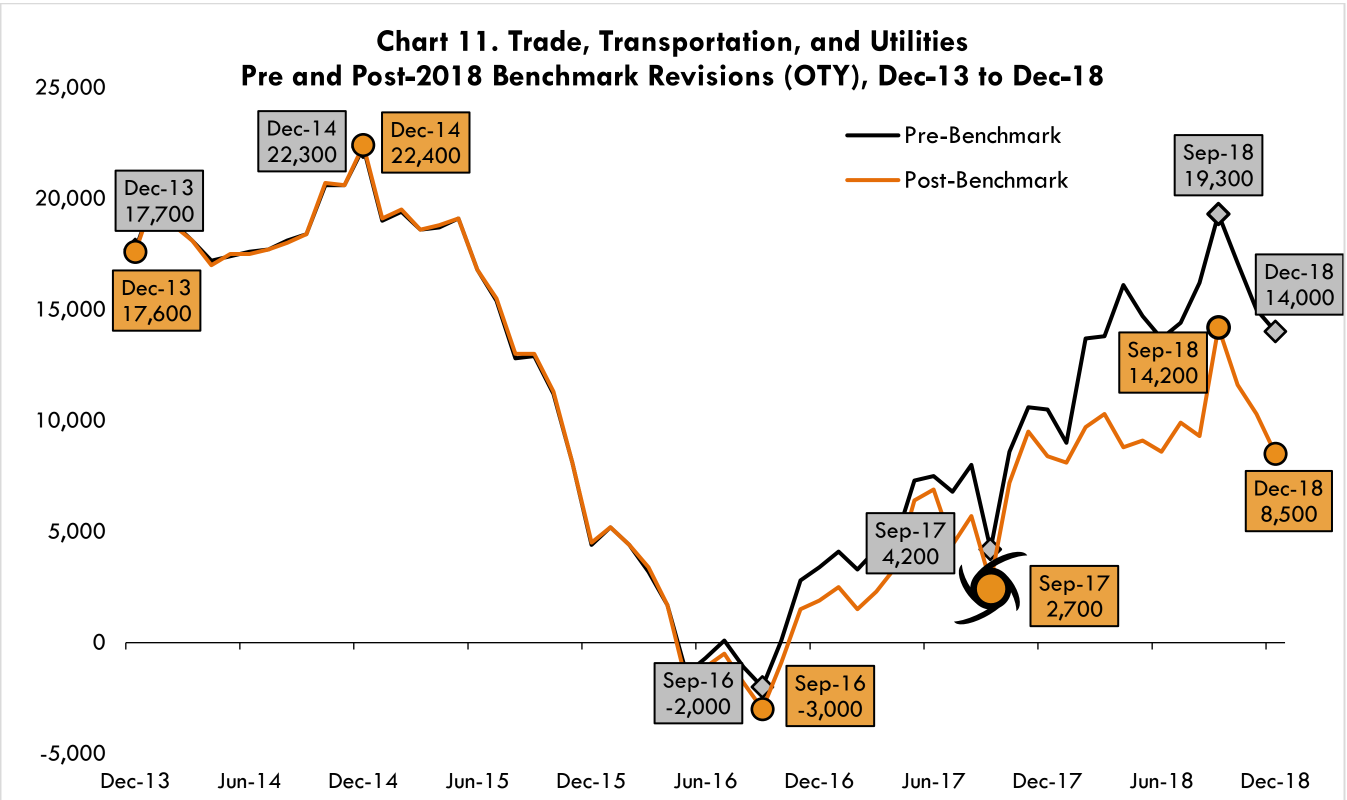


Trade, Transportation, and Utilities

- Whether before or after benchmark revisions, year-over-year job growth in Trade Transportation and Utilities, peaked in December 2014 along with the overall job market and began to slow, turning negative in May 2016 for the first time since the recession after which it bottomed in September 2016 (See Chart 11.)
- While a slight divergence can be seen from September 2016 onward, it widened significantly in 2018 resulting in an over-estimation of year-end employment of 5,500 jobs.
- The main driver of the over-estimation was Retail Trade in contrast to Wholesale Trade and Transportation Warehousing and Utilities, which were relatively consistent before and after benchmark revisions. Retail displayed a local trough in September 2017, likely due to Hurricane Harvey. However, before revisions this subsector showed strong job growth through 2018, and similar to other sectors reported in a spike in growth in September likely exaggerated by the storm, after which there was an equally sharp decline. The shape of that trend remained but now tells a different story post revision. It appears Retail saw little to no growth throughout 2018 except for the September spike that was then followed by a deep decline into negative territory concluding the year down -5,800 jobs. The end result was an over-estimation of jobs in this subsector by 6,600. (See Charts 12, 13, & 14.)
- While the bulk of the over-estimation of job growth in Trade, Transportation, and Utilities can be explained by Retail, the source of Retail's over-estimation was more ambiguous. An examination of the six types of Retail reported by CES for the Houston MSA: Motor Vehicle and Parts Dealers; Building Material and Garden Equipment and Supplies Dealers; Food and Beverage Stores; Health and Personal Care Stores; Clothing and Clothing Accessories Stores; and General Merchandise Stores, revealed that the largest *known* source of the over-estimation occurred within Food and Beverage Stores, a category primarily composed of supermarkets and grocery stores. This segment of Retail accounted for approximately 27 percent of its over-estimation. All other published components of Retail contributed comparatively little (a combined 21 percent) to its over-estimation as evidenced by modest revisions after the 2018 benchmark. This implied that all other types of Retail not published by CES: Furniture and Home Furnishings Stores; Electronics and Appliance Stores; Gasoline Stations; Sporting Goods,

Hobby, Musical Instrument, and Book Stores; Miscellaneous Store Retailers; Non-store Retailers, collectively were responsible for just over 50 percent of Retail's over-estimation. (See Chart 15.)

- The appearance of Retail strength prior to the 2018 benchmark revisions was largely presumed to be a reflection of the need to hire additional frontline staff in order to expedite the replacement of consumer goods damaged during the storm. However, after revisions this does not appear to be the case and in fact suggests that local trends continue to follow widely-reported slowing Retail job growth at the national level.



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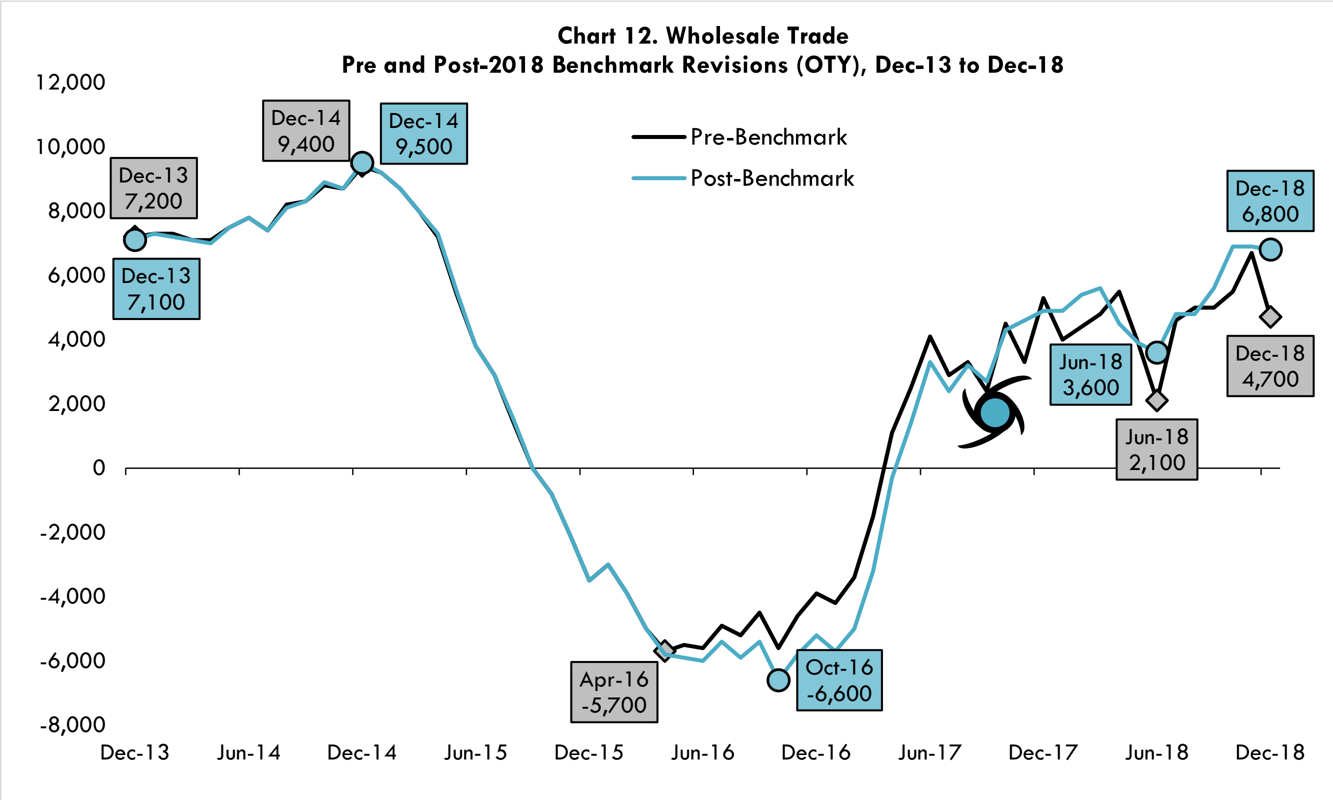

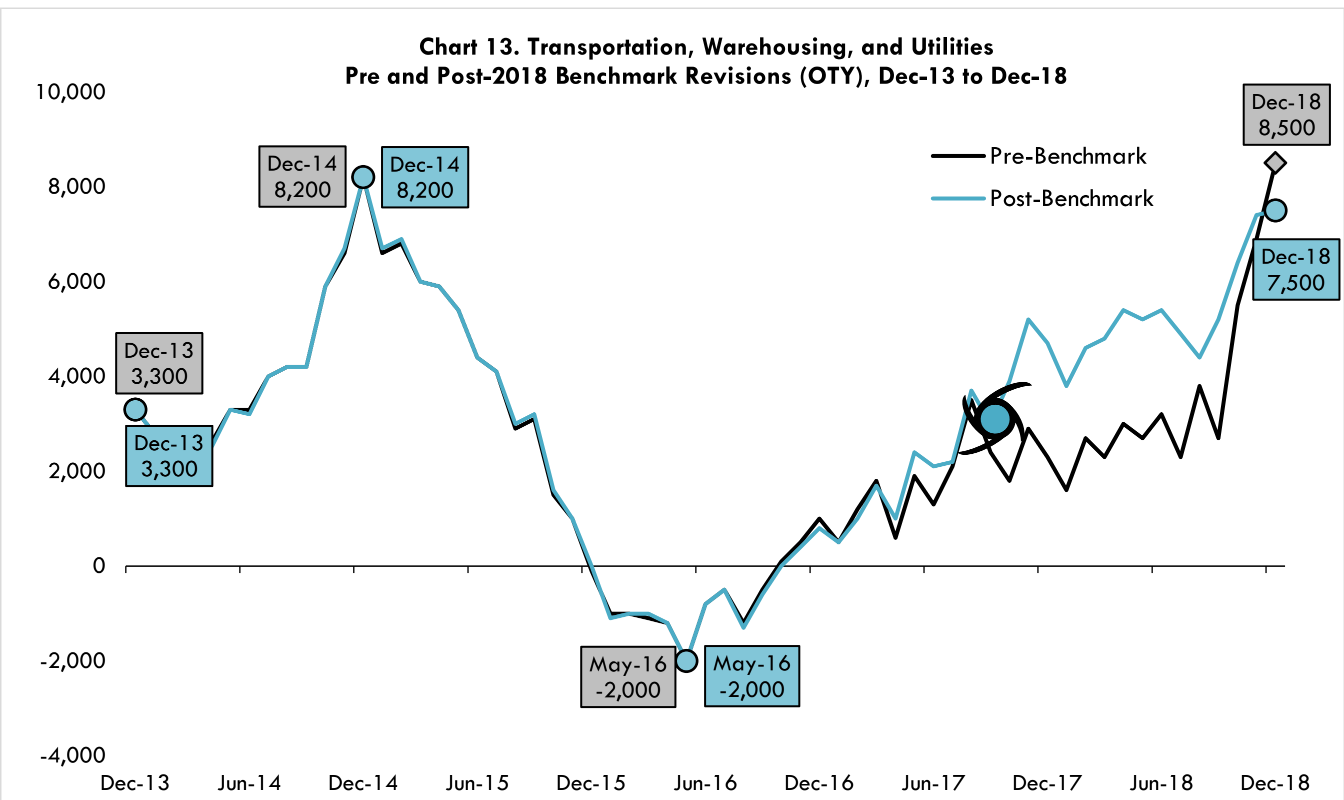

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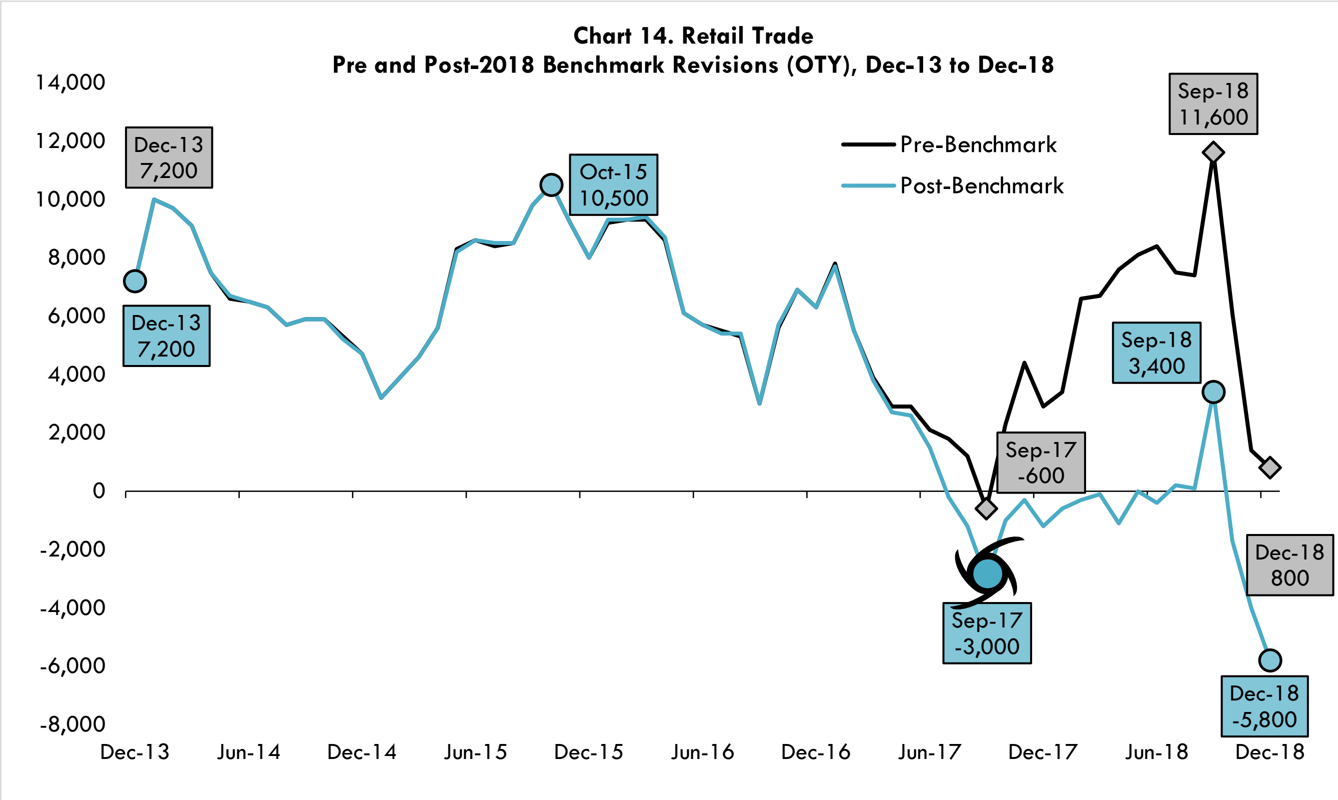

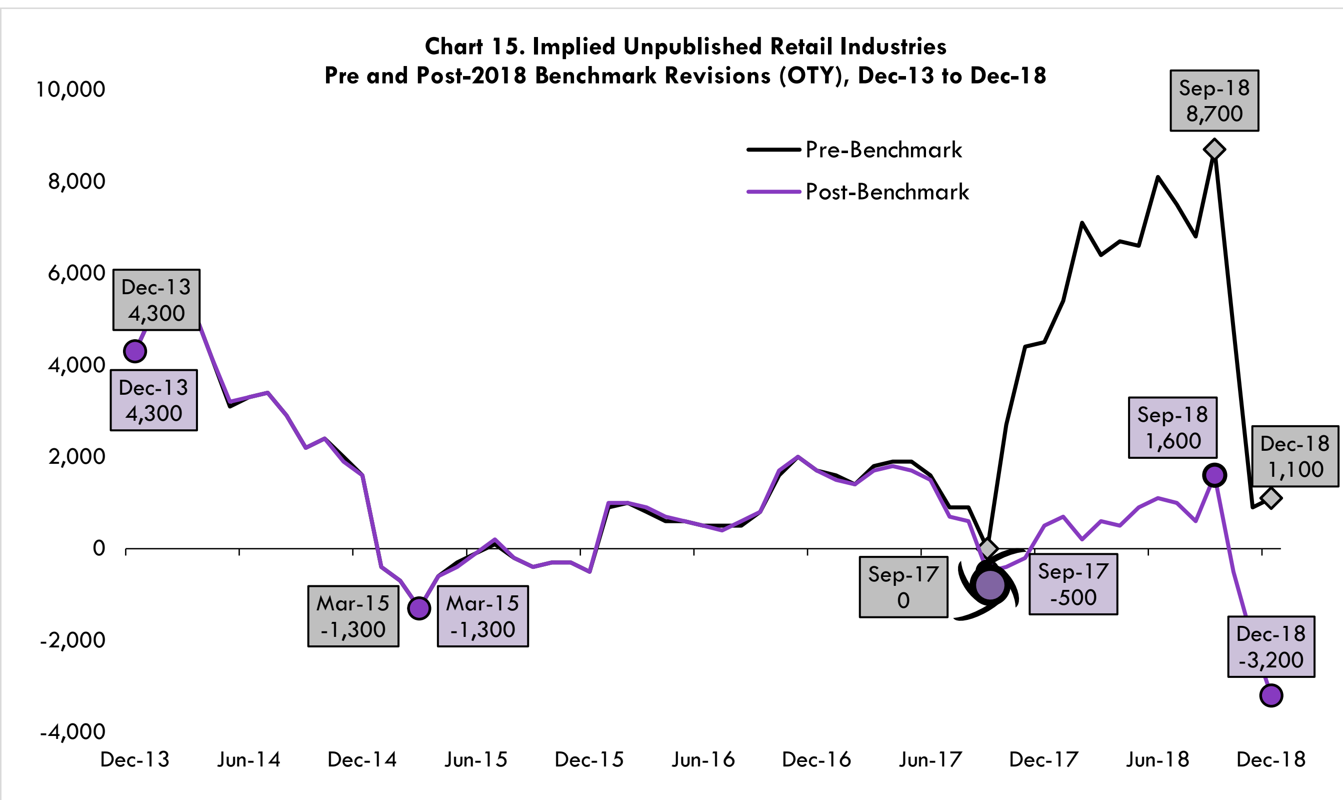

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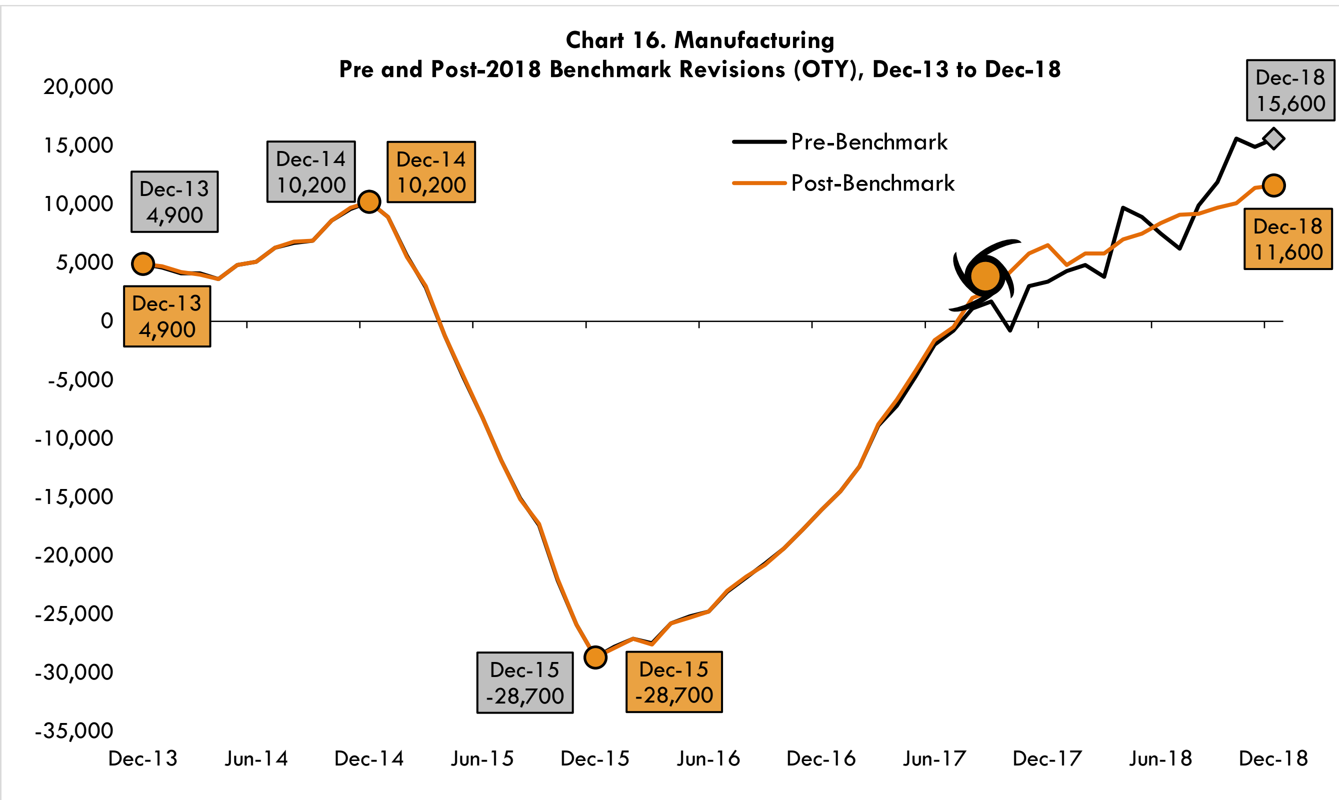
Manufacturing

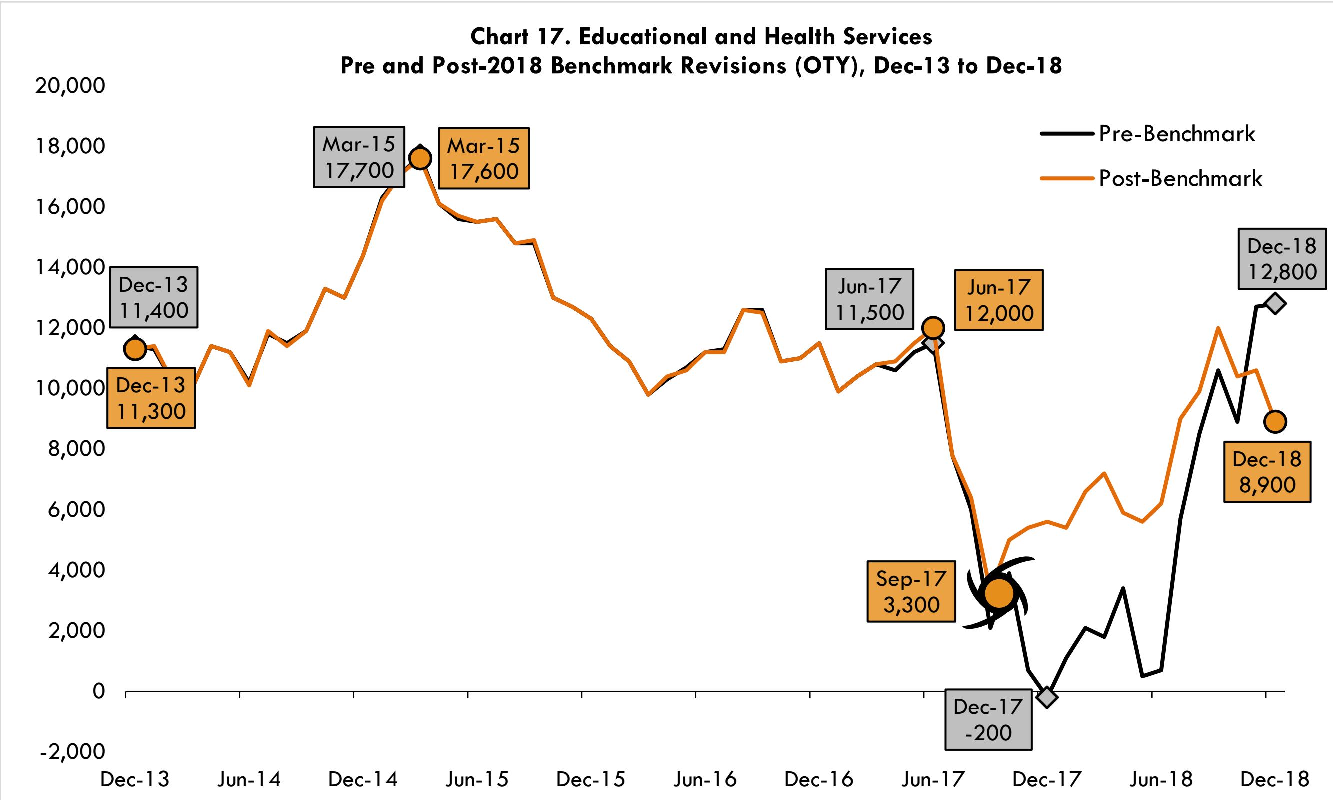
- Pre- and post-benchmark Manufacturing data show little deviation from one another until October 2017 where before revisions a brief, shallow dip occurred. Given the timing, the most plausible source of the decline was a delayed effect of Hurricane Harvey. However, this explanation proved lacking as locally-conducted surveys after the storm indicated that manufacturing operations generally were offline for only a few days at most. While not impossible, the capture of such a short period of suspended activity in the data would be unlikely.
- With the release of revisions, it appears this skepticism was warranted. The data now show that the storm had virtually no impact on the sector as evidenced by no discernible change in trend, even short-term, in September or October 2017. Moreover, what little deviation that occurred between the two estimates remained fairly limited resulting in an over-estimation of 4,000 jobs for December 2018.
- The vast majority of the over-estimation occurred within Fabricated Metal Products (2,100 jobs) and to a lesser extent and Machinery Manufacturing (500 jobs) and Petroleum Manufacturing (400 jobs) with the former two dictating the overall shape of Manufacturing's trend given their outsized contribution to the sector's employment. In contrast, Chemical Manufacturing saw a slight under-estimation of December 2018 job growth in the amount of 300 jobs. (Charts not shown.)



Educational and Health Services

- Despite the year-end over-estimation by 3,900 jobs, Educational and Health Services performed better throughout 2018 than the impression given by pre-benchmark estimates. The Healthcare and Social Assistance industry group was the largest driver of the revisions to the overall sector, which is logical given that it comprises 80 percent of the sector's employment, whereas (Private) Educational Services had little impact. However, within Healthcare and

Social Assistance, it appears that the two other major components of this industry group, Nursing and Residential Care Facilities and Social Assistance, which are not published as a part of Houston area monthly CES estimates, were responsible for the revisions, particularly between September 2017 and October 2018. This was determined to be the case given that Hospitals and Ambulatory Healthcare Services, which are published by CES, showed little change before or after 2018 benchmark revisions. (See Charts 17-20.)



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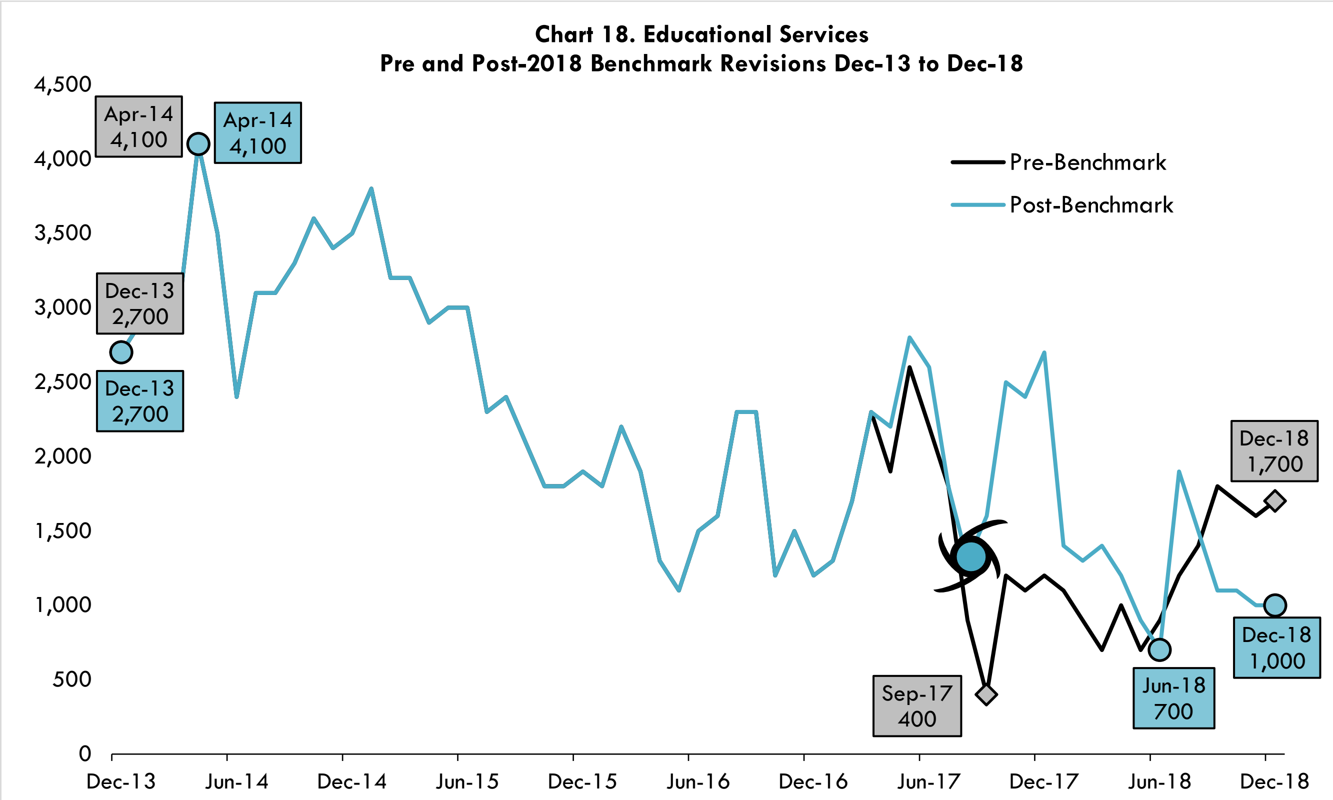

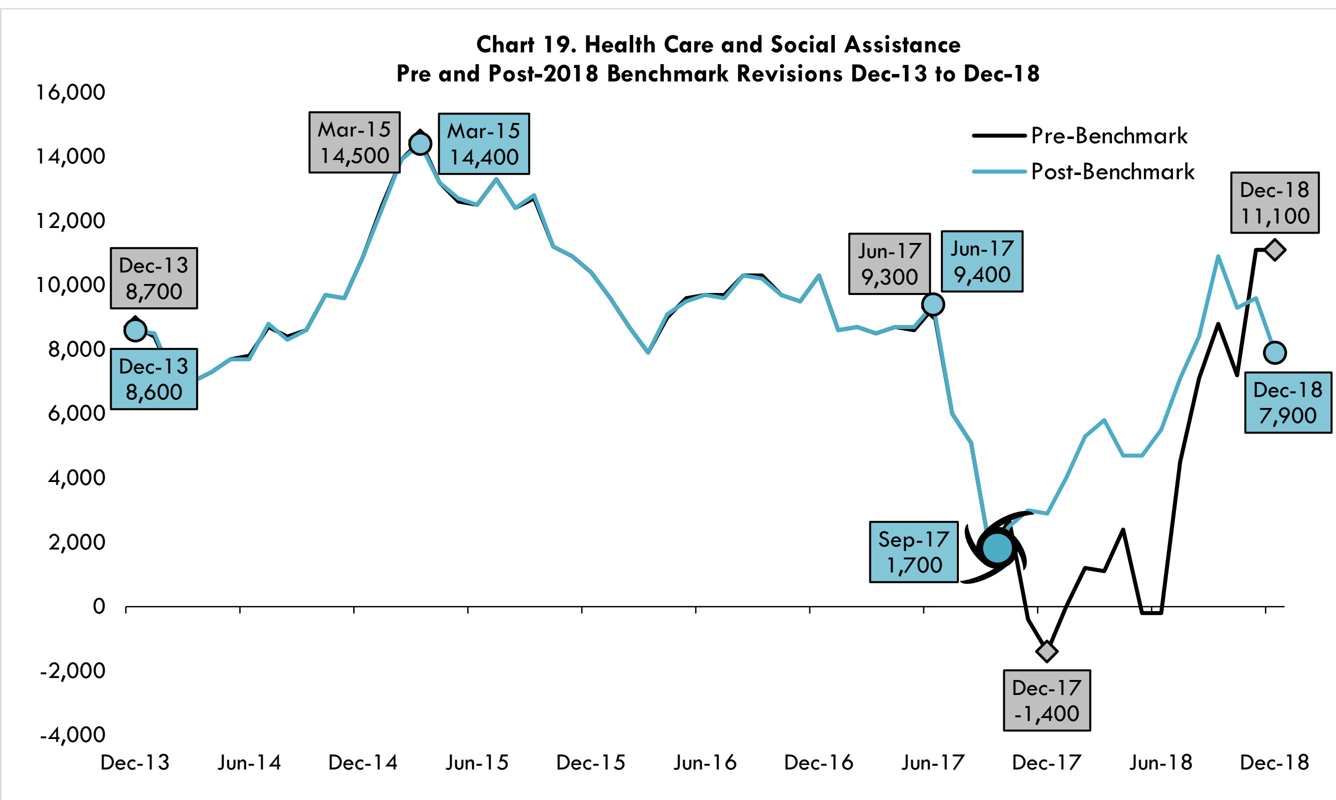

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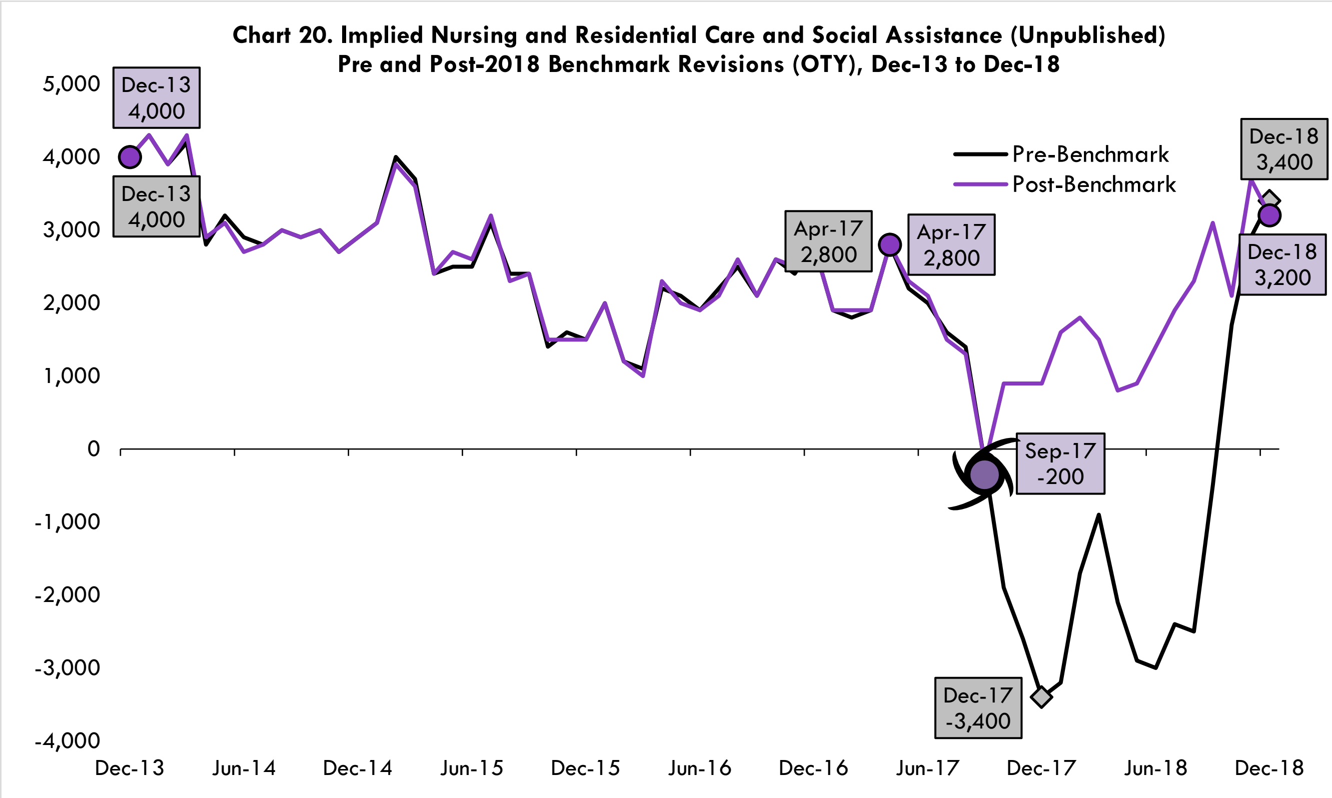
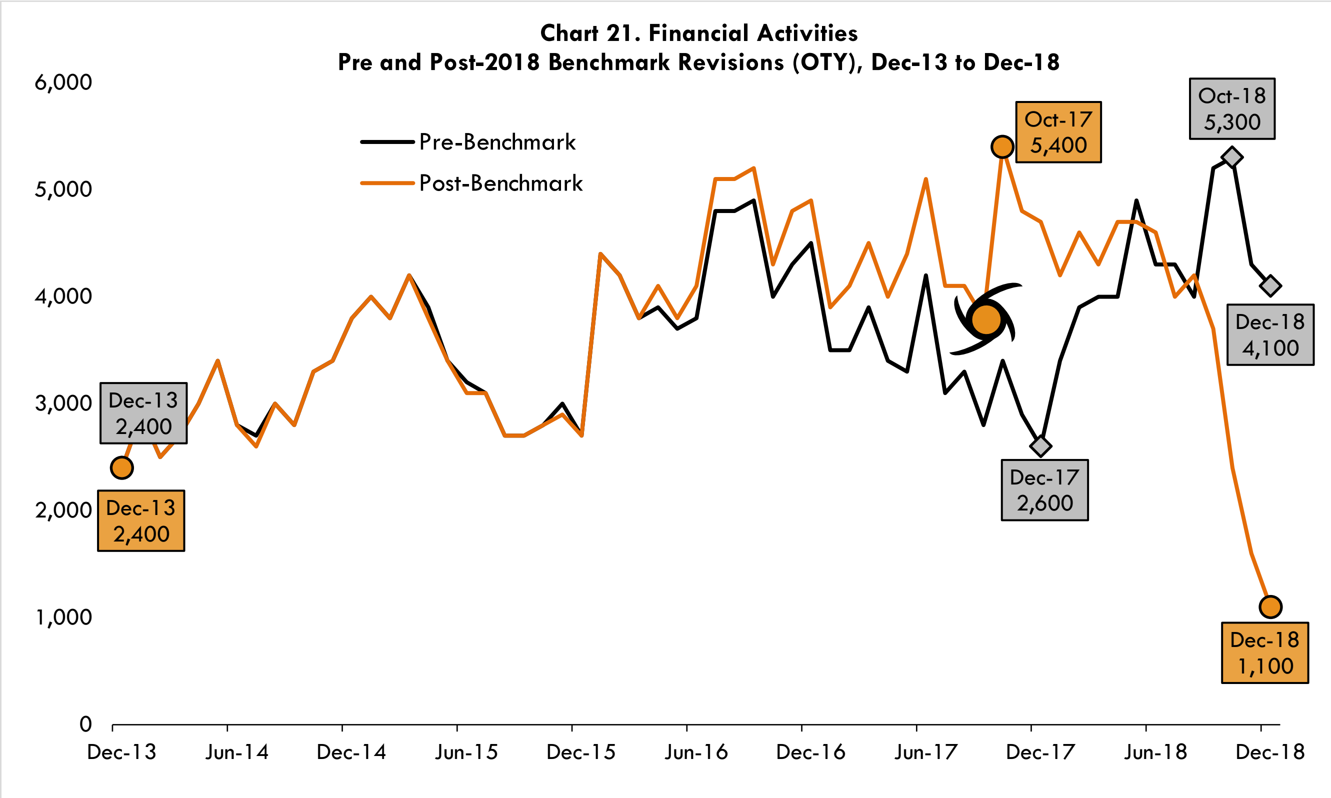
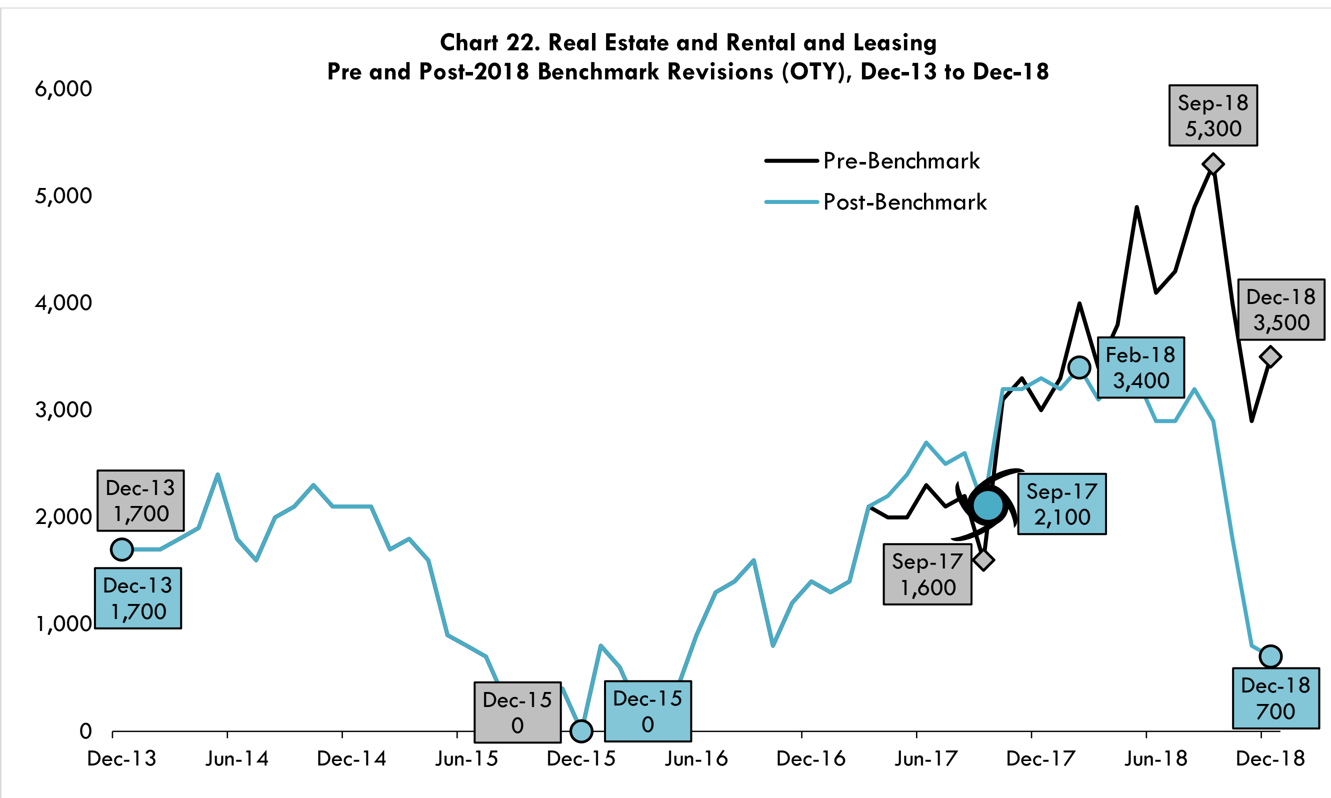


Financial Activities

- From September 2016 through December 2017, it appeared that job growth in Financial Activities had entered a period of slowing year-over-year growth going from 4,900 jobs to a low of 2,600 jobs added. From the latter point onward, this sector staged a rebound, reaching a pre-benchmark revision estimated 5,300 jobs in October 2018 before settling at 4,100 jobs in December 2018. After benchmark revisions, Financial Activities spent much of this same window range-bound between gains of 3,800 and 5,400 before plunging into the end of year, up only 1,100 jobs. The net effect of this drop compared to pre-benchmark figures from December 2018 was an over-estimation of job growth by 3,000 jobs. (See Chart 21.)
- Of the two components that make up Financial Activities: Finance and Insurance and Real Estate and Rental and Leasing, the latter was responsible for the bulk of the over-estimation as well as the sharp decline into the end of 2018. Earlier estimates showed this industry group posting sharp increases through September 2018 however it now appears that growth began to moderate from October 2017 until August 2018 when the pace of growth began to slow. As a result, job growth in this sector was over-estimated by 2,800 jobs for the year ended in December 2018 suggesting a material weakening of this segment of Houston's job market. (See Chart 22.)





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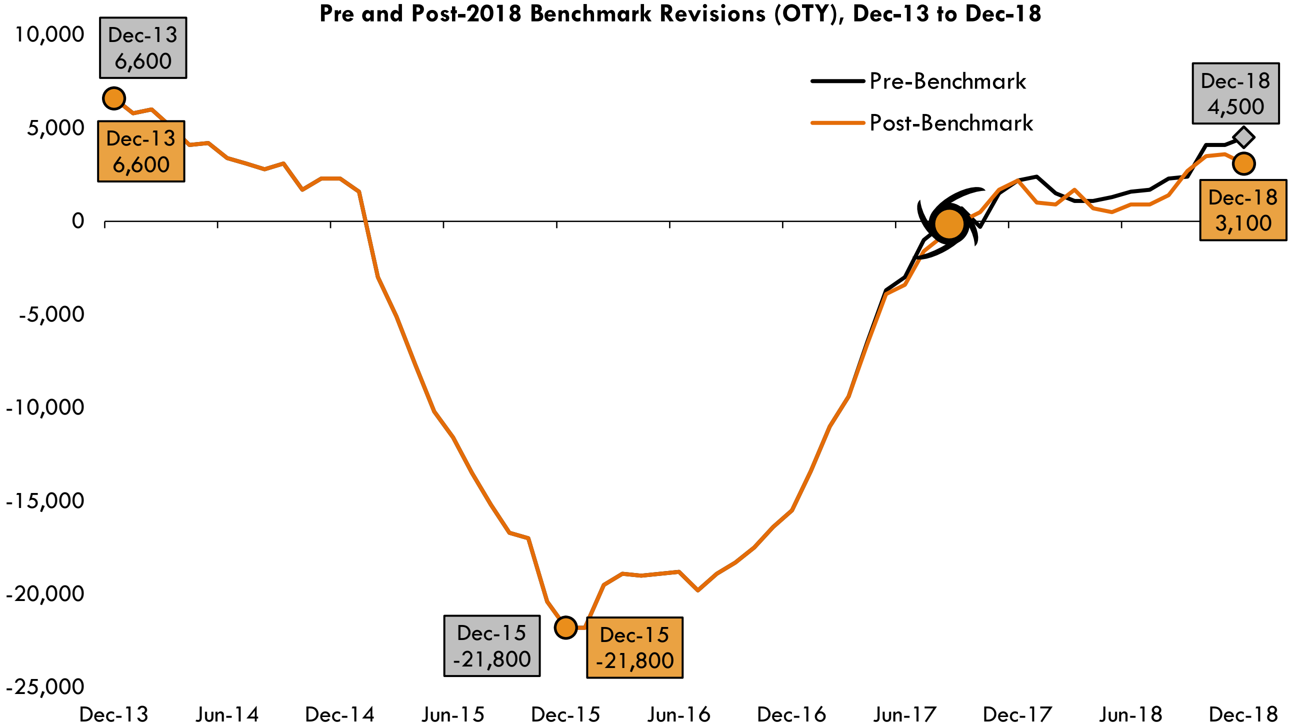
Mining and Logging

- Much like Manufacturing, a comparison of pre- and post-benchmark revisions in Mining and Logging revealed little difference in estimates throughout 2018 indicating that the currently observed gradual upward trend is representative of actual job market dynamics within this sector. Ultimately, over-estimation of job growth as of December 2018 was small with a difference of only 1,400 fewer jobs added. (See Chart 23.)
- The cause of Mining and Logging's modest over-estimation of job growth could be found in Support Activities for Mining and Logging, whose growth was over-estimated by 1,200 jobs. In contrast, Oil and Gas Extraction saw no revisions for the December 2018 figure, maintaining its year-over-year loss of 800 jobs.
- Leaving aside the discussion of benchmark revisions, two significant trends remain across Support Activities and Oil and Gas Extraction. The former industry group has enjoyed 21 consecutive months of year-over-year employment gains since April 2017 reflecting higher oil prices and increased drilling activity. In contrast, Oil and Gas Extraction continues to languish having experienced 57 consecutive months without a year-over-year increase in employment. Note that some of this decline appears to be part of a longer-term structural change in the industry given that job growth began to slow as far back as mid-2013, well before the most recent local downturn that began in late-2014. In fact, as of December 2018, there are 21,400 fewer jobs in absolute terms in Oil and Gas Extraction since employment levels peaked in August 2013 and furthermore there is little evidence that the absolute number of jobs is poised to rebound in the foreseeable future. Support Activities for Mining, on the other hand, peaked in January 2015 at 55,900 jobs after which absolute employment declined by 20,800 to 35,100 jobs and followed by a recovery of 8,100 to a current level of employment of 43,200. Analysis of peak to trough to current employment indicates this industry group has regained nearly 40 percent of the jobs lost during the most recent local downturn. (See Charts 24 & 25.)
- Like Manufacturing, Hurricane Harvey distortions in Mining and Logging previously observed in September 2017 have largely disappeared with the release of the 2018 benchmark revisions.

Chart 23. Mining and Logging
Pre and Post-2018 Benchmark Revisions (OTY), Dec-13 to Dec-18



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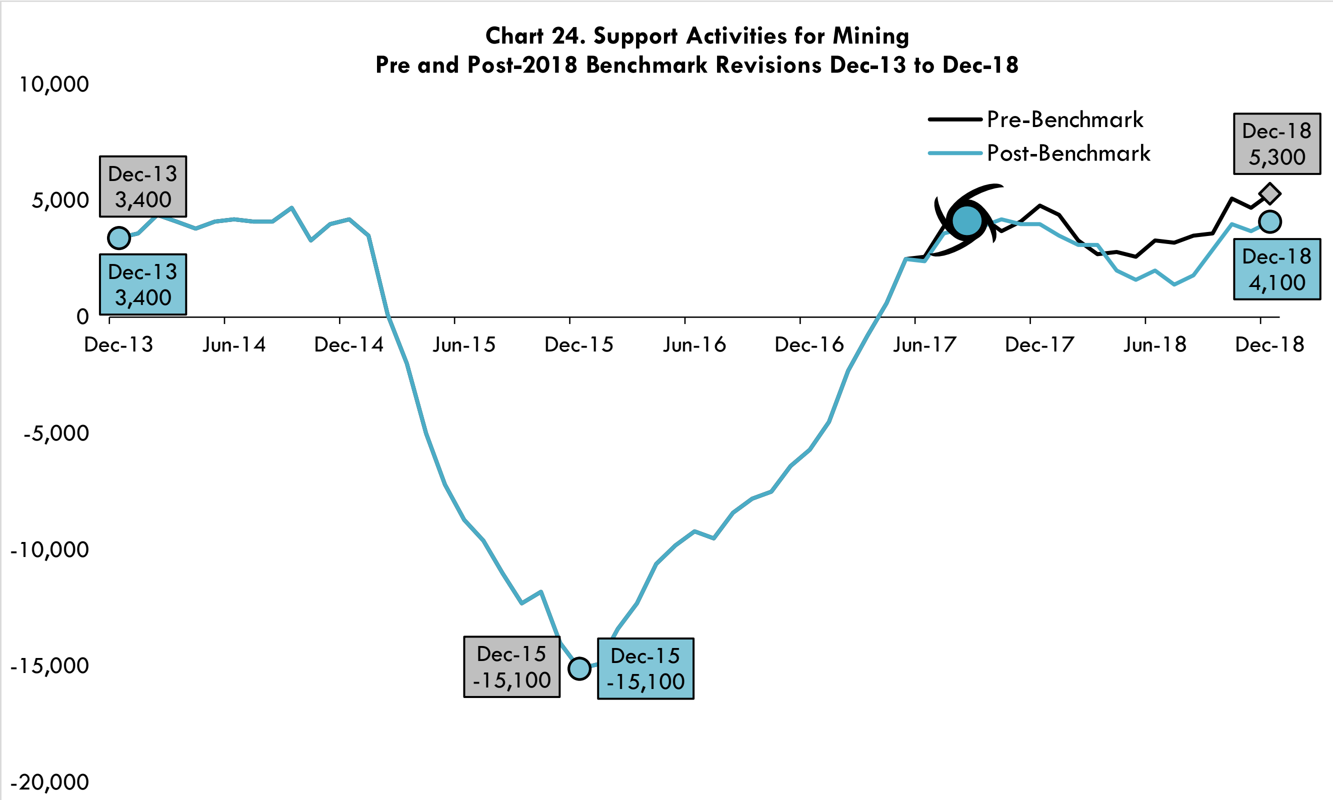

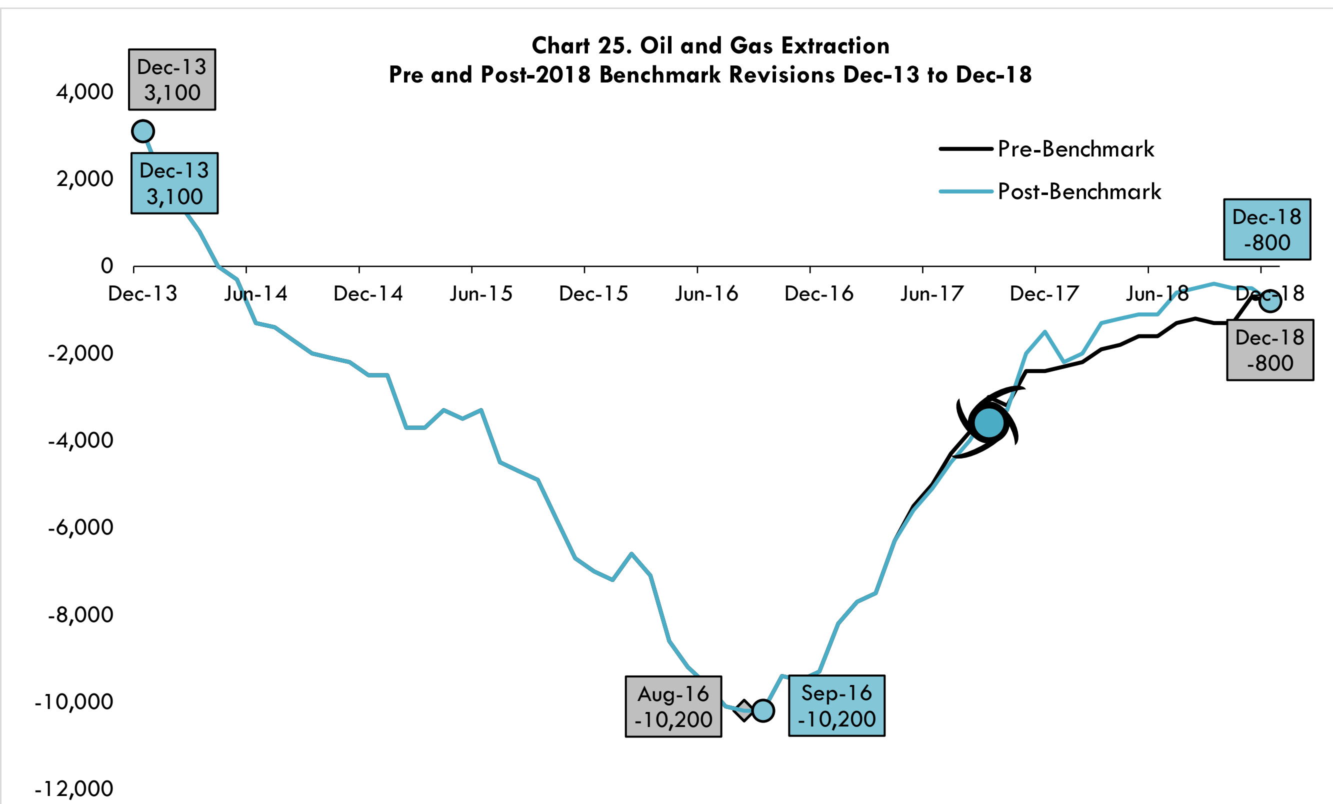

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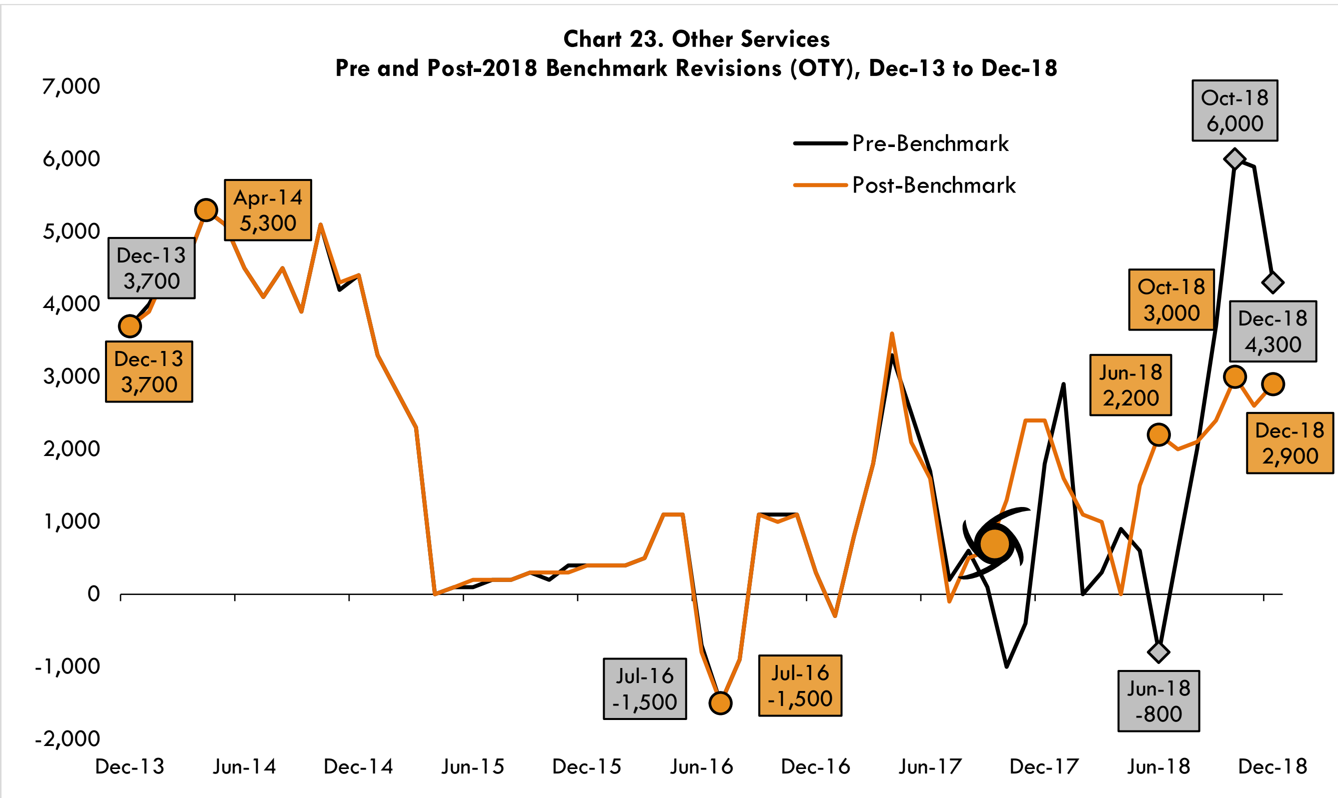
Other Services

- As per the title, Other Services acts as a catchall category for services that do not fit into the 10 remaining sectors that comprise the labor market. An analysis of Quarterly Census of Employment and Wages data revealed that Automotive Repair and Maintenance (23 percent), Personal Care Services (16 percent), and Commercial Machinery Repair and Maintenance (12 percent) were the three largest components of Other Services as of third quarter 2017. Note that the data included in this report are the product of monthly employment estimates known as Current Employment Statistics (CES), which does not publish data on the components of Other Services. (See Chart 23.)
- Overall, estimates show signs of extreme volatility and a possible lag in short-term changes in trend when comparing pre- and post-benchmark revisions. While not outside the realm of possibility, the pre-benchmark reversal from -800 jobs lost year-over-year in June 2018 to an increase of 6,000 in just four months seemed unlikely. Revisions have proven this skepticism warranted as both extremes are no longer present in the data.
- Ultimately this sector saw an over-estimation of job growth for 2018 in the amount of 1,400 fewer jobs added than originally reported.

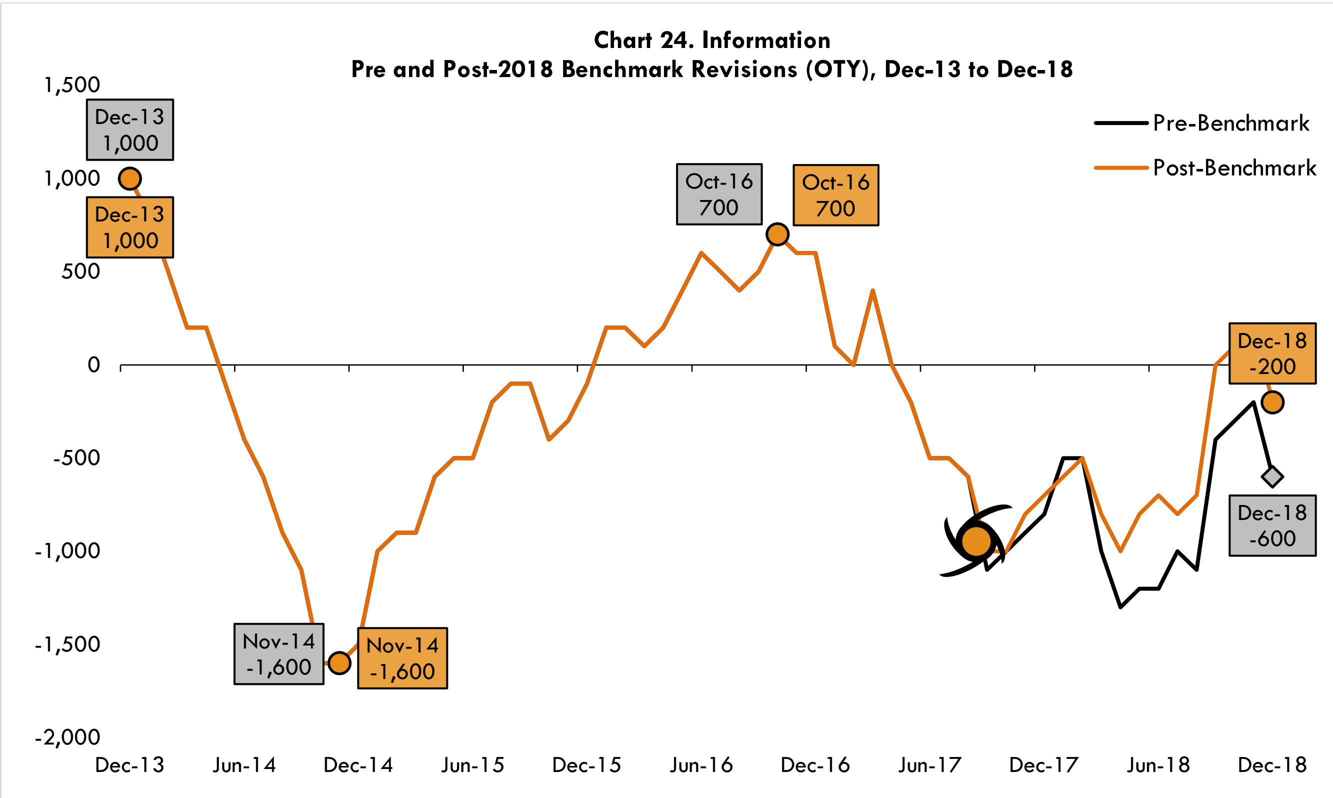


SECTORS WITH UNDER-ESTIMATED EMPLOYMENT

Information

- Information, the smallest of Houston's 11 sectors, remains on a long-term structure decline given the proliferation of the Internet, however it has experienced brief periods of growth in 2007, 2013, and most recently 2016. At the time of writing, this sector has returned to a period of job losses and furthermore is the only sector to have ended 2018 with a year-over-year decline in employment. (See Chart 24.)

- Prior to benchmark revisions, this sector was estimated to have lost 600 jobs year over year and furthermore had remained in negative territory since April 2017. Revisions reduced the end-of-year losses to 200 indicating they were over-estimated by 400 jobs. In other words, losses were somewhat less than originally estimated.



Government

- As a share of the region's total employment, Government consistently ranks among the top-three largest sectors largely due to its inclusion of public educational services. Given that growth in this sector is typically a function of state finances and population growth, Government tends to exhibit acyclical trends in contrast to other Houston area sectors that follow the price of oil.
- By and large, pre- and post-benchmark estimates were similar until March/April 2018. Before revisions growth had settled into a range of 1,200 to 2,800 jobs added year over year. After revisions, job growth began to accelerate from April 2018 onward concluding the year up 5,800 jobs. As result, Government employment growth was under-estimated by 3,000 jobs, the second-largest under-estimation of any sector. (See Chart 25.)
- Given that public sector employment should be easily verifiable, it is unclear why significant revisions should occur at all. Most Government employment in the Houston area actually refers to public schools, officially referred to as Local Government Educational Services. This subcomponent was largely responsible for under-estimation of overall Government employment growth. Furthermore, Local Government Ed. saw massive revisions in the latter-half of 2018 and the first half of 2018 where at one point it was estimated to up 5,500 jobs in January 2018 when in reality it was only up 700 jobs. The divergence between pre- and post-benchmark revisions continued with year-end estimates coming in at 200 and 4,200, respectively, for an under-estimation of 4,000 jobs added in 2018. (See Chart 26.)

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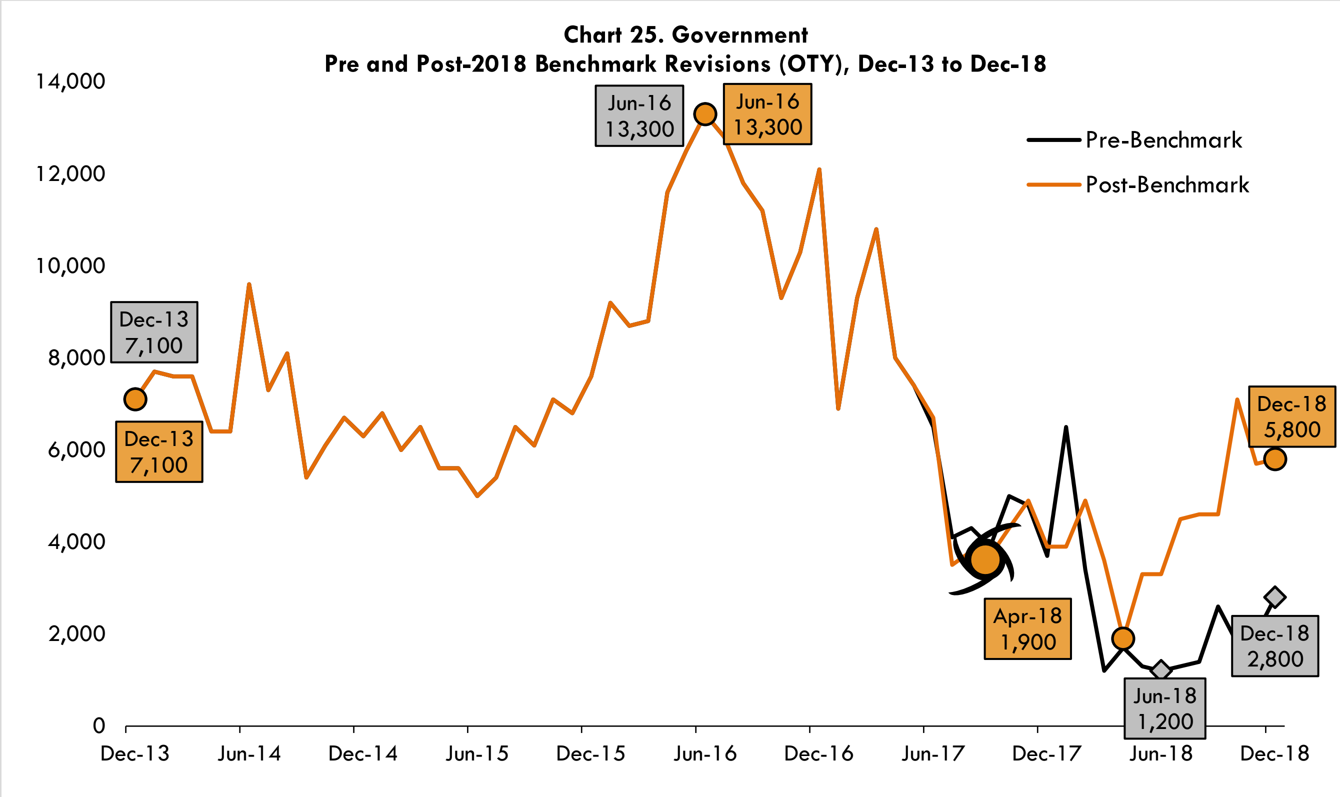

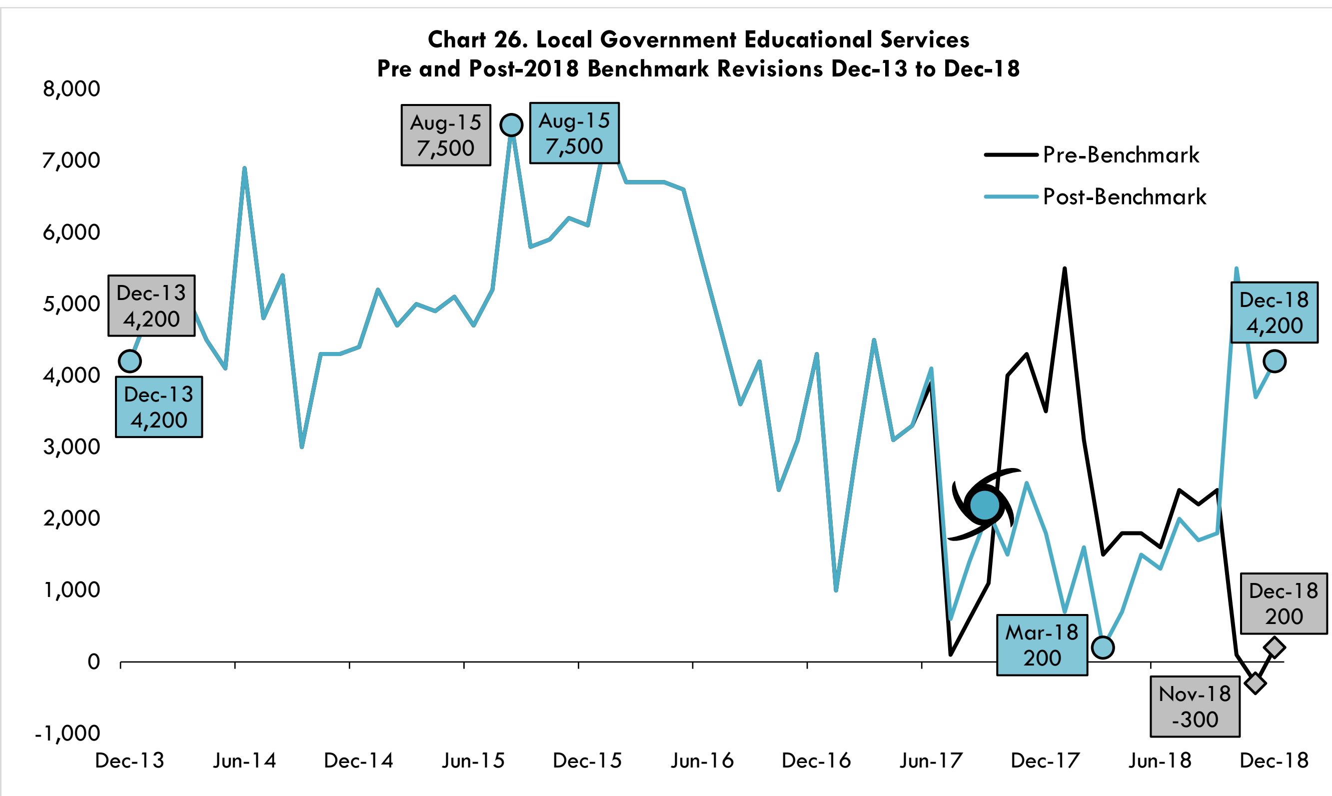

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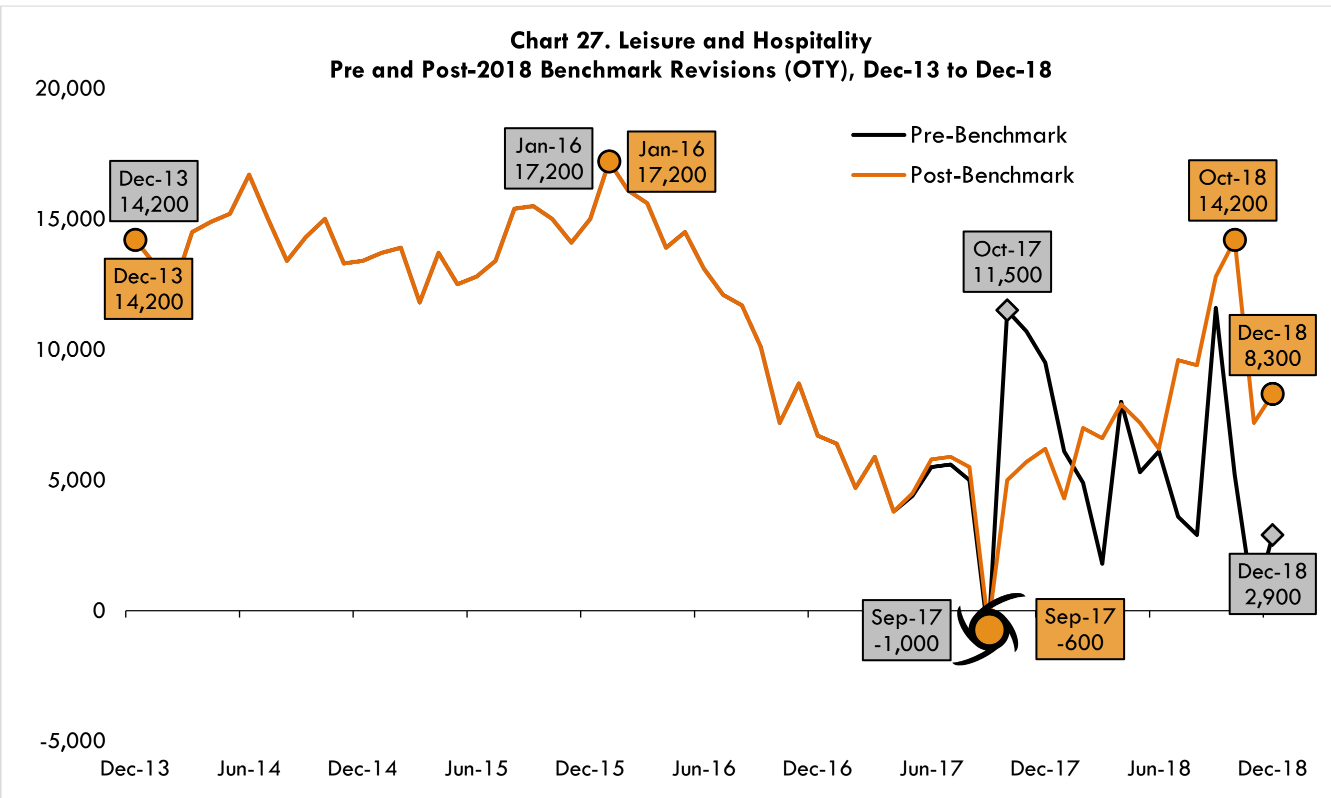
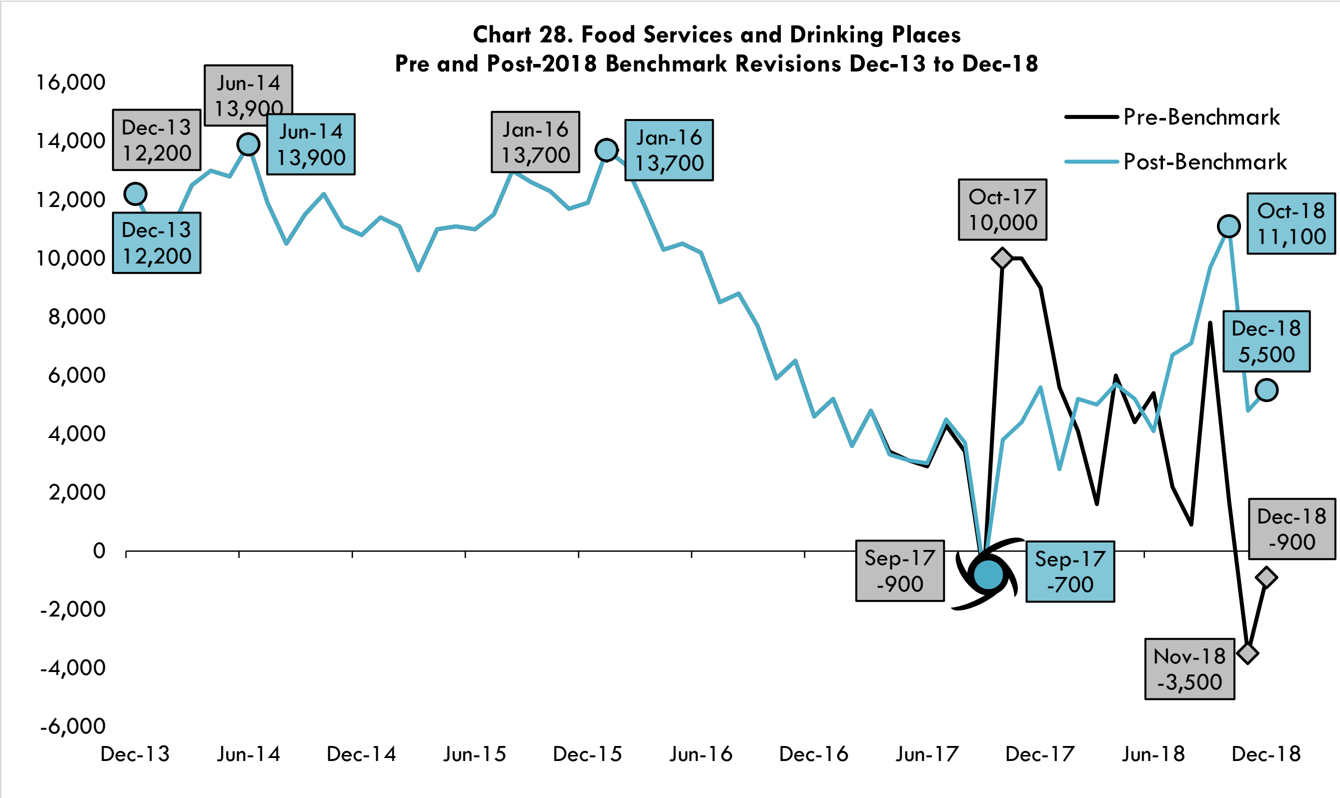
Leisure and Hospitality

- Leisure and Hospitality experienced the largest under-estimation of any sector in 2018, with year-end growth under-counted by 5,400 jobs as a result of post-revision December 2018 growth of 8,300 compared to an earlier estimate of 2,900. (See Chart 27.)
- The defining feature of recent Leisure and Hospitality estimates was the sharp drop in growth in September 2017 followed by an equally sharp rebound in October of the same year. The prevailing explanation for these extremes was that the storm briefly suspended operation of restaurants, reported under the category Food Services and Drinking Places, throughout the region while simultaneously damaging food preparation facilities in affected residential dwellings. This damage necessitated increased use of restaurants in the wake of the storm as a temporary source of prepared meals. However, benchmark revisions have removed the October rebound entirely leaving only a somewhat shallower September decline (-1,000 jobs pre-revision vs. -600 post-revision). From October 2017 onward, we began to observe an upward trend in Leisure and Hospitality employment peaking with October 2018's 14,200 jobs added over the previous year after benchmark revisions. It should be noted that the magnitude of September 2018's increase leading up to October 2018's peak is likely to be exaggerated as a result of the aforementioned Hurricane Harvey-related decline in September of the previous year. (See Chart 28.)
- Lastly, another major subcomponent of Leisure and Hospitality, Accommodation representing hotels, had a negligible impact on the overall sector's revisions. (See Chart 29.)





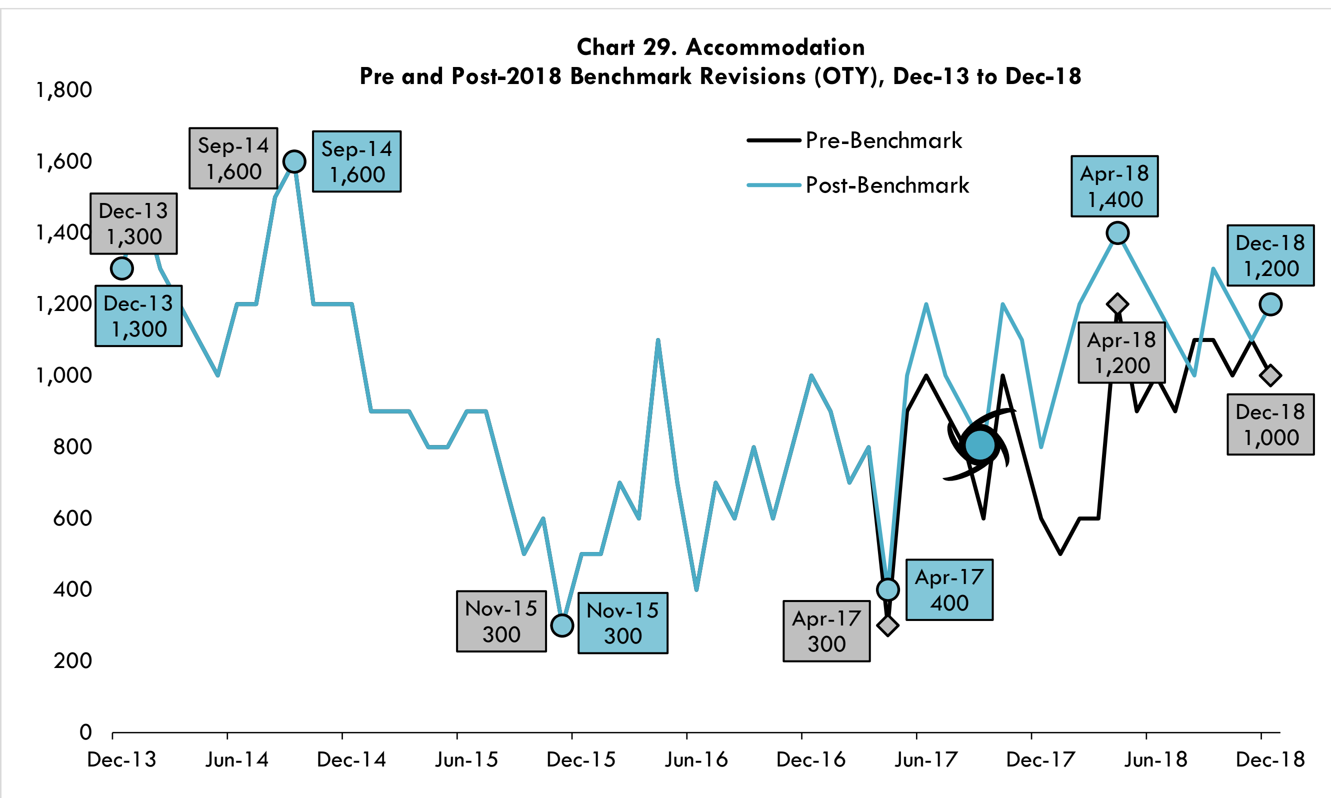


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Exhibit 1. 2018 Benchmark Revisions, Over and Under-Estimation of December 2018 Over-The-Year Employment Growth by Sector

Sectors with fewer jobs lost after revisions	
Information	400
	400
Sectors that saw no revisions	
None	0
	0
Sectors with more jobs added after revisions	
Leisure and Hospitality	5,400
Government	3,000
	8,400
Sectors with fewer jobs added after revisions	
Professional and Business Services	-14,200
Educational and Health Services	-3,900
Other Services	-1,400
Mining and Logging	-1,400
Construction	-10,400
Manufacturing	-4,000
Trade, Transportation, and Utilities	-5,500
Financial Activities	-3,000
	-43,800
Sectors with more jobs lost after revisions	
None	0
	0
fewer jobs lost + more jobs added =	8,800
fewer jobs added + more jobs lost =	-43,800
net over estimation =	-35,000

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Exhibit 2. 2018 Benchmark Revisions, Over and Under-Estimation of December 2017 Over-The-Year Employment Growth by Sector

Sectors with fewer jobs lost after revisions	
Educational and Health Services	5,800
Information	100
	5,900
Sectors that saw no revisions	
Mining and Logging	0
	0
Sectors with more jobs added after revisions	
Other Services	600
Government	200
Manufacturing	3,100
Financial Activities	2,100
	6,000
Sectors with fewer jobs added after revisions	
Professional and Business Services	-7,700
Leisure and Hospitality	-3,300
Construction	-7,500
Trade, Transportation, and Utilities	-2,100
	-20,600
Sectors with more jobs lost after revisions	
None	0
	0
fewer jobs lost + more jobs added =	11,900
fewer jobs added + more jobs lost =	-20,600
net over estimation =	-8,700

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Exhibit 3. 2018 Benchmark Revisions, Over and Under-Estimation of December 2016 Over-The-Year Employment Growth by Sector

Sectors with fewer jobs lost after revisions	
Professional and Business Services	900
	900
Sectors that saw no revisions	
Educational and Health Services	0
Leisure and Hospitality	0
Other Services	0
Government	0
Information	0
Mining and Logging	0
Construction	0
Manufacturing	0
	0
Sectors with more jobs added after revisions	
Financial Activities	400
	400
Sectors with fewer jobs added after revisions	
Trade, Transportation, and Utilities	-1,500
	-1,500
Sectors with more jobs lost after revisions	
None	0
	0
fewer jobs lost + more jobs added =	1,300
fewer jobs added + more jobs lost =	-1,500
net over estimation =	-200

[i] www.eia.gov/ Cushing, OK WTI Spot Price FOB, retrieved March 14, 2019

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