



Gulf Coast Workforce Board
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To: Gulf Coast Workforce Board members

From: Mike Temple
Brenda Williams
Deborah Duke

Date: July 30, 2019

Subject: Meeting Materials for Tuesday, August 6, 2019

Please join us on **Tuesday, August 6, 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.

We have a busy agenda for August.

We'll recognize new Board members, and Chair Guthrie will make his remarks. We have a brief update on the 2019 Report Card, including a proposed schedule for community meetings in September introducing the Card.

The Audit/Monitoring Committee will report on its July meeting and the annual monitoring summary.

Then we have several action items for your consideration.

- The Procurement Committee will make its recommendations to you for accepting \$6.3 million in special projects dollars and its recommendations for renewing Workforce Solutions system contracts in 2020 in total amount not to exceed \$302,042,000.
- The Nominations Committee will make a recommendation to fill the unexpired term of Vice Chair Garcia, who recently resigned from the Board.



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- Finally, we are asking the Board to ratify its action in April and June of this year. Technically we were out of compliance with state composition rules as the appointment process for new Board members took longer than expected. We've included the two items from those meetings for your review, and the April and June Board meeting minutes.

We will have our usual reports on expenditures and our performance and production. We'll then have our regular and usual report on employment numbers.

We look forward to seeing you on August 6. If you have any questions, or we can be of help, please let us know!



GULF COAST WORKFORCE BOARD

**TENTATIVE AGENDA
10:00 A.M. TUESDAY, AUGUST 6, 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. Recognize new members
5. Review June 2019 meeting minutes
6. Declare Conflicts of Interest
7. Consider Reports
 - a. Chair's Remarks.
 - b. Report Card. Update on 2019 Report Card and proposed community roundtables.
 - c. Audit/Monitoring. Report on the committee's July 2019 meeting
8. Take Action
 - a. Procurement. Consider accepting funds for three special projects in amount \$6,307,306.
 - b. Procurement. Consider renewing Workforce Solutions systems operations contracts for 2020 in total amount not to exceed \$302,042,000.

- c. Nominating. Consider recommendation for open Vice Chair position.
- d. Ratify April and June 2019 Action. Ratify actions from the April and June 2019 Board meetings.

9. **Receive Information**

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

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

11. **Take Up Other Business**.

12. **Adjourn**

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**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, JUNE 4, 2019**

MEMBERS PRESENT

Willie Alexander	Alan Heskamp	Danielle Scheiner
Peter Beard	Guy Robert Jackson	Valerie Segovia
Sara Bouse	Sarah Janes	Isaac Shi
Carl Bowles	Doug Karr	Gil Staley
Mary Helen Cavazos	Jeffrey LaBroski	Michael Stewart
Renea Dillon	Ernest Lewis	Evelyn Timmins
Joe Garcia	Dexter McCoy	Michael Webster
Cheryl Guido	Steve Mechler	Shunta Williams
Mark Guthrie	Stephanie Nellons-Paige	
Bobbie Allen Henderson	Janice Ruley	

H-GAC STAFF MEMBERS PRESENT

Mike Temple
Philip Garcia
AJ Dean
Ron Borski
Parker Harvey

Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, June 4, 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 welcomed new Board members, Mr. Dexter McCoy, Mr. Isaac Shi, Mr. Michael Stewart and Ms. Stephanie Nellons-Paige and asked them to give a brief introduction to the Board. Each member did so and our new members were welcomed enthusiastically by the Board.

ADOPTION OF AGENDA

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

No one signed up for public comment.

MINUTES FROM APRIL 2, 2019 MEETING

Chair Guthrie asked for any additions or corrections to the minutes for the April 2, 2019 Board meeting and if none, 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 began by noting that he and Mike Temple attended the Texas Association of Workforce Boards (TAWB) quarterly directors meeting in Austin on May 5 and 6. The TAWB directors were given an update on the progress of the Tri-Agency commission (Texas Workforce Commission (TWC), Texas Education Agency (TEA) and Texas Higher Education Coordinating Board (THECB)) by representatives of each of those agencies on the 60X30 program. The Tri-Agency commission representatives also solicited information from the TAWB directors about any issues with or impediments to progress on the 60X30 goals. Chair Guthrie reported that he told the Tri-Agency representatives that in his opinion it was a mistake not count vocational certifications that do not involve college contact hours toward the 60X30 goals, and that it was a mistake for the State not to fund community colleges for career and technical education programs that lead to vocational certifications and good-paying jobs and good career paths, but do not involve college credit contact hours. We are failing to count these certifications toward our progress on the 60X30 numerical goals without good reason. Second, we want to attract and incentivize community colleges to assist our high schools with these CTE programs, but the THECB will not fund the colleges for for the non-college credit contact hours involved, and this policy needs to change. Chair Guthrie also stressed to the Tri-Agency commission representatives his view that immediate action was needed to address the large numbers of students unable on a 3rd grade level by the end of 3rd grade. He told them that we will have obstacles reaching the 60X30 goals if we can't get a much higher percentage of our young people reading on grade level when they end 3rd grade. The other issue Chair Guthrie raised with the Tri-Agency representatives was the desirability in his view of building a more formal early education component into our subsidized child care program.

Chair Guthrie reported that on May 22, he attended the Houston chapter of DisabilityIn (formerly U.S. Business Leadership Network) luncheon and program that followed a job fair for

veterans and people with disabilities at the HCC campus on Loop 610 near Hwy 59. He said that in addition to TWC Commissioner Julian Alvarez, a representative of TWC Chair Ruth Hughes, and our Board's Executive Director Mike Temple speaking at the luncheon, Mr. Nick Morgan of Adaptive Construction Solutions, spoke about apprenticeships and demonstrated how to put together the outline of a registered apprenticeship plan in less than 5 minutes.

Chair Guthrie said that in mid-July he will attend the quarterly National Association of Workforce Boards' Directors meetings in Wichita, Kansas and would report items of interest from the meeting at our next Board Meeting.

Next, Chair Guthrie noted that the regular session of the Texas Legislature concluded in May and that he found it to be a very constructive session. Some significant education funding reforms and property tax reforms were passed.

Chair Guthrie reported that our area received some JET Grants. The College of the Mainland received \$189,000 to purchase equipment for 453 students training to be chemical plant assistance operators. Lee College received \$149,000 grand to purchase equipment for 66 students training in heavy truck/tractor trailer operations. Congratulations to those schools. That funding comes from Texas Workforce Commission.

Chair Guthrie reported that long time Board member and leader, Joe Garcia, will resign from the Board and will become a member of the H-GAC Board. Chair Guthrie congratulated, recognized and thanked Mr. Garcia for his years of service to the Gulf Coast Workforce Board. The Board members gave Mr. Garcia a round of applause.

Chair Guthrie concluded his report and no action was taken.

b. Audit and Monitoring Committee.

The Audit/Monitoring Committee met on Wednesday, May 29, 2019 at Workforce Solutions – Southeast with committee chair Joe Garcia; Board chair Mark Guthrie; Board vice chairs Gerald Andrews and Willie Alexander; and members Doug Karr, Sara Bouse, Bobbie Henderson, and John Josserand present. Committee Chair Joe Garcia gave the following report:

Adult Education Providers

The committee heard the annual summary of findings and trends for adult education providers.

Staff has not seen problems with adult education providers' operations and our consortium has met or exceeded most enrollment targets before the end of the program year.

Staff noted the following trends:

- Contractors continue to improve in documentation and reporting.
- Customers overall express satisfaction with the service we provide.
- Documentation of both eligibility and data accuracy shows improvement.

Staff believes opportunities for improvement include:

- Providers can ensure they adequately document the withdrawal or exception for 18-year-olds and those tagged as TANF.
- Providers can ensure data entered in the adult education management information system database accurately reflects the information on documents in the records.
- Providers can improve on completing career planning and goal setting.
- Region 6 can offer more opportunities for consortium partners to attend training on the Standards and Guidelines and the assessment policy.
- Region 6 can monitor earlier in the year to offer better resolution, follow up and technical assistance in supporting the partners.
- Providers must ensure monthly billings are submitted timely.
- Providers can do a better job of documenting and managing inventory.

Going forward:

- Staff will work cooperatively with Region 6 to identify the needs of consortium partners and ensure technical assistance is provided. We will also schedule financial training.
- Staff believes adult education providers are identifying more career pathways to offer participants.
- Staff will work collaboratively with Region 6 in providing oversight, technical assistance, guidance and implementing performance improvement and corrective action plans as warranted.

The Committee also received the following updates from staff at the meeting:

- ✓ The Workforce Commission is continuing with its annual monitoring of our system, except for the adult education providers. Commission monitors will return in August 2019 for that review.
- ✓ The State Auditor's Office has completed its fieldwork reviewing the Department of Family Protective Services and the Workforce Commission's provision of child care financial aid for children in protective services. The performance audit included two workforce boards, one of which was ours. We are awaiting a report.

H-GAC has issued a request for proposals for an independent audit firm to review H-GAC's internal process improvement work on billing, reporting, and managing cash for the Board's workforce system contracts. This is a reissue of the original request. A review firm should be selected by mid-July.

Chair Garcia concluded his report and no action was taken.

c. Government Relations Committee.

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

The following bills have been signed by the Governor:

- HB 1483: Institutes a pilot program that tests the waiving of the application of income or asset limit eligibility requirements for continuation of benefits and certain related time requirements for a select number of families and instead allows for a continuation of benefits using a slow reduction scale.
- HB 714: Creates the veterans reemployment program, under which the Texas Workforce Commission provides education and training courses focused on workplace skills to veterans reentering the civilian workforce.
- HB 918: Requires the Texas Department of Criminal Justice to provide newly discharged or released inmates with certain documentation to assist with obtaining employment.
- SB 2038: Requires TWC to prepare and publish on its website a report regarding occupational skills training for individuals with intellectual and developmental disabilities.
- HB 114: Requires TWC to cooperate with the Texas Higher Education Coordinating Board in making information regarding the ability of students who have enlisted or who intend to enlist in the US armed forces to receive college credit for military experience, education, and training available to public school districts and charter schools.
- HB 1074: Prohibits age discrimination in certain employment training programs.
- SB 370: Expands legal protections to all permanent employees who serve on juries and prohibits employers from taking additional adverse action against employees in relation to jury service.
- HB 2240: Authorizes employers to pay wages using a payroll card account to employees who do not have a bank account. This will be especially beneficial during a natural disaster or other circumstances that make it difficult for such employees to collect physical checks.

The following bills have been sent to the Governor:

- HB 680: Relating to the powers and duties of the Texas Workforce Commission and local workforce development boards regarding the provision of child care
- HB 2840: Relating to the right of a member of the public to address the governing body of a political subdivision at an open meeting of the body.
- HB 700: Relating to the use of the skills development fund by certain entities and a study and report regarding the effectiveness of that fund.
- HB 3: Relating to public school finance and public education; creating a criminal offense; authorizing the imposition of a fee.
- HB 3650: 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.
- HB 2784: Relating to the creation of the Texas Industry-Recognized Apprenticeship Programs Grant Program.
- HB 2335: Relating to the disaster supplemental nutrition assistance program.
- HB 766: Relating to exemptions for disabled peace officers and fire fighters from payment of tuition and fees at public institutions of higher education.
- HB 692: Relating to the suspension of a student who is homeless from public school.

- HB 1051: Relating to an adult education program provided under an adult high school diploma and industry certification charter school program and reporting requirements regarding certain students.
- HB 1949: Relating to the criteria for awarding adult education and literacy program performance incentive funds.
- HB 2424: Relating to the creation of a micro-credential certification program for public school educator continuing education.
- HB 165: Relating to providing for endorsements for public high school students enrolled in special education programs.
- HB 330: Relating to excluding certain students from the computation of dropout and completion rates for purposes of public school accountability.
- HB 678: Relating to the public high school graduation credit requirements for a language other than English.
- SB 522: Relating to the development of an individualized education program for a public school student with a visual impairment.
- SB 502: Relating to requiring certain institutions of higher education to issue reports on the transferability of credit.
- HB 277: Relating to a requirement that online admission application forms for public institutions of higher education include a link to certain comparative gainful employment data.
- HB 696: Relating to employment and referral services for veterans and military service members.
- HB 1342: Relating to a person's eligibility for an occupational license; providing an administrative penalty.
- SB 568: Relating to the regulation of child-care facilities and family homes; providing administrative penalties.
- SB 981: Relating to the disaster supplemental nutrition assistance program.
- HB 3511: Relating to the creation of the Commission on Texas Workforce of the Future.
- HB 4390: Relating to the privacy of personal identifying information and the creation of the Texas Privacy Protection Advisory Council.

The Governor has until June 16, 2019 to sign or veto bills passed during the regular session.

Chair Jackson concluded his report and no action was taken.

TAKE ACTION

a. Procurement.

The Procurement Committee met on Wednesday, May 29, 2019 at Workforce Solutions – Southeast to consider recommendations for 2020 adult education provider contracts. Members present included the committee chair Evelyn Timmins; the committee vice chair Bobbie Henderson; the Board chair Mark Guthrie; Board vice chairs Joe Garcia, Willie Alexander, and Gerald Andrews; and members Sara Bouse, Cheryl Guido, Doug Karr, and John Josserand. Chair Timmins provided the Board the following Committee report and recommendations:

Adult Education: Where Does the Money Come From?

The Adult Education and Family Literacy Act – which authorizes the activities for publicly funded adult education – is now part of the Workforce Innovation & Opportunity Act (Title II of the Act). The Texas Workforce Commission administers the public adult education dollars in Texas.

The Workforce Board has organized and leads the region’s adult education provider consortium.

What is the consortium?

In 2019 we have 13 providers as direct partners in offering a variety of adult education instruction throughout the region.

The Adult Reading Center (located in Pearland) currently subcontracts with Brazosport College to serve the northern part of Brazoria County. Brazosport College itself serves the southern part of the county. The Center is interested in becoming a direct Consortium member.

What Do We Do?

We propose continuing adult education and literacy instruction in 2020 with the 13 providers we funded in 2019 and adding The Adult Reading Center as a direct contractor for 2020.

We will continue instruction at more than 250 sites throughout the 13-county region. Services will continue to include English language instruction, literacy classes, adult basic education, adult secondary education, high school equivalency preparation, and joint basic education-skills training classes.

We have additional funds for 2020, and we expect to serve at least 21,770 students over the year – an increase of 10%.

During 2020 we will also:

- Continue the integration of adult education with our Employer Service. We have seen multiple providers deliver mostly English language instruction for employers’ current workers as the number of on-site “at-work” projects grows.
- Pilot and then scale up a “connector” project that directly links adult education providers and provider staff with their local career offices and office staff. This is a model United Way developed with us for many of its THRIVE partner agencies, and it has been successful in delivering better service for customers.
- Work with Region 6 Education Service Center to implement the sector academy model throughout our adult education consortium, directly linking all adult education and literacy instruction to career paths in the region’s key industries.
- As always, continue to work on improving skill attainment and certification outcomes.

Recommendations

We estimate the availability of just under \$19.6 million for the adult education 2020 program year. This is a 15% increase over 2019.

- With the additional dollars we expect to increase our enrollments by 10% -- accounting for the difference by noting that combined basic skills/occupational skills instruction comes at a higher cost than other kinds of adult education. Continuing to increase our emphasis on the combined kinds of instruction will mean a higher overall per student cost.
- We recommend setting additional targets as follows:

Enrollments 2019 and 2020	2019	2020
Total Students	19,688	21,770
12-Hour Students	17,636	19,593
Integrated Education/Training	1,100	1,265
English Language/Civics	1,854	1,000
Integrated English Language/Civics/Training	355	575
Intensive Service	539	620

- We also recommend direct funding for both The Adult Reading Center and Brazosport College. The College has been one of our top performers during the last five years.
- As a part of our funding recommendations for 2020, we have included a range. The end of the range is a “not-to-exceed” limit and the beginning is a proposed starting point for contract negotiations.

Provider	Current	Proposed Range	
Brazosport College	\$ 548,000	\$ 650,000	\$ 700,000
College of the Mainland	1,116,000	1,116,000	1,240,000
Harris County Department of Education	4,550,000	4,750,000	5,168,000
Houston Community College	3,571,000	4,000,000	4,350,000
Lone Star College	1,250,000	1,350,000	1,435,000
Region 6 Education Service Center	855,195	900,000	990,000
San Jacinto College	650,000	650,000	720,000
Wharton County Junior College	750,000	765,000	885,000
Alliance	525,000	525,000	585,000
BakerRipley	525,000	535,000	605,000
Boys and Girls Club of Walker County	200,000	200,000	221,000
Chinese Community Center	200,000	220,000	235,000
Association for the Advancement of Mexican Americans	607,000	610,000	650,000
Community Family Center	522,000	522,000	558,000
Adult Reading Center	152,000	200,000	200,000
Subtotal	16,021,195	16,993,000	18,542,000
Board administration	960,000	960,000	1,056,000
Total	\$ 16,981,195	\$ 17,953,000	\$ 19,598,000

Action

A motion was made and seconded to authorize staff to negotiate contracts with adult education providers as shown above for the period July 1, 2019 through June 30, 2020 in total amount not to exceed \$18,542,000. Conflicts of interest were declared by Mike Webster, Sara Bouse, Sarah Janes and Valerie Segovia and these Board members did not participate in the discussion or vote. After some discussion and explanation regarding how the consortium works, the motion was approved as presented.

Chair Timmins concluded her report and no further action was taken.

RECEIVE INFORMATION

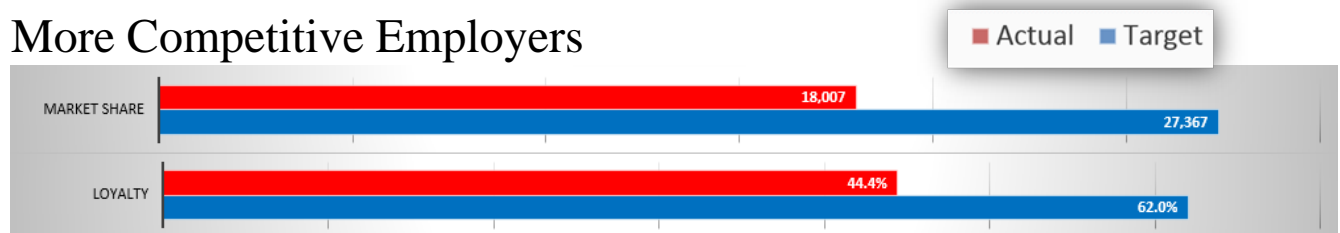
a. Performance and Production.

Philip Garcia reviewed the Performance measures for October 2018 through April 2019, as follows:

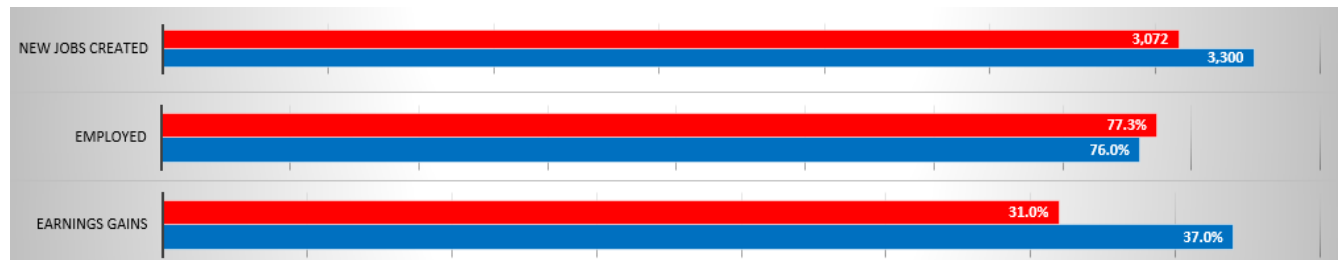
Board Measures

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 eighteen of nineteen state measures.

- Employed Q2 post Exit – Dislocated Workers: The target for this measure is 79.2%. Our performance for customers with earning 2nd quarter post exit from October 2018 through March 2019 is 67.4%.

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

	Target	Year to Date
<i>Total Enrollments</i>	19,438	19,688
<i>12+ Hour Enrollments</i>	18,166	17,636
<i>IET Program</i>	1,100	730
<i>EL Civics</i>	615	1,854
<i>Integrated EL Civics</i>	500	355
<i>Intensive Services.</i>	490	539

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 four months ending in April 2019, and provided the following report:

The year-to-date target is 33% and our actual expenditures are at 32%. Overall, we are a bit behind in Board Admin, System IT and Service for People, and a little ahead of target in Service for Employers.

We have received \$97,152,734 in Workforce revenue so far and are well within our total budget. Overall in system expenses, about three quarters of our dollars are going to Financial Aid, followed by Office Operations, Adult Education and Employer Service.

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.

Between April 2018 and April 2019 we have seen an increase of 45,000 in the civilian labor force in our region. In that time, we have seen an increase of 75,000 in the number of employed and a decrease in the number unemployed which has driven down our rate of unemployment a full percentage point from last year at this time to 3.2%. This is the lowest we have seen on record dating back to 1990.

Jobs in April increased by 17,500 jobs based on current estimates. These numbers could be revised. As of now, the largest increase was in Leisure and Hospitality followed by Professional and Business Services. Over the year, we saw a jump in the pace of job growth to 2.8%. We have been above the national rate of job growth for a while. Overall, we have seen an increase recently of 86,200 over the year. The only area of weakness we see is in Retail Trade.

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

Parker Harvey provided the Board with a report on Population Trends in the Gulf Coast Region from July 2017 to July 2018.

As of July 2018, our population was 7.17 million residents. In the year leading up to that, we added 91,000 new residents which is comparable to the number we added the year before but down by almost 50% from the number of residents we were adding during the most recent population peak in 2015. During 2014 and 2015 we added 174,000 and 175,000 new residents so 91,000 is a drop from where we were a few years ago.

It is been established that this drop is a result of the downturn in oil and gas that started in late 2014. It is important to understand what goes into population growth and how it is calculated. As a refresher, Natural Increase is the number of births in a given year minus the number of deaths plus International Net Migration (people moving into the region from outside the country or leaving the region and going outside the country) plus Domestic Net Migration (people moving into our out of the region from other parts of the state or the country). Add those three things together gives us the Total Population Net Change.

Natural Increase has been stable over the last few years with an average of about 60,000 increase. International Net Migration has held steady at approximately 44,000 new residents added from international sources every year.

Domestic Net Migration is where we see a dramatic change in trend related to the drop in oil prices a few years back. The increase starts to ramp up in 2011 and peaks in 2014. In 2017 and 2018 we have seen 10,000 more people leave the region domestically than moved in. Eight of our counties have actually had people moving in for a total amount of about 35,000. Four counties saw a slight decrease in Domestic Net Migration, but those numbers are very small compared to the nearly 44,000 people who left Harris County between July 2017 and July 2018. While some of those people might be moving from Harris to Fort Bend or Montgomery but not as significantly as you might think.

When you look at what's been happening in Harris alone over the last few years. This last year 44,000 people moved out, the year before that 45,000 people moved out and before that 17,000 moved out. This coincides exactly with the downturn in oil and gas during the last few years. Those 3 years add up to about 106,000 people which more than offsets the previous 5 years combined plus another 23,000 people. We've undone a lot of the population growth into Harris in a very short period of time.

When you look at the Net Migration chart and overlay Job Growth on top of it we find that when there is a change in job growth, there is a change in population growth about 2 years later. Our bottom for job growth was in 2016. We have had 2 years of people moving out of the region domestically and we have had job growth since then. By the time we get new numbers next year covering 2019, this should be positive again.

Did Hurricane Harvey cause the region to lose population? If we look at the counties in our region which saw the greatest rainfall totals (Liberty, Chambers, Galveston, Brazoria) and then look at population gain/loss. These counties all saw population gains in Domestic, International and Natural Increase. It does not appear that there was any real population loss related to the storm.

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

OTHER BUSINESS

Chair Guthrie thanked the members of the Board for participating.

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

ADJOURN

Chair Guthrie adjourned the meeting at approximately 11:05 a.m.

GULF COAST WORKFORCE BOARD

Board Member	02/05/19	04/02/19	06/04/19	08/06/19	10/01/19	12/03/19
Alexander, Willie	✓		✓			
Allen, Karlos	✓					
Andrews, Gerald	✓					
Beard, Peter	✓		✓			
Bouse, Sara	✓	✓	✓			
Cavazos, Mary Helen	✓	✓	✓			
Dillon, Renea		✓	✓			
Guido, Cheryl	✓	✓	✓			
Guthrie, Mark	✓	✓	✓			
Hawthorne, Caritha						
Henderson, Bobbie Allen	✓	✓	✓			
Heskamp, Alan		✓	✓			
Jackson, Guy Robert	✓	✓	✓			
Janes, Sarah		✓	✓			
Karr, Doug	✓	✓	✓			
LaBroski, Jeff	✓	✓	✓			
Lewis, Ernest	✓		✓			
Mahagaokar, Rajen						
Marshall, Scott						
McCleskey, Kendrick		✓				
McCoy, Dexter			✓			
Mechler, Steve	✓	✓	✓			
Melton, Edward	✓	✓				
Nellons-Paige, Stephanie			✓			
Nevlud, Jerry	✓					
Ozuna, Adrian						
Puente, Paul						
Ruley, Janice	✓		✓			
Scheiner, Danielle	✓		✓			
Segovia, Valerie		✓	✓			
Shaw, Richard	✓	✓				
Shi, Isaac			✓			
Staley, Gil		✓	✓			
Stewart, Michael			✓			
Timmins, Evelyn	✓	✓	✓			
Vazquez, Lizandra						
Webster, Michael		✓	✓			

GULF COAST WORKFORCE BOARD

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, 2019 thru December 31, 2020

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, 2020

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
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County: City of Houston
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Term: January 1, 2019 thru December 31, 2020

BOUSE, SARA

Alvin Community College
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County: Brazoria
sbouse@alvincollege.edu
Term: January 1, 2019 thru December 31, 2020

CAVAZOS, MARY HELEN

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County: Harris
mhcavazos@aol.com
Term: January 1, 2019 thru December 31, 2020

DILLON, RENE A

Goose Creek CISD
4544 I-10 East
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County: Harris
carol.dillon@gccisd.net
Term: January 1, 2018 thru December 31, 2019

GUIDO, CHERYL

Department of Assistive and
Rehabilitation Services
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Term: January 1, 2018 thru December 31, 2019

GUTHRIE, MARK

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County: City of Houston
mguthrie@winstead.com
Term: January 1, 2019 thru December 31, 2020

HAWTHORNE, CARITHA

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Term: June 21, 2018 thru December 31, 2020

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Term: January 1, 2019 thru December 31, 2020

HESKAMP, ALAN

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County: Wharton
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Term: January 1, 2018 thru December 31, 2019

JACKSON, GUY ROBERT

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Term: January 1, 2018 thru December 31, 2019

KARR, DOUG

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County: Montgomery
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Term: January 1, 2018 thru December 31, 2019

LaBROSKI, JEFFREY

Plumbers Local Union No. 68
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P.O. Box 8746
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Fax: (713) 869-3671
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County: City of Houston
ski@plu68.com
Term: January 1, 2019 thru December 31, 2020

LEWIS, ERNEST

Adult Reading Center
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Category: Literacy

County: Brazoria

ernest.lewis@adultreadingcenter.org

Term: January 1, 2018 thru December 31, 2019

MAHAGAOKAR, RAJEN

Riverstone Holdings LLC
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Houston, TX 77002
(713) 844-3600

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County: Harris

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Term: June 21, 2019 thru December 31, 2020

MARSHALL, SCOTT

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Term: January 1, 2018 thru December 31, 2019

McCLESKEY, KENDRICK

PricewaterhouseCoopers-
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McCOY, DEXTER

Fort Bend Independent School District
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Term: January 1, 2019 thru December 31, 2020

MECHLER, STEVE

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Houston, TX 77092
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County: Harris

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Term: January 1, 2018 thru December 31, 2019

MELTON, EDWARD

Texas Library Association
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Category: Literacy

County: Harris County

edward.melton@hcpl.net

Term: January 1, 2018 thru December 31, 2019

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Texas Central Rail Holdings
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Houston, TX 77002
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Category: Business

County: Houston

Snellons-paige@texascentral.com

Term: January 1, 2019 thru December 21, 2020

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County: Harris

jerry.n@agchouston.org

Term: January 1, 2018 thru December 21, 2019

OZUNA, ADRIAN

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County: Harris

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Term: June 21, 2019 thru December 31, 2020

PUENTE, PAUL J.

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Fax: (713) 926-4918
Category: Labor
County: City of Houston
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Term: January 1, 2019 thru December 31, 2020

RULEY, JANICE

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County: City of Houston
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Term: January 1, 2019 thru December 31, 2020

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(936) 522-3529
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County: Montgomery
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Term: January 1, 2018 thru December 31, 2019

SEGOVIA, VALERIE GARCIA

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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
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Category: Labor
County: City of Houston
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Term: January 1, 2019 thru December 31, 2020

SHI, ISAAC

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Houston, TX 77007
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Term: January 1, 2019 thru December 31, 2020

TIMMINS, EVELYN

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Term: January 1, 2019 thru December 31, 2020

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Term: January 1, 2019 thru December 31, 2020

WORKFORCE BOARD KEY STAFF:

Mike Temple, Director
Michelle Castrow, Program Manager
Brenda Williams, Quality Assurance Manager
Traci Nolen, Project Manager
Deborah Duke, Administrative Coordinator
Susan Dixon, Employer Services
Lucretia Hammond, Grants Management

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GULF COAST WORKFORCE DEVELOPMENT BOARD

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- Guy Robert Jackson – Vice Chair
- Karlos Allen
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Doug Karr
- John Josserand
- Scott Marshall
- Kendrick McCleskey
- Evelyn Timmins

Budget

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- Karlos Allen
- Sarah Janes
- Jerry Nevlud

By-Laws

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- – Vice Chair

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- – Vice Chair
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Early Education and Care

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- Alan Heskamp
- Guy Robert Jackson
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- Steve Mechler
- Richard Shaw
- Gil Staley
- Evelyn Timmins

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- – Vice Chair
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- Gerald Andrews
- Scott Marshall
- Jerry Nevlud
- Richard Shaw

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- Jeff LaBroski – Vice Chair
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- John Josserand
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- Bobbie Henderson

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- Jeff LaBroski
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- Richard Shaw
- Gil Staley

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- – Vice Chair

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- Scott Marshall
- Jerry Nevlud
- Valerie Segovia
- Richard Shaw

Report Card Committee Update

The Workforce Report Card Committee met on Thursday, June 13, 2019. Committee Chair Rich Shaw led the meeting. Additional members in attendance included Board Chair Mark Guthrie and members Willie Alexander, Peter Beard, Cheryl Guido, Alan Heskamp and Edward Melton.

Committee members provided feedback on the report manuscript and community engagement proposal. The materials in this packet reflect that input.

Background

In 2005, the Board produced the first Workforce Report Card as a tool to gauge the region's competitiveness in relation to similar metropolitan areas across the United States. This 2019 edition is our sixth update, in which we examine key indicator data and then offers several issues for consideration in context of the future of work.

To support the 2015 Workforce Report Card, Board Members engaged in a listening tour across the region. Through the seven roundtable sessions, we engaged 200+ civic and community leaders in discussion of issue that affect the regional workforce. This process proved to be a productive community engagement effort worth repeating.

Outreach

For the 2019 Workforce Report Card, we will distribute the report to civic and community leaders with an invitation to attend one of eight roundtable sessions.

Target recipients include Workforce Board members, chamber/EDC leaders, community college leaders, university leaders, school district leaders, local State and Federal legislators, city mayors and council members, county judges and commissioners, community organizations, public policy researchers/advocates, workforce professional peer groups, staff and media.

Along with the roundtable sessions, we will solicit coverage from local media, including Op/Ed submissions to the Houston Chronicle and Houston Business Journal.

The proposed schedule follows.

Date/Time	Location	Address
September 3, 2019 10 a.m.	Houston City Hall Legacy Room	901 Bagby St. Houston, TX 77002
September 5, 2019 10 a.m.	Lake Jackson Civic Center	333 TX-332 Lake Jackson, TX 77566
September 10, 2019 10 a.m.	Workforce Solutions – East End	4450 Harrisburg Blvd. Houston, TX 77011
September 12, 2019 10 a.m.	Workforce Solutions – Cypress Station	70A FM 1960 West Houston, TX 77073
September 17, 2019 3 p.m.	Blinn College Sealy Center	3701 Outlet Mall Dr. #250 Sealy, TX 77474
September 19, 2019 9 a.m.	Johnnie Arolfo Civic Center – League City	400 W. Walker St. League City, TX 77573
September 24, 2019 10 a.m.	Workforce Solutions – Acres Homes	6730 Antoine Dr. Houston, TX 77091
September 26, 2019 10 a.m.	United Way Fort Bend Center	12300 Parc Crest Dr. Stafford, TX 77477

We invite all Board members to attend the event in or near your local community. If you would like to serve as a discussion leader for a roundtable, please contact Chair Richard Shaw or the staff.

Audit/Monitoring Committee 2019 Annual Summary

The Audit/Monitoring Committee met on Monday, July 29, 2019 at 1:30 p.m. with committee vice chair Guy Jackson presiding, and members Gerald Andrews, Scott Marshall, Evelyn Timmins, Bobbie Henderson, Helen Cavazos, Gil Staley, Sara Bouse, and Willie Alexander attending.

Background

We conduct quality assurance and financial monitoring for all contractors and units in Workforce Solutions to assess the system's operations, compliance with laws, rules, procedures and our success in meeting employers and people's needs.

The Regional Quality Assurance Team, with Board staff and representatives from our major contractors, carries out quality assurance monitoring throughout the year. During on-site visits, we interview staff, management, and customers; see operations, and check various compliance items. Our records reviews cover customer data, assessing accuracy, completeness, appropriateness, and compliance with guidelines, policies, procedures, and rules. We contract with outside audit firms to carry out financial monitoring and reviews.

2019 Summary

In our opinion, the system functions overall at a solid level.

- We are putting people to work – our system is helping customers find jobs and maintain employment. We can do a better job of helping the individuals we serve to move into higher paying careers.
- Traffic numbers continue to decrease in our offices – the number of customers employed after receiving a service is steady.
- More early education providers received scholarships, and we assessed and enrolled more children with disabilities.
- We continue to improve our “work rate” number for the welfare recipients working in subsidized and unsubsidized jobs – we want over half of our customers in those jobs.

- Our system helps people complete training courses for in demand occupations and obtain education credentials – the number of educational credentials youth received increased over last year.

Trends

- Our local offices show solid performance. We noticed improved facility appearance; and successful integration of Vocational Rehabilitation Service staff in several sites.
- We're doing a better job preparing applications and resumes, and making good referrals, in WorkInTexas. We're also better at keeping the documentation we need for compliance.
- The Financial Aid Payment Office, the Financial Aid Support Center, and the adult education providers also show solid performance.
- Early education quality improvement activities have resulted in more providers with a Texas Rising Star certification and more provider staff accessing training.

Opportunities for Improvement

The monitoring activities we perform show us opportunities for improvement and areas to strengthen services.

- We can reach more young people and provide educational and career opportunities. Our local offices have difficulty finding and recruiting youth.
- Board staff can provide technical assistance to contractors to do a better job with some financial compliance requirements for procurements and property.
- The quality of the services we deliver can improve, ensuring that staff listen to employers and individuals to match their needs.
- Our core functions can continue to improve: filling employers' open jobs and assisting employers in upskilling their workforces; matching and placement of people who are looking for work in the right jobs; and

providing access and support for people who need and want to add to or improve their education and skills.

Conclusions

Each year as a part of our monitoring process, we identify functions, contractors, and units that are at risk for compliance and performance problems. For 2020, in addition to our regular and usual monitoring, we will pay close attention to:

- Our new office locations. We want to make sure the new locations function in line with the Workforce Solutions franchise standards in delivering quality customer service and representing us in their communities.
- Our Financial Aid Payment Office and Financial Aid Support Center and their processes and procedures. Both units are responsible for a significant amount of the dollars we spend – and their processes involve almost all other contractors and units and a large number of our customers.

Ratings

After we visit, we rate contractors and units on a broad spectrum of indicators that includes performance; customer service; collaboration and communication; and compliance with guidelines, policies, procedures, and rules; performance. The rating scale has four levels:

Leading Performance - Performance consistently exceeds expectations in all areas reviewed and the quality of work overall is exceptional.

Strong Performance - Performance consistently meets or exceeds expectations in all areas reviewed and the quality of work overall is very good

Solid Performance - Performance consistently meets expectations in most areas reviewed and the quality of work overall is good.

Building Performance - Performance does not consistently meet expectations in most areas reviewed and overall quality of work is not at an acceptable level.

A summary of ratings for units and contractors follows.

Summary of Monitoring Ratings			
Career Office	2017	2018	2019
Interfaith			
Bay City	Solid Performance	Solid Performance	Solid Performance
Columbus	Solid Performance	Solid Performance	Strong Performance
Conroe	Solid Performance	Solid Performance	Solid Performance
Cypress Station	Strong Performance	Solid Performance	Solid Performance
Humble	Solid Performance	Solid Performance	Solid Performance
Huntsville	Solid Performance	Solid Performance	Solid Performance
Katy Mills	Solid Performance	Solid Performance	Solid Performance
Liberty	Solid Performance	Strong Performance	Strong Performance
Sealy	Strong Performance	Strong Performance	Strong Performance
Waller	Solid Performance	Solid Performance	Solid Performance
Wharton	Solid Performance	Solid Performance	Solid Performance
Willowbrook	Solid Performance	Solid Performance	Solid Performance
Houston Public Library - Ring (Information Center)	Solid Performance	Solid Performance	
Palacios Community Hub		Solid Performance	
Tracking Unit	Solid Performance	Solid Performance	Solid Performance
BakerRipley	2017	2018	2019
Astrodome	Solid Performance	Solid Performance	Solid Performance
Baytown	Strong Performance	Solid Performance	Solid Performance
East End	Solid Performance	Solid Performance	Solid Performance
Lake Jackson	Solid Performance	Solid Performance	Strong Performance
Northeast	Solid Performance	Solid Performance	Solid Performance
Northline	Strong Performance	Solid Performance	Solid Performance
Northshore	Solid Performance	Solid Performance	Solid Performance
Rosenberg	Solid Performance	Solid Performance	Solid Performance
Southeast	Solid Performance	Solid Performance	Solid Performance
Southwest	Solid Performance	Solid Performance	Solid Performance
Texas City	Solid Performance	Solid Performance	Solid Performance
Tracking Unit	Solid Performance	Strong Performance	Solid Performance
Houston Public Library - Central (Information Center)	Solid Performance	Solid Performance	Solid Performance
ResCare	2017	2018	2019
Westheimer	Solid Performance	Solid Performance	Solid Performance
Tracking Unit			Solid Performance

System Support	2017	2018	2019
Financial Aid Support Center (Interfaith)	Solid Performance	Solid Performance	Solid Performance
Financial Aid Payment Office (BakerRipley)	Solid Performance	Solid Performance	Solid Performance
Employer Service	2017	2018	2019
Employment and Training Centers, Inc.	Solid Performance	Strong Performance	Solid Performance
Grant and Associates		Solid Performance	Solid Performance
Young Adult	2017	2018	2019
SER Jobs for Progress	Solid Performance	Solid Performance	Solid Performance
Dynamic Educational Services, Inc.	Solid Performance	Solid Performance	Solid Performance
Early Education Provider Quality	2017	2018	2019
Collaborative for Children	Strong Performance	Strong Performance	Strong Performance
Training and Technical Assistance	2017	2018	2018
Learning Designs, Inc.		Strong Performance	Strong Performance

Procurement Committee

2020 Special Projects

The Procurement Committee met on Monday, July 29, 2019 beginning at 2:00 p.m. with committee chair Evelyn Timmins, committee vice chair Bobbie Henderson, and members Helen Cavazos, Scott Marshall, Guy Jackson, Gerald Andrews, Willie Alexander, Sara Bouse, Gil Staley, and Board Chair Mark Guthrie attending.

Background

Periodically we compete for (and sometimes receive by allocation) additional resources to carry out a specific project or projects. These funds are in addition to the general revenue we use to operate the Workforce Solutions system, although the activities are related to and integrated with our usual work.

This year we competed for money to launch a **career/education project** in some of our school districts and to explore **upskilling and career change for workers in small to medium-sized retailers**. The Workforce Commission has also allocated to us a portion of the **workforce innovation funds** reserved at the state level for a set of specific activities.

Current Situation

- **Career/Education Specialist Project**

For almost the entirety of its existence, the Board has considered how it might support career planning in the public schools. Initially we discussed how we might place career counselors in local high schools to provide access to good and useful labor market and career education for students, parents, teachers, counselors, and administrators. We were not able to fund this concept, however, with the restrictions on our general revenue – although we did develop a range of materials (including our When I Grow Up career education curriculum) for use in the schools.

The Workforce Commission recently requested proposals for a career/education specialist pilot project to do something like our original idea. In July, we were one of seven boards the Commission funded.

We will have \$794,272 over a two-year period to hire three career/education specialists. These specialists will work with middle school and high school students and faculty in the El Campo, Houston, Pasadena, Spring, and Wharton school districts to:

- Acquaint students and faculty with the labor market information and career decision making tools available from the Workforce Commission and the Board
- Provide information on and ways to access pre-apprenticeship, apprenticeship, and work-based learning resources
- Provide information on and ways to access post-secondary education for high-skill, high-growth jobs through technical and community colleges
- Connect interested students and their parents with our local career offices and additional resources available there for career planning, job placements, and education support.

The specialists will work directly in ten schools from the five districts each year – and indirectly through virtual means with another 40 schools. We expect to reach at least 6,000 students with our direct connections and at least 30,000 through virtual means and have touched 50 individual schools by the end of the two-year pilot period.

The specialists will be Board staff, and we anticipate using the pilot period to plan how we can continue the service beyond the pilot project funding.

- **Retail Workers Project**

During 2018, the WalMart Foundation approached the Workforce Commission about funding a pilot project to upskill front-line workers for upward mobility in the retail sector or transition into other industries. This pilot builds on similar projects WalMart funded directly in Chicago and Dallas.

We were part of a proposal to WalMart to pilot upskilling for workers at small and medium-sized retailers in job specific, supervisory, and management skills. We've been selected – along with five other Texas boards – to develop a regional retail sector strategy delivering a thriving, sustainable system of skills training to help workers move up along a clear career pathway and supports their long-term growth and employment retention.

With \$2,388,810 over a three-year period, we plan to work with 25 small to medium-sized retailers (those with 100 or fewer employees) and assist at least 850 workers with upskilling in customer service, supervisory, and management skills. We anticipate using online learning as a key part of upskilling and will test the strength of this form of learning for workers' job retention and advancement. We also expect to learn how and if we can help retail workers transition into other industries with the skills they have and build through the project.

We propose the work be done by and through our Employer Service unit.

- **Workforce Innovation Activities Project**

The Workforce Innovation and Opportunity Act provides some funds at the state level with greater flexibility than the dollars formula-allocated to local boards. Texas has in the past competed these "statewide activity funds" but this summer has allocated most of the dollars among the state's local boards.

We've received \$3,124,224 and may use the money for at least one of the following state strategies:

- Partnering with local economic development corporations that use their sales tax revenues for high-demand skill training;
- Partnering with local employers to match funds for skills training in a Texas Industry Partnership project;
- Funding teacher externship projects;
- Funding bootcamps for women entrepreneurs that helps participants create, sustain, or expand a business in Texas

We can also use this money for other innovative projects that serve people or employers, subject to the federal rules.

We propose to program these funds as follows:

1. To match employer contributions in a Texas Industry Partnership project that provides skills training for new and current workers;
2. Building on our experience in summer teacher externship activities, to fund two externship classes for teachers to directly work in and with local employers in key industries;
3. To develop several entrepreneur events for young adults and women that connect to existing efforts and tech incubators in the region;

4. To expand our connections with offender re-entry projects in the region and support a long-term case management/support system for ex-offenders; and
5. To partner with libraries and other community organizations to develop access to Workforce Solutions in remote communities.

We have only recently received notice of these dollars and plan to firm up the proposed activities and report back to the Board with details.

Action

Approve special project funds in total amount of \$6,307,306 and authorize staff to proceed in implementing project activities.

Procurement Committee

The Workforce Solutions System 2020 Contract Renewals

Background

In 2017 we procured contractors for the Workforce Solutions system, and the Board authorized up to four years of annual contracts with these providers.

In the summer each year we review system and contractor performance, estimate our funding available for the next year, and consider renewing contracts. October 2019 will begin the third year under our current procurement.

Performance and Production

Our region's unemployment rate was at 3.8% in June 2019, remaining at historically low levels.

- As job markets improve, we have seen traffic in our offices decrease, the number of jobs employers post with us go up, and the people we help are finding jobs, and getting better jobs.
 - We expect the average monthly traffic in our offices to reach **166,824** in 2019. In 2018, the average monthly traffic was **171,358**.
 - The average number of monthly job postings through June 2019 was **13,375**. In 2018, the average number of monthly job posting was **12,362**.
 - Through June 2019, 77.4% of the individuals we helped were working in the first quarter after exiting from Workforce Solutions.
- The system is not yet meeting all our performance targets; however, we have another three months before the end of the performance year.
 - We're seeing an improvement over the last two years in the percentage of customers who have increased their incomes after working with us.

- We're on-track to achieve our production requirements.
 - Even though the people using our service is down, we are hitting the mark in production for getting customers employed in the first quarter after exit.
 - Also, we're meeting the production requirements for median earnings (calculated for small specific subgroups of customers) while struggling with the broader performance expectation of earnings gains.
 - By the end of September, we will be supporting almost 25,000 families with financial aid for early education expenses – and paying for about 30,000 units of early education/care per day.
 - We have taught more than 20,917 adult education students through more than 2,250 classes and 1.6 million contact hours at 174 locations.

2020 Revenue

We expect a modest 2.9% increase in revenue to fund 2020 contracts – we're projecting a maximum of \$302 million available for system operations.

- Our general revenue comes from multiple federal sources – all of which are allocated to us using the various formulas that bring those dollars to the state.
 - 2020 general revenue allocations are generally less than the 2019 dollars. We do expect to carryforward about \$5 million in unspent funds – which will offset some of the decrease in our allocations.
 - We also anticipate an increase in vocational rehabilitation service funds to support ongoing office integration. These dollars support our local office operations.
- We will have an increase in special revenue this year, with slightly more than \$6.3 million becoming available for several special and pilot projects.

2020 Investments

With available dollars, we're recommending the following maximum investments in system activities:

	2019	2020
Employers	\$ 18,987,000	\$ 23,200,000
<i>Employer Service</i>	<i>11,072,000</i>	<i>15,700,000</i>
<i>Early Education Provider Quality</i>	<i>7,915,000</i>	<i>7,500,000</i>
People	273,641,195	277,892,000
<i>Local offices + youth projects</i>	<i>54,910,000</i>	<i>56,350,000</i>
<i>Adult Education</i>	<i>16,021,195</i>	<i>18,542,000</i>
<i>Financial Aid</i>	<i>202,710,000</i>	<i>203,000,000</i>
System Support	936,000	950,000
Totals	\$ 293,564,195	\$ 302,042,000

- The increase for overall employer investments represents a commitment of \$5 million for talent development activities with employers: skills training for new and current workers, apprenticeship.
- The slight decrease for investments in early education providers is due to expiring, single purpose dollars for Hurricane Harvey recovery.

2020 Workforce Solutions Contracts

We recommend renewing contracts for all system contractors. As we did with the adult education providers, we're proposing a range for each contract with minimum and maximum amounts.

- We plan to incorporate new dollars for the \$6.3 million special projects into 2020 contracts as appropriate.
- Talent development funds, shown in the Investments chart above in Employer Service, are in the BakerRipley Payment Office contract as that office authorizes the payments for talent development projects.
- We will negotiate all contracts beginning with the minimum contract totals. We believe there are efficiencies we can find within each of these contracts and will work with contractors to reduce non-direct customer service expenses.

- We will come back to the Board in October with firm plans to procure and invest an additional \$3 million with new providers.

Contractor	2019	2020	
		Minimum	Maximum
Employment and Training Centers	\$ 7,222,000	\$ 6,860,000	\$ 7,300,000
Grant Associates	3,350,000	3,180,000	3,400,000
Collaborative for Children	7,915,000	7,000,000	7,500,000
<i>BakerRipley</i>			
Career offices	23,255,000	22,090,000	23,400,000
Payment Office operations	3,450,000	3,280,000	3,450,000
<i>Interfaith of the Woodlands</i>			
Career offices	14,720,000	13,980,000	14,800,000
Support Center operations	5,600,000	5,320,000	5,600,000
ResCare career offices	6,335,000	6,020,000	6,400,000
SER-Jobs	1,200,000	1,200,000	1,300,000
Dynamic Education Systems Inc.	350,000	350,000	400,000
<i>New/Investments</i>			
Adult Education	16,021,195	16,993,000	18,542,000
<i>Baker Ripley</i>			
Financial Aid	203,210,000	200,000,000	206,000,000
<i>System Support/Learning Designs</i>			
System Support/Learning Designs	936,000	890,000	950,000
Total	\$ 293,564,195	\$ 287,163,000	\$ 302,042,000

Results

With these recommendations we expect to:

- Serve at least 28,500 employers and 425,000 individuals
- Ensure 17,670 of our employers return for service
- Assist in creating 3,300 new jobs
- Spend at least \$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)

Action

Recommend Board authorize staff to negotiate 2020 Workforce Solutions system contracts as described above in total amount not to exceed \$302,042,000.

Nominations Committee

Board Vice Chair

Background

Vice Chair Joe Garcia recently resigned from the Board, leaving a vacancy in one of the three vice chair positions.

Current Situation

The Board's by-laws at Article VII Officers, Section F Vacancies, specify that the Board will elect a successor to fill the unexpired term of either the Chair or any of the Vice Chairs.

Mr. Garcia's term runs through December 2019.

Nominations Committee Chair Guy Jackson will report on the committee's recommendation to fill the Vice Chair vacancy.

Ratify Board Action April and June 2019

Background

While going through the process of appointments for members, the Board was technically out of compliance with state rules for Board composition.

Unfortunately, from time-to-time, the appointment process stretches beyond the time limit for technical compliance.

Current Situation

The Board is now in compliance with composition rules.

Items which the Board approved at its April and June 2019 meetings are attached. The June Board meeting minutes are available at the front of the August Board package, and the April Board meeting meetings are attached to this item.

Action

Request Board ratify actions taken at the April and June 2019 meetings.

Financial Monitoring

Proposed Contract Renewals

Approved by the Board at its April 2, 2019 meeting.

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.

Procurement Committee

Adult Education 2020

Approved by the Board at its June 4, 2019 meeting

The Procurement Committee met on Wednesday, May 29, 2019 at Workforce Solutions – Southeast to consider recommendations for 2020 adult education provider contracts. Members present included the committee chair Evelyn Timmins; the committee vice chair Bobbie Henderson; the Board chair Mark Guthrie; Board vice chairs Joe Garcia, Willie Alexander, and Gerald Andrews; and members Sara Bouse, Cheryl Guido, Doug Karr, and John Josserand.

Adult Education: Where Does the Money Come From?

The Adult Education and Family Literacy Act – which authorizes the activities for publicly funded adult education – is now part of the Workforce Innovation & Opportunity Act (Title II of the Act). The Texas Workforce Commission administers the public adult education dollars in Texas.

The Workforce Board has organized and leads the region’s adult education provider consortium.

What is the consortium?

In 2019 we have 13 providers as direct partners in offering a variety of adult education instruction throughout the region.

The Adult Reading Center (located in Pearland) currently subcontracts with Brazosport College to serve the northern part of Brazoria County. Brazosport College itself serves the southern part of the county. The Center is interested in becoming a direct Consortium member.

What Do We Do?

We propose continuing adult education and literacy instruction in 2020 with the 13 providers we funded in 2019 and adding The Adult Reading Center as a direct contractor for 2020.

We will continue instruction at more than 250 sites throughout the 13-county region. Services will continue to include English language instruction, literacy classes, adult basic education, adult secondary education, high school equivalency preparation, and joint basic education-skills training classes.

We have additional funds for 2020, and we expect to serve at least 21,770 students over the year – an increase of 10%.

During 2020 we will also:

- Continue the integration of adult education with our Employer Service. We have seen multiple providers deliver mostly English language instruction for employers' current workers as the number of on-site "at-work" projects grows.
- Pilot and then scale up a "connector" project that directly links adult education providers and provider staff with their local career offices and office staff. This is a model United Way developed with us for many of its THRIVE partner agencies, and it has been successful in delivering better service for customers.
- Work with Region 6 Education Service Center to implement the sector academy model throughout our adult education consortium, directly linking all adult education and literacy instruction to career paths in the region's key industries.
- As always, continue to work on improving skill attainment and certification outcomes.

Recommendations

We estimate the availability of just under \$19.6 million for the adult education 2020 program year. This is a 15% increase over 2019.

- With the additional dollars we expect to increase our enrollments by 10% -- accounting for the difference by noting that combined basic skills/occupational skills instruction comes at a higher cost than other kinds of adult education. Continuing to increase our emphasis on the combined kinds of instruction will mean a higher overall per student cost.

- We recommend setting additional targets as follows:

Enrollments 2019 and 2020	2019	2020
Total Students	19,688	21,770
12-Hour Students	17,636	19,593
Integrated Education/Training	1,100	1,265
English Language/Civics	1,854	1,000
Integrated English Language/Civics/Training	355	575
Intensive Service	539	620

- We also recommend direct funding for both The Adult Reading Center and Brazosport College. The College has been one of our top performers during the last five years.
- As a part of our funding recommendations for 2020, we have included a range. The end of the range is a “not-to-exceed” limit and the beginning is a proposed starting point for contract negotiations.

Provider	Current	Proposed Range	
Brazosport College	\$ 548,000	\$ 650,000	\$ 700,000
College of the Mainland	1,116,000	1,116,000	1,240,000
Harris County Department of Education	4,550,000	4,750,000	5,168,000
Houston Community College	3,571,000	4,000,000	4,350,000
Lone Star College	1,250,000	1,350,000	1,435,000
Region 6 Education Service Center	855,195	900,000	990,000
San Jacinto College	650,000	650,000	720,000
Wharton County Junior College	750,000	765,000	885,000
Alliance	525,000	525,000	585,000
BakerRipley	525,000	535,000	605,000
Boys and Girls Club of Walker County	200,000	200,000	221,000
Chinese Community Center	200,000	220,000	235,000
Association for the Advancement of Mexican Americans	607,000	610,000	650,000
Community Family Center	522,000	522,000	558,000
Adult Reading Center	152,000	200,000	200,000
Subtotal	16,021,195	16,993,000	18,542,000
Board administration	960,000	960,000	1,056,000
Total	\$ 16,981,195	\$ 17,953,000	\$ 19,598,000

Action

Request Board authorize staff to negotiate contracts with adult education providers as shown above for the period July 1, 2019 through June 30, 2020 in total amount not to exceed \$18,542,000.

**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, APRIL 2, 2019**

MEMBERS PRESENT

Narayan Bhargava	Bobbie Allen Henderson	Edward Melton
Sara Bouse	Alan Heskamp	Valerie Segovia
Carl Bowles	Guy Robert Jackson	Richard Shaw
Mary Helen Cavazos	Sarah Janes	Gil Staley
Renea Dillon	Doug Karr	Evelyn Timmins
Joe Garcia	Jeffrey LaBroski	Michael Webster
Cheryl Guido	Kendrick McCleskey	Shunta Williams
Mark Guthrie	Steve Mechler	

H-GAC STAFF MEMBERS PRESENT

Mike Temple
Philip Garcia
AJ Dean
Parker Harvey

Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, April 2, 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 welcomed new Board member, Mr. Mike Webster and asked him to introduce himself. Mr. Webster gave a brief overview of his background including his current position as Associate Vice Chancellor for Workforce Instruction at Houston Community College. He stated that he has worked in education and workforce for the past 20 years and worked on the Board staff at one time. He also stated that he is glad to be on the Board and looks forward to serving with the group. Mr. Webster was welcomed enthusiastically by the Board.

ADOPTION OF AGENDA

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

No one signed up for public comment.

MINUTES FROM FEBRUARY 5, 2019 MEETING

Chair Guthrie asked for any additions or corrections to the minutes for the February 5, 2019 Board meeting and if none, 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 began by noting that he attended the opening of the Acres Homes Career Office on Friday, March 29. He stated that it was a well-attended and enjoyable event. He also reminded the Board of the Pearland Career Office opening on April 3 and encouraged members to attend.

Chair Guthrie also reported that on March 28, he attended a Veterans Job Mission regional reception co-sponsored by JPMorgan Chase and the Greater Houston Partnership regarding the hiring of veterans. He expressed his appreciation to Board member Peter Beard for extending the invitation.

Chair Guthrie said that he attended the National Association of Workforce Boards board of directors meeting and NAWB's annual conference known as the NAWB Forum in Washington DC during most of the last week of March. The theme of the Forum was The Future of Work. He reported that Board member Willie Alexander and Board staff Mike Temple, Michelle Castrow and Brenda Williams also attended the Forum. Chair Guthrie stated that it was a very worthwhile event providing information on innovative workforce development programs and practices and networking opportunities with people involved in workforce development from across the country. Chair Guthrie stated that while he was in Washington for the NAWB Forum and board meetings, he took the opportunity to visit 5 different congressional offices on Capitol Hill to educate about and report on the operations and activities of the Gulf Coast Workforce Board, the Texas workforce system and NAWB. He also invited the congressional representatives or their staff to attend one of our upcoming Board meetings.

Chair Guthrie said that the week before the Forum, he, along with Mike Temple, Peter Beard and Sarah Janes, attended a healthcare industry summit hosted by TWC Commissioner Robert Thomas, which was held in the Medical Center. It was designed to introduce the concept of

apprenticeships in the healthcare industry fields. Sarah Janes added that the Houston Area Apprenticeship Advisory Committee meets on May 3rd. She encouraged members to attend in order to learn more about apprenticeships.

Next, Chair Guthrie also reminded the Board that most of the accounting and financial reporting functions are performed by H-GAC, the Board's fiscal agent, and discussed a process improvement effort that H-GAC is undertaking. Chair Guthrie noted that while H-GAC has regularly received clean audits from its independent outside auditors as well as TWC auditors, there have been some mistakes made in the accounting and financial reporting areas. Those mistakes were corrected once they were discovered. These mistakes appear to be due to accounting process or timing and reporting issues, and there is no indication they involve a misapplication or misuse of funds. Chair Guthrie continued that he has emphasized to HGAC that the responsible stewardship of the Board's public funds requires not only proper spending and verifying, but also accurate and timely accounting and reporting of those funds. Chair Guthrie said that he was pleased to report that H-GAC has agreed to take some steps, including procuring a contract with an independent auditing firm to review their processes and recommend any improvements that need to be made. H-GAC has also agreed to automate their accounting and reporting processes to reduce the potential for human errors. The contract with the independent auditing firm will go through the public procurement process. This RFP is in the process of being prepared and will be reviewed by Chair Guthrie, and Chair Guthrie anticipates that one or more members of the Board's Audit and Monitoring Committee and Board staff will have input in the selection of the independent auditing firm. Chair Guthrie also reported that H-GAC's Executive Director has provided assurance that our Audit and Monitoring Committee will receive regular reports on the progress and results of the auditing firm's work. Going forward, that committee will provide updates to the Board, including a report at the next Board Meeting.

Chair Guthrie then introduced a brief video by Houston Mayor Sylvester Turner that was presented at the opening of the Acres Homes Career Office. The Board viewed the video.

Chair Guthrie concluded his report and no action was taken.

b. Audit and Monitoring Committee.

Committee Chair Joe Garcia provided the following report from the Audit and Monitoring Committee:

The 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, Carl Bowles and Mark Guthrie present.

- The Committee received reports 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.
- The Quality Assurance 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 Quality Assurance 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.
- Board staff is responding to a monitoring report from the Texas Workforce Commission that identified three areas: 1) notice to 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; and 3) property inventory for item that cost over \$5k.

Staff is 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.

Chair Garcia concluded his report and no action was taken.

c. Government Relations Committee.

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

Texas Legislature

We continue to pay attention to the activities of the 86th Texas Legislative session. The majority of the bills are sitting in committee and have not been heard yet. Bills that are in committee must be voted out of committee by May 6. The majority of the current bills will likely die in committee.

One significant bill that has passed so far (House Bill 1) is the general appropriations bill. The TWC submitted an infrastructure request and it was fully funded. This bill will now go to the Senate and, hopefully, the Senate will concur.

Chair Jackson concluded his report and no action was taken.

d. Report Card Committee.

Chair Richard Shaw thanked the members of the Report Card committee as well as the Board staff. Chair Shaw provided the following report from the Report Card Committee:

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 Sarah Janes.

Committee members reviewed the narrative that presents what the indicator data tells us along with the resulting letter grades. Both are included in the Board 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 to 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?

Staff offered several areas for Committee members to consider what the Committee/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.

Chair Shaw concluded his report and no action was taken.

TAKE ACTION

a. Financial Monitoring Contracts Renewal.

Mr. Mike Temple provided the following report on proposed financial monitoring 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. Staff recommends contracting the budgeted amount because of the size and complexity of the regional system.

Action

A motion was made and seconded to 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. The motion carried.

Mr. Temple concluded his report and no further action was taken.

RECEIVE INFORMATION

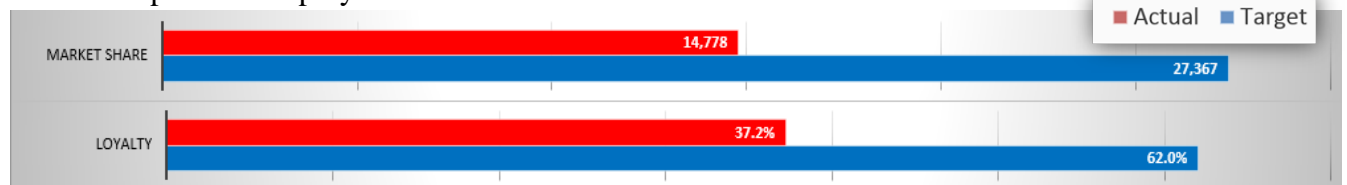
a. Performance and Production.

Philip Garcia reviewed the Performance measures for October 2018 through February 2019, as follows:

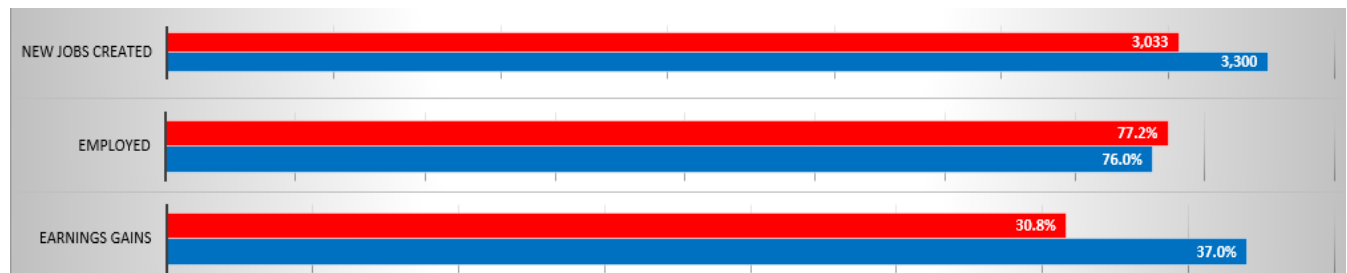
Board Measures

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's 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
<i>Total Enrollments</i>	19,438	16,745
<i>12+ Hour Enrollments</i>	18,166	14,999
<i>IET Program</i>	1,100	549
<i>EL Civics</i>	615	1,561
<i>Integrated EL Civics</i>	500	250
<i>Intensive Services.</i>	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.

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 February 2019, and provided the following report:

For the two months ending in February 2019 we are on target with Employers and People, Board Admin is a little behind, and our System IT is lagging which is not unusual at this point in the year. The invoices for the wide area of the network will be trickling in and that will catch up as we progress. Looking at Workforce Revenue, we are only about \$200,000 behind on our year to date target. As for System Expenses, about three quarters of our dollars are going towards financial aid followed by Office Operations, Adult Education and Employer Service.

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

LOOK AT THE ECONOMY

Parker Harvey provided the Board with a report of employment data and economic trends. Mr. Harvey reminded the Board that the jobs data presented throughout the year is revised each March. With the most recent revision occurring last month, Mr. Harvey highlighted some of the revisions to the jobs numbers last year and how it changed our understanding of how well our job market was doing, particularly in 2018.

At the last Board Meeting we shared with you that our job growth for 2018 was 108,000 jobs which is a pretty good number. After revisions, our job growth was reduced to 73,000 jobs. That means we overestimated our job growth last year by about 35,000.

December 2014 remains the peak leading up to the recent downturn in oil prices. October 2016 continues to be the bottom for this most recent downturn with a few hundred additional jobs lost that previously thought. Hurricane Harvey continues to be a blemish on our overall job growth, but we managed to get past that pretty quickly. However, as we get to the end of 2017 we've learned that we added 8,700 fewer jobs than we originally reported. We ended the year up about 54,000 jobs which is still a good number if you consider the fact that this is the first full year of recovery since the most recent downturn.

As we move on to 2018 we start seeing more dramatic revisions. We reported to you at the December Board Meeting that, as of September 2018, we were adding 128,000 jobs year-over-year. This means that we would have surpassed our previous all-time high by about 4,000 jobs. However, there was nothing going on to justify that kind of job growth. In fact, we only added about 83,000 jobs at the time. At the end of the year, that brings us to the 35,000 over-estimation previously mentioned. Most of the over-estimation happened in just three sectors, Professional and Business Services, Construction and Trade, Transportation, and Utilities. We did have a little bit of under-estimation in Leisure, Hospitality, Government and Information but it was not enough to off-set the over-estimation.

Professional and Business Services

As a result of benchmark revisions, Professional and Business Services demonstrated notably more modest job growth from October 2017 onward.

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.

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. 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.

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.

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.

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.

Currently, our over-the-year job growth is mainly being driven by Manufacturing, Professional and Business services and Education. Manufacturing had an exceptionally good year last year once we received the revised data. By and large, all of our sectors are adding jobs with the exception of Leisure & Hospitality, which is flat year-over-year, and Information which, unfortunately, continues to lose jobs.

Our unemployment rate as of February is 4.2% which is higher than the state or the nation, however it is not close to where it was in 2008 leading up to the financial crises.

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

OTHER BUSINESS

Chair Guthrie reminded the Board that the Board's Strategic Plan was approved at our last meeting and requested that Mr. Mike Temple provide a brief update on what has been done to communicate the plan and the values in it to the Career Office and VR frontline staff.

Mr. Temple reported that management throughout the system gathers together at a joint meeting two times each year. During our last meeting, which was held in January, staff rolled out the contents of the Strategic Plan to everyone and discussed what it means and how it will guide us into the future. Every month we meet with contractors, including VR staff, in a Regional Management Team meeting and we have discussed the Strategic Plan elements with them since the plan was approved by the Board. Chair Guthrie thanked Mr. Temple for the update.

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

ADJOURN

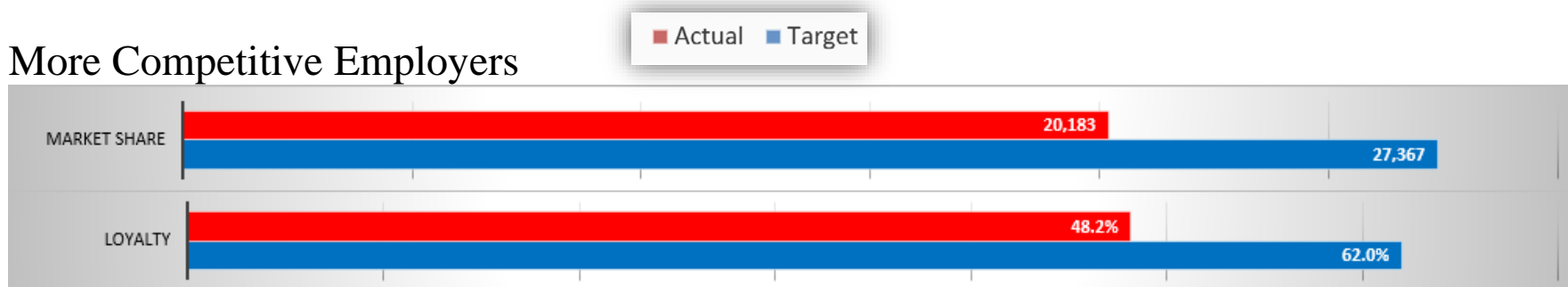
Chair Guthrie adjourned the meeting at approximately 11:05 a.m.

Gulf Coast Workforce Board System Performance October 2018 to June 2019

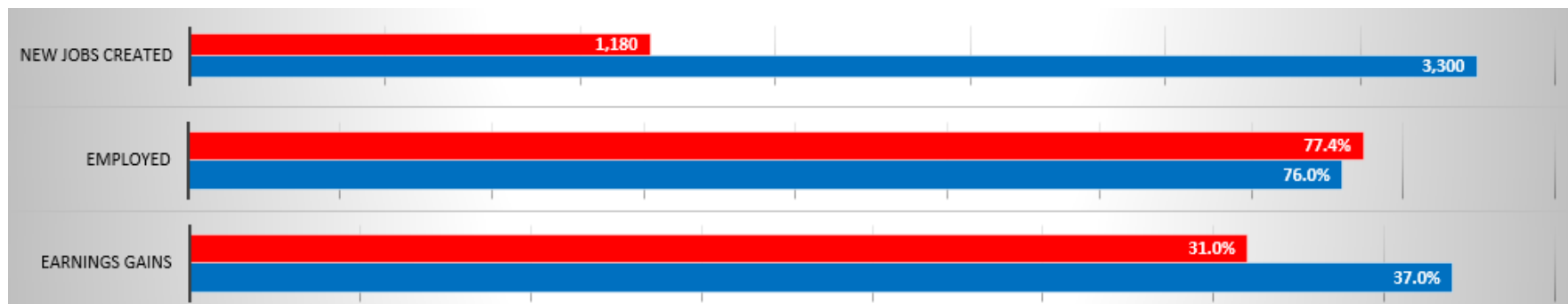
Board Measures

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 fifteen of nineteen state measures.

- Number of Employers Receiving Workforce Assistance: The target for this measure is 20,436. Our performance for employers receiving Workforce assistance from October 2018 through May 2019 is 19,148.
- Avg. Number Children Served Per Day: The target for this measure is 29,550. Our performance for the average number of children served per day from October 2018 through May 2019 is 31,220.
- Employed Q2 post Exit – Dislocated Workers: The target for this measure is 79.2%. Our performance for customers with earning 2nd quarter post exit from October 2018 through May 2019 is 67.57%.

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

	Target	Year to Date
Total Enrollments	20,184	20,921
<i>12+ Hour Enrollments</i>	18,166	19,087
<i>IET Program</i>	1,100	1,088
<i>EL Civics</i>	615	2,155
<i>Integrated EL Civics</i>	500	470
<i>Intensive Services.</i>	490	894

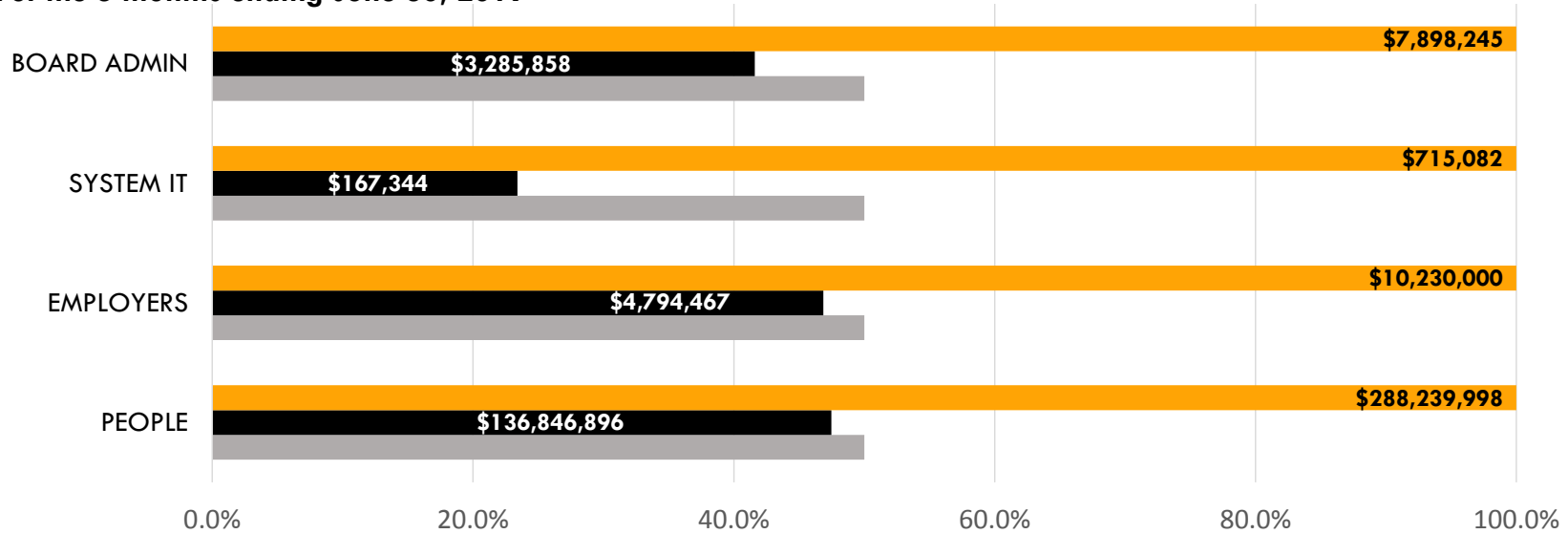
1. Total enrollments - includes individuals who begin an adult education class.
2. 12+ hour enrollments - includes individuals who are in adult education classes 12 or more clock hours.
3. Integrated Education and Training (IET) – includes individuals enrolled in Adult Education and Literacy classes 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.

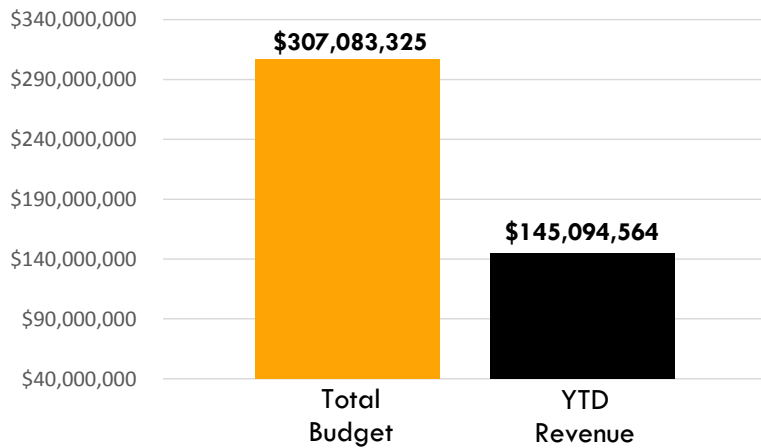
Gulf Coast Workforce Financial Status Report

For the 6 months ending June 30, 2019

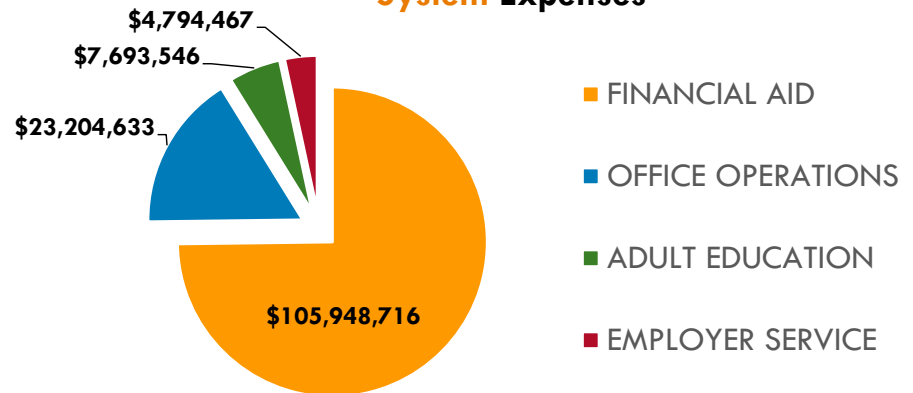
■ Budget ■ Expenses ■ Target



Workforce Revenue



System Expenses





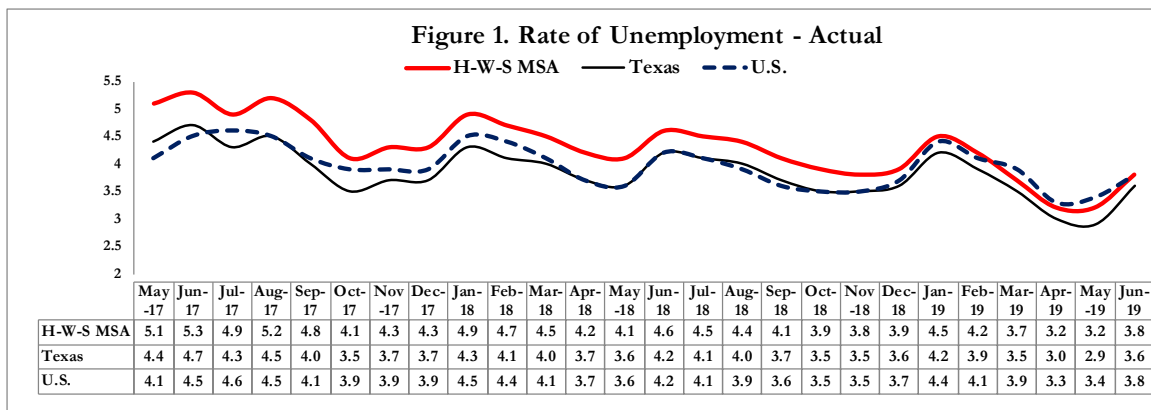
Labor Market Information
JUNE 2019 Employment Data

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

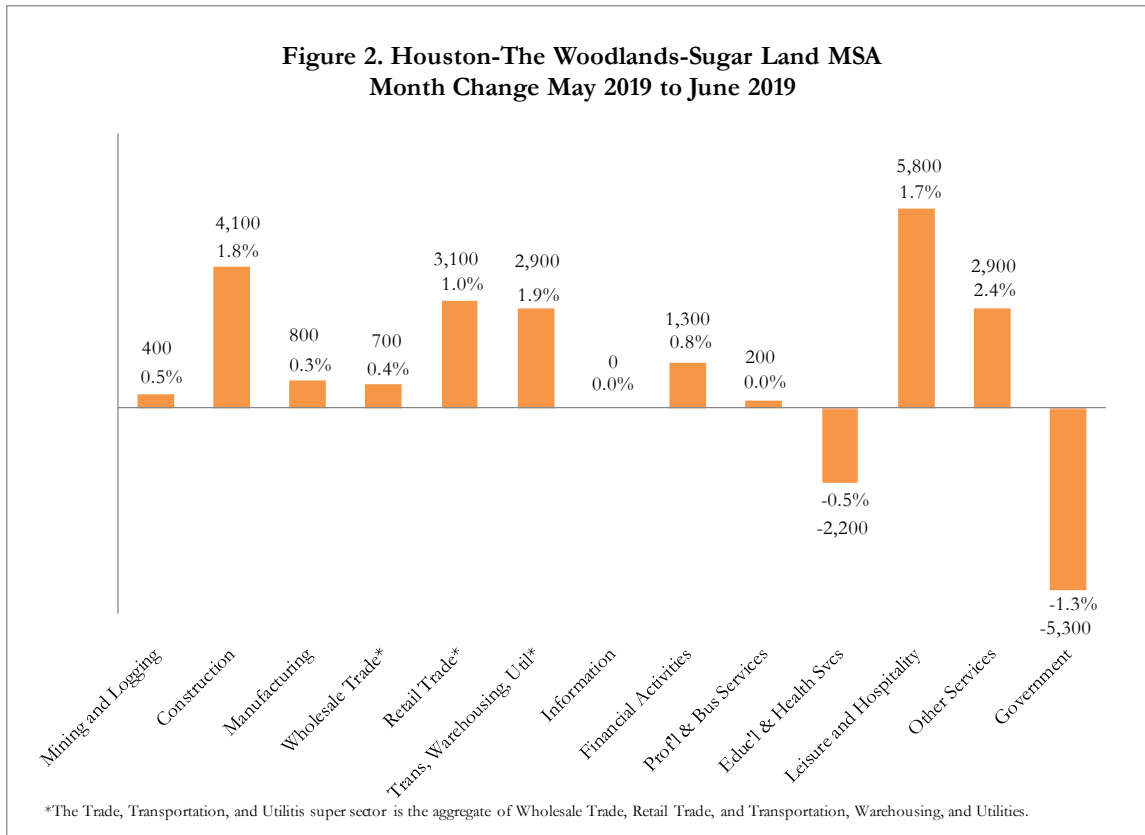
The actual rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) rose six-tenths of a percentage point to 3.8 percent in June. An increase in the rate of unemployment is expected in the month of June as individuals enter the labor force during school summer break. The local rate of unemployment was the same as the national rate of unemployment but two-tenths of a percentage point higher than the state' rate, see figure 1. Over the previous year the number of individuals in the labor force in the H-W-S MSA increased by 45,858 while the number of unemployed declined by 27,055 driving the rate of unemployment down nearly one full percentage point.

Unemployment Rate (Actual)

	JUN 2019	MAY 2019	JUN 2018
Civilian Labor Force	3,441,389	3,419,243	3,395,531
Total Employed	3,310,854	3,311,235	3,237,941
Unemployed	130,535	108,008	157,590
Unemployment Rate	3.8%	3.2%	4.6%



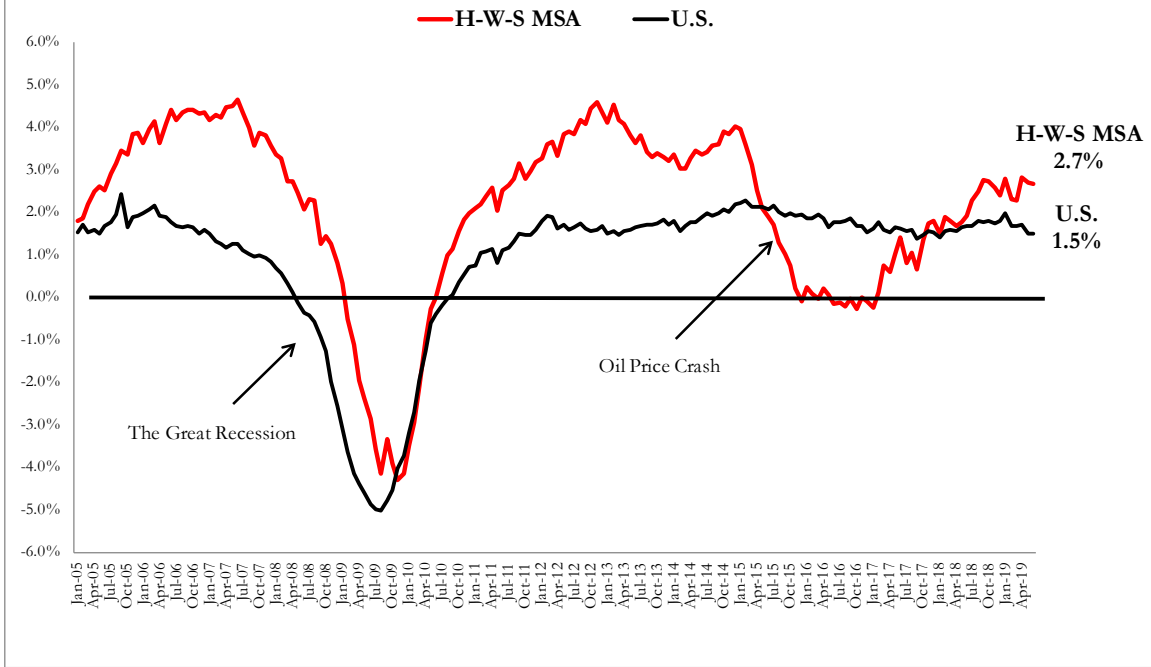
Total Nonfarm Employment in the H-W-S MSA reported an addition of 14,700 jobs in June. The 0.5 percent increase was in line with the historical average increase of 0.5 percent. Many industry-sectors managed to add jobs with largest gains found in Leisure and Hospitality, up 5,800 jobs, Construction, up 4,100 jobs, and Retail Trade, up 3,100 jobs. Seasonal declines driven by school summer break were found in Government, down 5,300 jobs, and Education and Health Services, down 2,000 jobs. June changes for major industry sectors can be seen in figure 2. For a complete list of June employment estimates see pages 13 & 14.



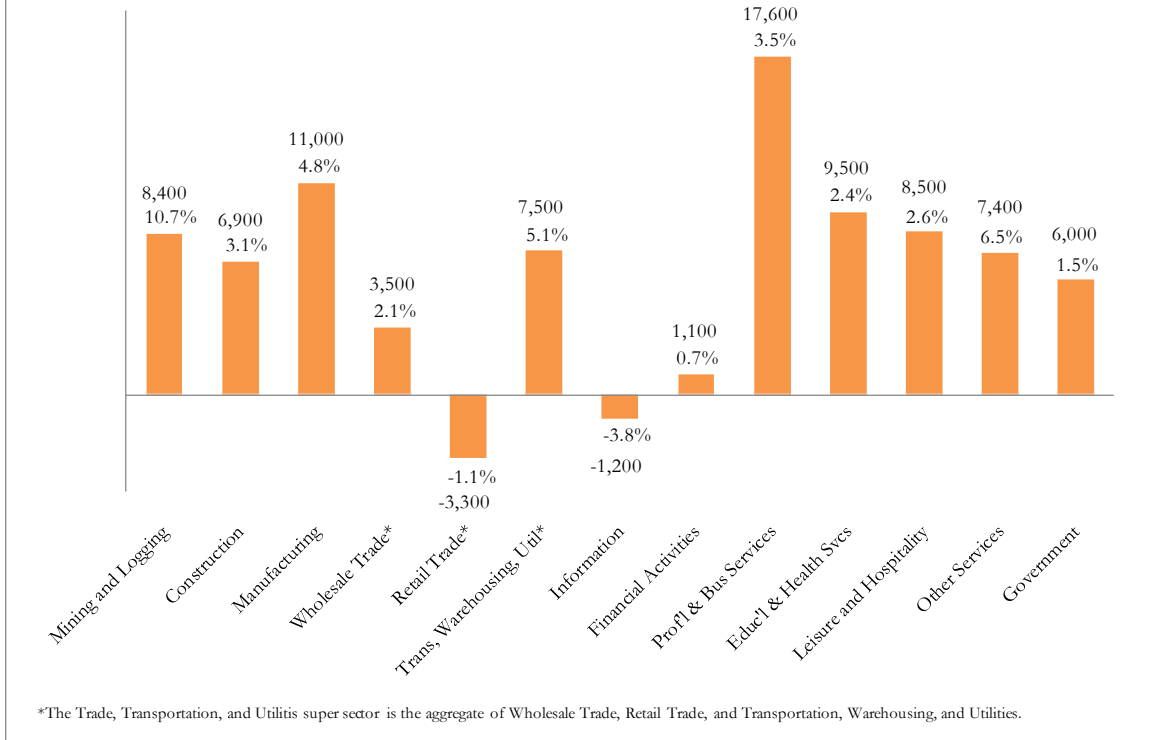
Total Nonfarm Employment in the H-W-S MSA increased by 82,900 jobs over the year in June with the pace of job growth at 2.7 percent, more than one full percentage point faster than the nation's 1.5 percent, see figure 3. Professional & Business Services added the largest number of jobs with payrolls up 17,600 jobs over the year, see figure 4. Mining and Logging added jobs at the fastest pace of 10.7 percent, up 8,400 jobs over the year. Strong increases were also found in Other Services, up 7,400 jobs or 6.5 percent, Transportation, Warehousing, and Utilities, up 7,500 jobs or 5.1 percent, and Manufacturing, up 11,000 jobs or 4.8 percent. Substantial increases were also found in Construction, up 6,900 jobs, Education and Health Services, up 9,500 jobs, and Leisure and Hospitality, up 8,500 jobs. The only substantial losses were found in Retail Trade, down 3,100 jobs, Employment Services, down 6,600 jobs, and Information, down 1,200 jobs.

Additional comments by super sector can be found beginning on page 5. Detailed data can be viewed on pages 13 & 14.

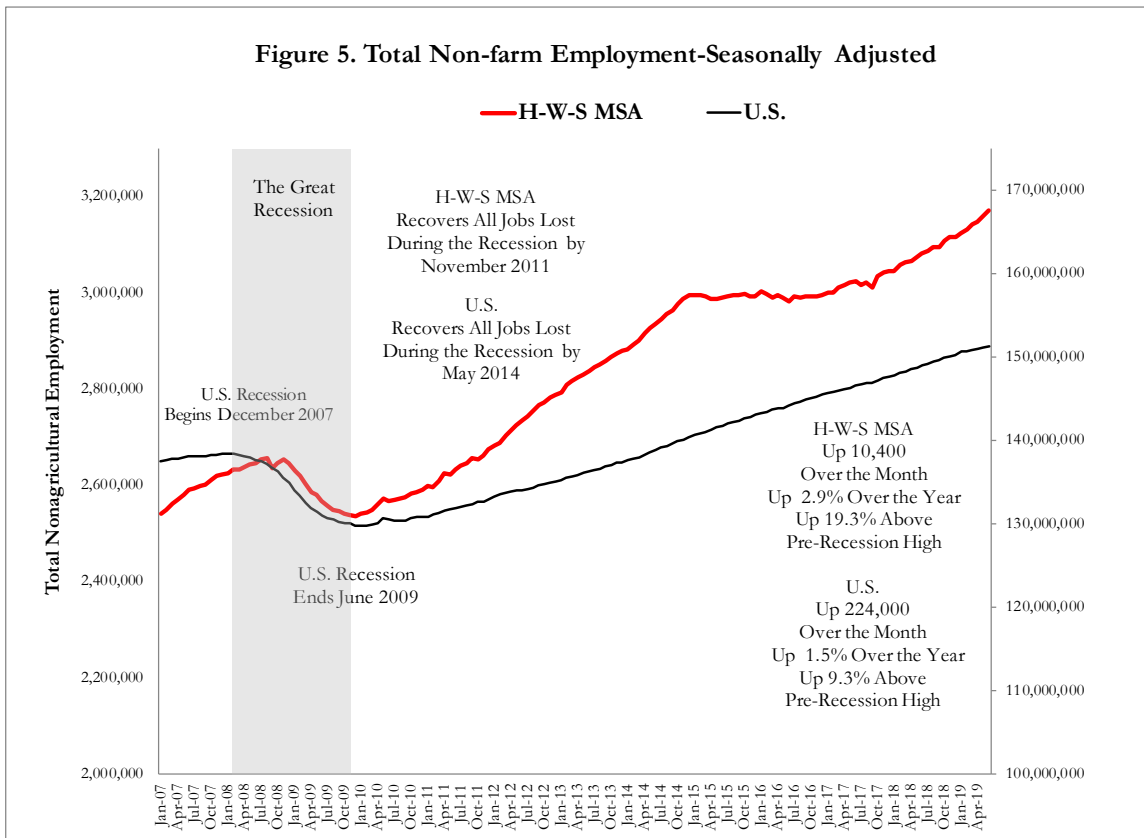
**Figure 3. Current Employment Statistics
Actual Over-The-Year Increase/Decrease**

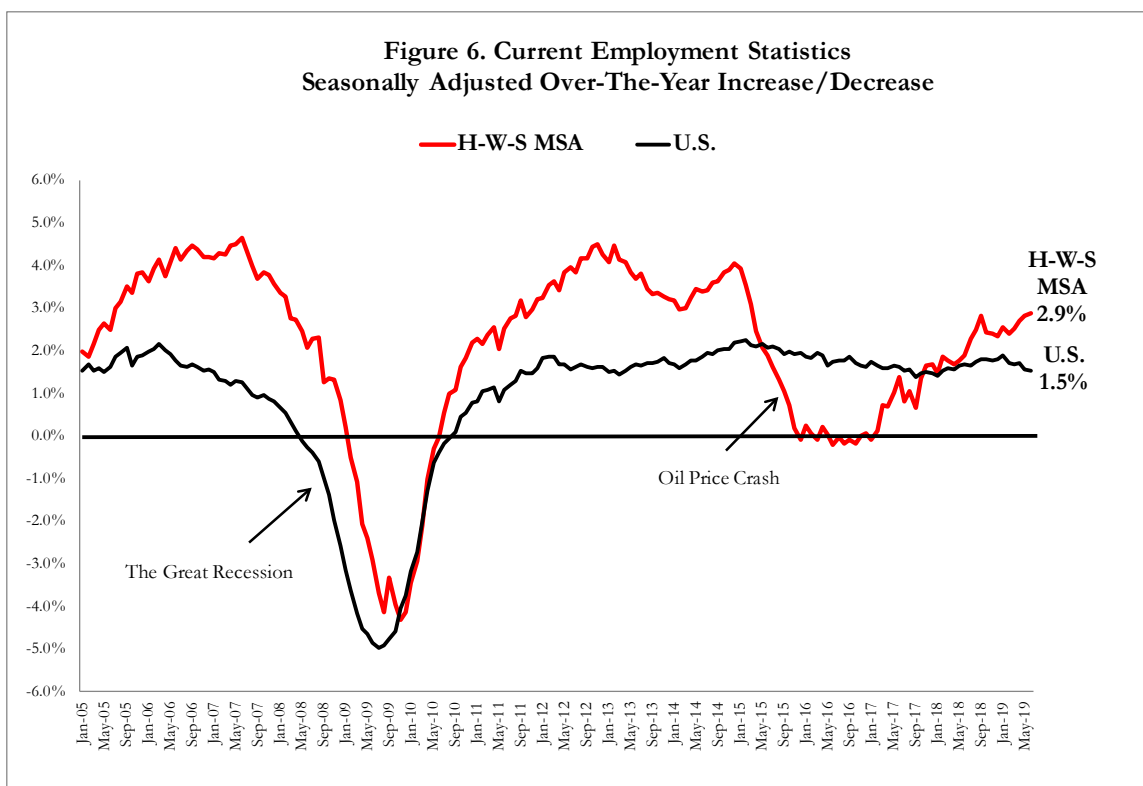


**Figure 4. Houston-The Woodlands-Sugar Land MSA
Annual Change June 2018 to June 2019**



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 10,400 jobs over the month in June and 88,600 jobs over the year. The annual pace of job growth rose to 2.9 percent, nearly twice the nation's 1.5 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 19.3 percent above the prerecession high compared to the nation's 9.3 percent increase.



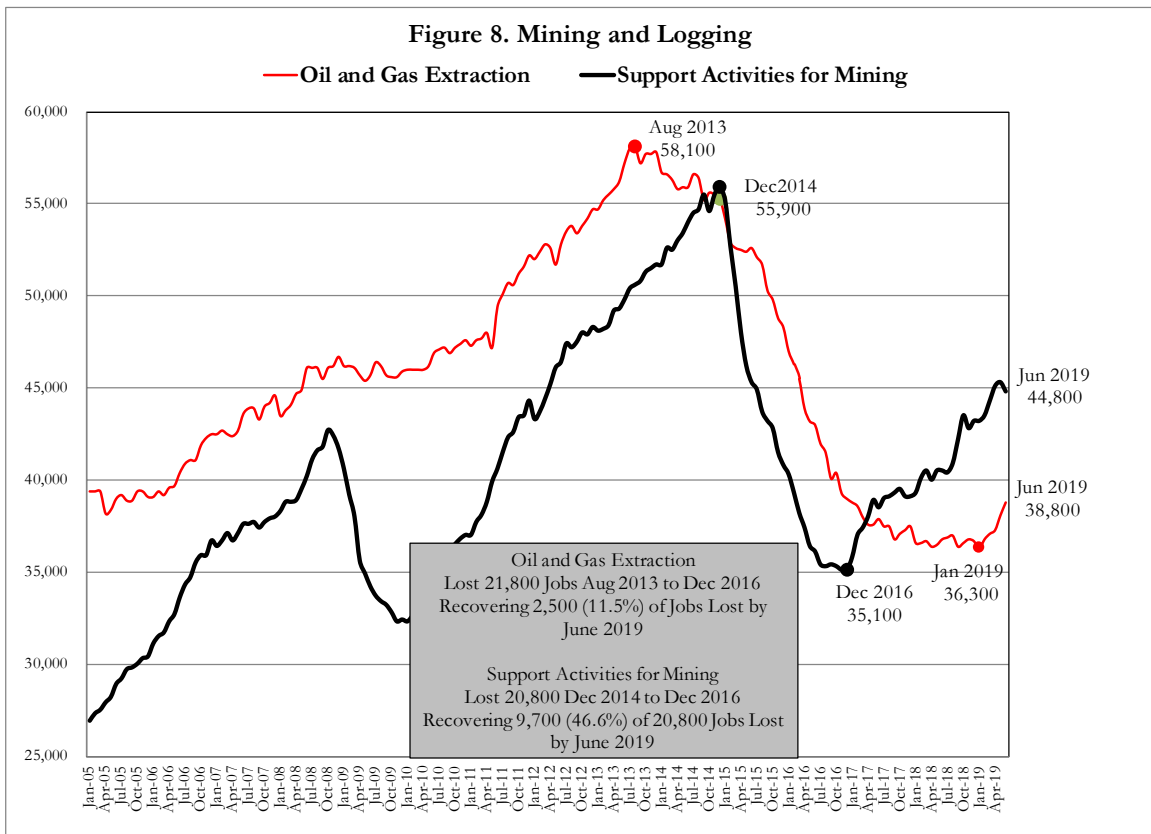
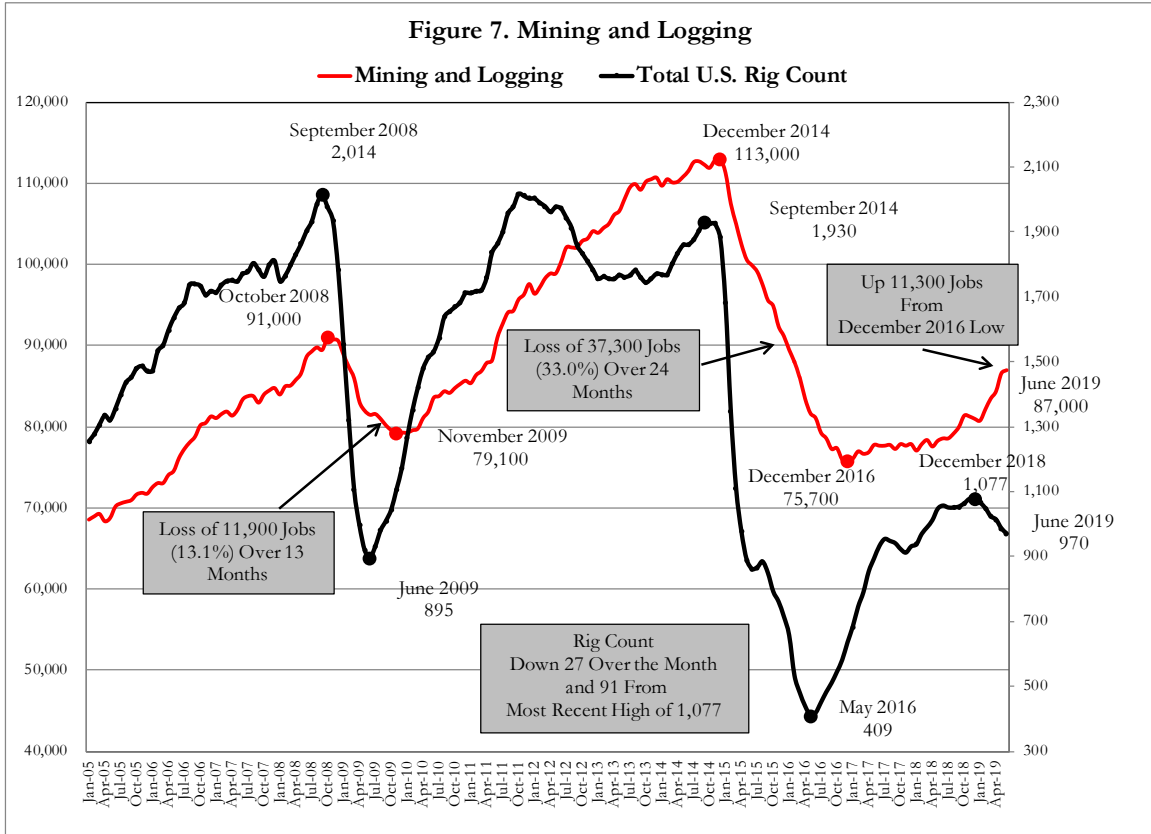


DETAILS BY SUPER SECTOR

Mining and Logging added 400 jobs in June, up one-half of a percent. Job gains were found in Oil and Gas Extraction where payrolls were up 700 jobs or 1.8 percent. Support Activities for Mining suffered a loss of 500 jobs over the month, down 1.1 percent. Oil and Gas Extraction, where most engineering and office related services are performed, having reported its fifth consecutive increase has seen payrolls rise at their steadiest pace since 2013.

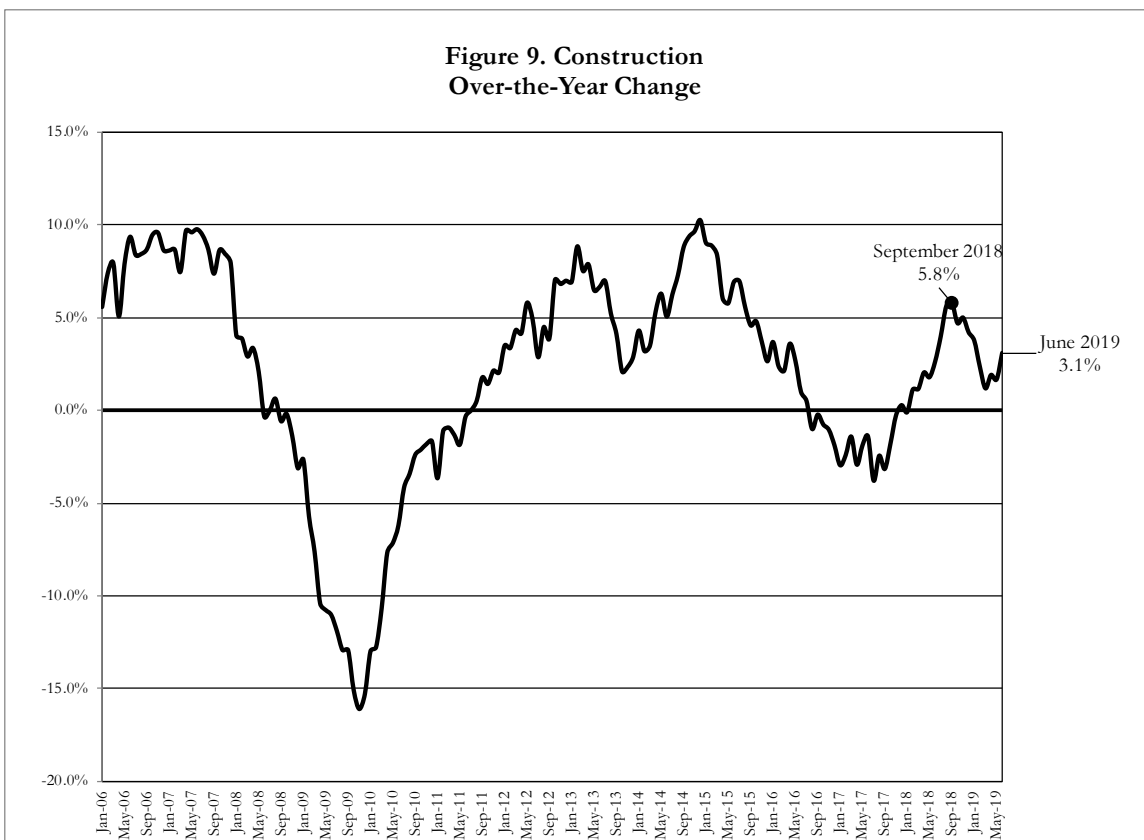
Mining and Logging replaced Manufacturing as the fastest growing super sector in recent months with payrolls currently up 8,400 jobs or 10.7 percent from June 2018. Job gains have been largely driven by hiring in Support Activities Mining, where companies that perform most of the field services required in the physical extraction of oil and gas are found, up 4,300 jobs or 10.6 percent over the year. Job growth in Oil and Gas Extraction turned positive in February with year-over-year gains improving for the fifth consecutive month in June, up 2,000 jobs or 5.0 percent. Payrolls in the Mining and Logging super sector remain well below their peak levels during the shale boom recovering only 11,300 jobs (30.3 percent) of the 37,300 jobs lost from December 2014 to December 2016, see figure 7 and 8.

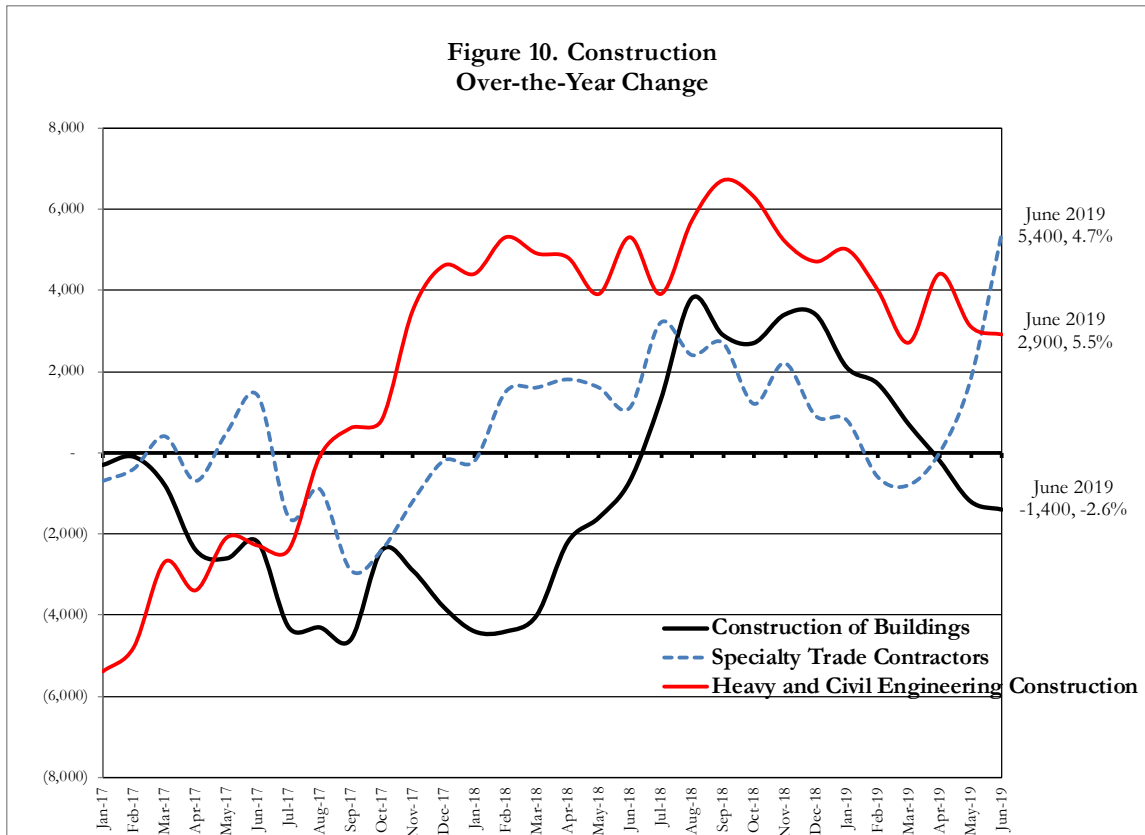
The average U.S. rig count fell for the sixth consecutive month in June, down by 16 to 970. The current number of active rigs has declined by 107 from its most recent peak of 1,077 in December 2018 but remains well above a low of 409 that was hit in May 2016.



Construction added 4,100 jobs in June. The 1.8 percent increase was the strongest ever for the month of June based on records dating back to 1990. An addition of 4,300 jobs at Specialty Trade Contractors was responsible for the increase. Construction of Buildings and Heavy and Civil Engineering Construction incurred slight losses, down 100 jobs each.

The pace of job growth in Construction rose to 3.1 percent representing an increase of 6,900 jobs over the year. The pace of job growth remains substantially lower, however, than the most recent peak of 5.8 percent last September 2018, see figure 9. Specialty Trade Contractors was largely responsible for the increase with payrolls up 5,400 jobs or 4.7 percent over the year, see figure 10. Heavy and Civil Engineering Construction was also reporting a substantial increase of 2,900 jobs, up 5.5 percent. Construction of Buildings reported an over-the-year loss for the third consecutive month in June, down 1,400 jobs or 2.6 percent.





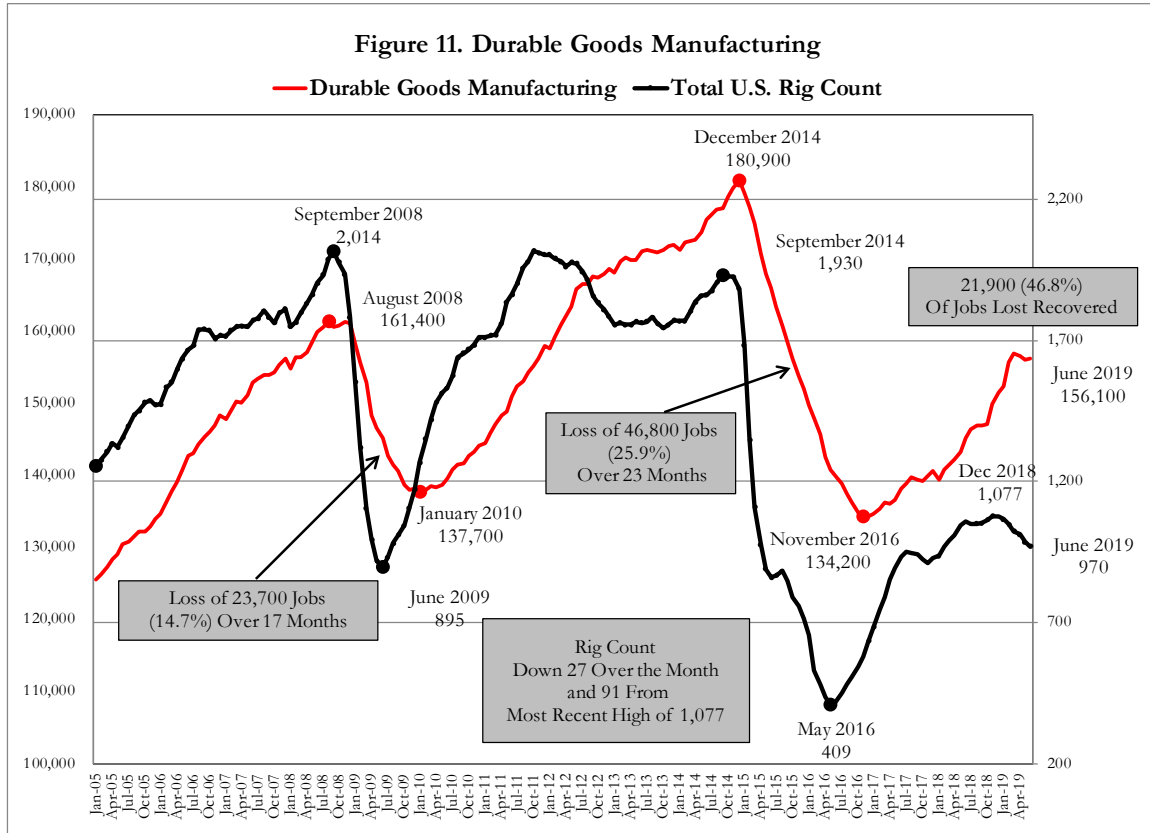
Manufacturing ended a two-month losing streak adding 800 jobs over the month, up 0.3 percent. Most of the increase was in Nondurable Goods Manufacturing, up 700 jobs or 0.8 percent. Although Durable Goods Manufacturing reported a net increase of only 100 jobs in June, substantial gains were found in Fabricated Metal Product Manufacturing, up 500 jobs, and Machinery Manufacturing, up 300 jobs.

Although the pace of job growth in Manufacturing remains healthy, it fell for the fourth consecutive month in June to 4.8 percent, up 11,000 jobs over the year. Most of the new jobs were in Durable Goods Manufacturing where Fabricated Metal Product Manufacturing added 6,300 jobs, up 12.0 percent, and Machinery Manufacturing added 3,300 jobs, up 7.3 percent. Looking back, Durable Goods Manufacturing has recovered some 21,900 jobs (46.8%) of 46,800 jobs lost during the last downturn, see figure 11.

The pace of job growth in Non-durable Goods Manufacturing fell for the fourth consecutive month to 0.1 percent despite this month's increase representing a net increase of a mere 100 jobs over the year. While overall growth in Non-durable Goods Manufacturing was weak, a strong increase was found in Petroleum and Coal Products Manufacturing, up 1,300 jobs or 13.1 percent, with additional gains found in Chemical Manufacturing, up 800 jobs or 2.0 percent. Declines in other undefined subsectors of Non-durable Goods Manufacturing held gains to a minimum.

The Houston Purchasing Managers Index was 51.2 in June, down from 52.7 in May. While the index continues to decline it remained positive 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.



Trade Transportation, Warehousing & Utilities reported the largest June increase of all super sectors adding 6,700 jobs over the month. The 1.1 percent increase was the strongest for the month of June since 2007. The increase was driven by gains in Retail Trade, up 3,100 jobs or 1.0 percent, and Transportation, Warehousing, and Utilities, up 2,900 jobs or 1.9 percent.

The pace of job growth in Trade, Transportation, Warehousing & Utilities improved by more than one-half of a percentage point rising to 1.2 percent, up 7,700 jobs over the year. Weakness in Retail Trade continues to drag down the pace of job growth in the super sector with payrolls down year over year for the ninth consecutive month, currently down 3,300 jobs or 1.1 percent. Building Material and Garden Equipment and Supplies Dealers suffered the largest decline, down 1,700 jobs or 7.2 percent. Clothing and Clothing Accessories Stores were also reporting a substantial decline, down 800 jobs or 2.7 percent. Wholesale Trade was up 3,500 jobs over the year with the pace of job growth at 2.1 percent. Transportation, Warehousing, and Utilities added 7,500 jobs over the year with the pace of job growth rising to 5.1 percent. While much of the detailed data within Transportation, Warehousing, and Utilities is not available, Truck Transportation was reporting a strong 6.6 percent increase of 1,800 jobs over the year. Pipeline Transportation reported the only substantial decline, down 400 jobs or 3.5 percent.

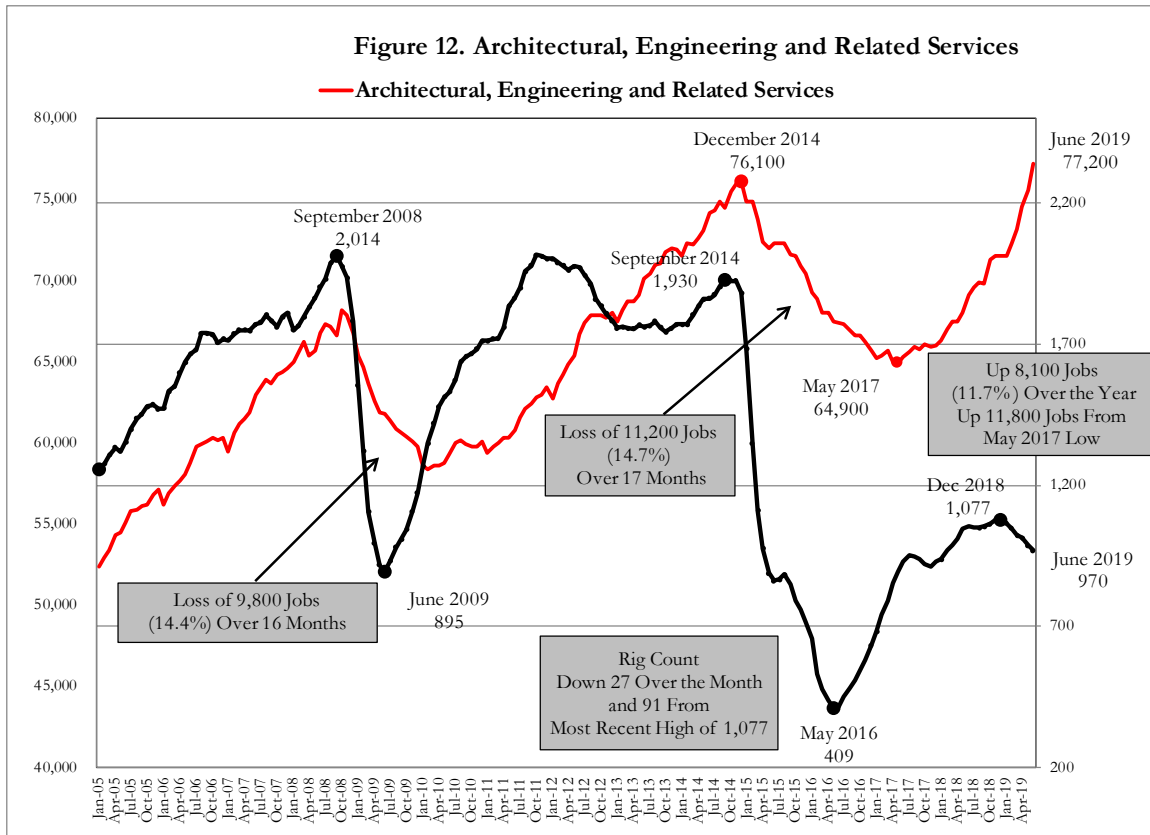
Information payrolls were unchanged in June and down 1,200 jobs or 3.8 percent over the year. About half of the MSA's employment in Information resides in Telecommunications where payrolls were down 400 jobs or 3.0 percent over the year. The remainder of the declines were in areas such as newspaper and 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 payrolls experienced an increase of 1,300 jobs over the month, up 0.8 percent. Job gains were widespread. Depository Credit Intermediation including Monetary Authorities experienced the strongest increase of 1.7 percent, up 500 jobs. Real Estate and Rental and Leasing reported the second strongest increase of 1.0 percent, up 600 jobs.

Financial Activities added 1,100 jobs over the year with the pace of job growth at 0.7 percent. The increase was driven by gains in Finance and Insurance where payrolls were up 1,500 jobs or 1.4 percent. Within Finance and Insurance, the strongest increase was in Financial Investments and Related Activities including Financial Vehicles, up 700 jobs or 3.3 percent. Job growth in Real Estate and Rental and Leasing came to a halt in late 2018 causing the pace of job growth to tumble currently reporting an over-the-year loss for the third consecutive month, down 400 jobs or 0.6 percent.

Professional and Business Services had its weakest June on record adding a mere 200 jobs over the month. The increase pales in comparison to an average June increase of some 3,800 jobs since records began in 1990. A loss of 2,900 jobs in Administrative and Support Services, down 1.4 percent, was largely responsible for holding back gains. A strong increase of 1,600 jobs in Architectural, Engineering, and Related Services, up 2.1 percent, helped keep job growth positive in the super sector.

Professional and Business Services was the largest contributor to over-the-year job growth in the H-W-S MSA, up 17,600 jobs or 3.5 percent. Job gains were found across most sectors with strongest growth found in Architectural, Engineering, and Related Services, up 8,100 jobs or 11.7 percent, and Computer Systems Design and Related Services, up 1,800 jobs or 5.6 percent. The only substantial decline was in Employment Services which reported a loss for the eighth consecutive month, down 6,600 jobs or 7.9 percent.



Education and Health Services incurred a loss of 2,200 jobs in June, down 0.5 percent. While the super sector incurs a loss in June during most years due to seasonal declines in Educational Services, down 1,400 jobs in the current month, this was the largest decline ever according to records dating back to 1990. Ambulatory Health Care Services was responsible reporting its first June loss ever, down 1,400 jobs or 0.8 percent.

The pace of job growth in Education and Health Services fell one-half of a percentage point to 2.4 percent representing an increase of 9,500 jobs over the year. Job gains were found across all industry sectors. Most of the growth was in Health Care and Social Assistance, up 7,800 jobs over the year. Within Health Care and Social Assistance, Ambulatory Health Care Services was the largest contributor to growth, up 2,800 jobs or 1.7 percent. The pace of job growth in Educational Services was 2.9 percent representing an increase of 1,700 jobs.

Leisure and Hospitality experienced a seasonal increase of 5,800 jobs in June. The 1.7 percent increase was in line with the historical average increase of 1.8 percent. The largest increase was in Food Services and Drinking Places, up 4,500 jobs or 1.7 percent. Strongest job gains were in Arts, Entertainment, and Recreation, up 900 jobs or 2.4 percent.

The pace of job growth in Leisure and Hospitality rose by more than one-half of a percentage point to 2.6 percent, up 8,500 jobs over the year. The largest number of new jobs were created in Food Services and Drinking Places, up 8,000 jobs or 3.0 percent. While Accommodation reported an increase of 800 jobs over the year, up 2.8 percent, Arts, Entertainment, and Recreation was down 300 jobs over the year, down 0.8 percent.

Other Services added 2,900 jobs over the month. The 2.4 percent increase was stronger than June gains of the last several years but weaker than the historical average increase of 4.0 percent. The pace of job growth was at a strong 6.5 percent in June making it the second fastest growing super sector with payrolls up 7,400 jobs over the year. 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.

Payrolls in **Government** were down by 5,300 jobs in June, down 1.3 percent. The loss was driven by seasonal declines at educational institutions as they reduced staff for summer break

Government added 6,000 jobs over the year, up 1.5 percent. More than half of the new jobs were in Local Government, up 3,800 jobs or 1.3 percent, driven by gains in Local Government Educational Services, up 3,300 jobs or 1.6 percent. State Government was up 1,100 jobs or 1.3 percent over the year. The remainder of the increase was found in Federal Government, up 1,100 jobs or 3.8 percent.

NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	JUN 2019	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	3,182,100	14,700	0.5%	82,900	2.7%
Total Private	2,764,200	20,000	0.7%	76,900	2.9%
Goods Producing	557,100	5,300	1.0%	26,300	5.0%
...Mining, Logging and Construction	316,500	4,500	1.4%	15,300	5.1%
...Mining and Logging	87,000	400	0.5%	8,400	10.7%
.....Oil and Gas Extraction	38,800	700	1.8%	2,000	5.4%
.....Support Activities for Mining	44,800	-500	-1.1%	4,300	10.6%
...Construction	229,500	4,100	1.8%	6,900	3.1%
.....Construction of Buildings	53,400	-100	-0.2%	-1,400	-2.6%
.....Heavy and Civil Engineering Construction	55,900	-100	-0.2%	2,900	5.5%
.....Specialty Trade Contractors	120,200	4,300	3.7%	5,400	4.7%
...Manufacturing	240,600	800	0.3%	11,000	4.8%
...Durable Goods	156,100	100	0.1%	10,900	7.5%
....Fabricated Metal Product Manufacturing	58,700	500	0.9%	6,300	12.0%
....Machinery Manufacturing	48,300	300	0.6%	3,300	7.3%
.....Agriculture, Construction, and Mining Machinery Manufacturing	31,600	200	0.6%	2,000	6.8%
....Computer and Electronic Product Manufacturing	13,300	100	0.8%	100	0.8%
...Non-Durable Goods	84,500	700	0.8%	100	0.1%
....Petroleum and Coal Products Manufacturing	11,200	300	2.8%	1,300	13.1%
....Chemical Manufacturing	40,600	400	1.0%	800	2.0%
Service-Providing	2,625,000	9,400	0.4%	56,600	2.2%
Private Service Providing	2,207,100	14,700	0.7%	50,600	2.3%
Trade, Transportation, and Utilities	630,300	6,700	1.1%	7,700	1.2%
...Wholesale Trade	172,500	700	0.4%	3,500	2.1%
....Merchant Wholesalers, Durable Goods	108,000	300	0.3%	2,900	2.8%
.....Professional and Commercial Equipment and Supplies Merchant Wholesaler	18,300	0	0.0%	700	4.0%
....Merchant Wholesalers, Nondurable Goods	52,600	300	0.6%	600	1.2%
...Retail Trade	303,300	3,100	1.0%	-3,300	-1.1%
....Motor Vehicle and Parts Dealers	42,300	200	0.5%	400	1.0%
....Building Material and Garden Equipment and Supplies Dealers	21,800	-300	-1.4%	-1,700	-7.2%
....Food and Beverage Stores	66,700	500	0.8%	100	0.2%
....Health and Personal Care Stores	19,300	100	0.5%	100	0.5%
....Clothing and Clothing Accessories Stores	29,100	300	1.0%	-800	-2.7%
....General Merchandise Stores	59,000	-300	-0.5%	800	1.4%
.....Department Stores	20,300	0	0.0%	700	3.6%
.....General Merchandise Stores, including Warehouse Clubs and Supercenters	38,700	-300	-0.8%	100	0.3%
...Transportation, Warehousing, and Utilities	154,500	2,900	1.9%	7,500	5.1%
...Utilities	17,000	100	0.6%	200	1.2%
.....Air Transportation	19,900	-100	-0.5%	-100	-0.5%
.....Truck Transportation	29,200	400	1.4%	1,800	6.6%
.....Pipeline Transportation	11,000	100	0.9%	-400	-3.5%
...Information	30,700	0	0.0%	-1,200	-3.8%
...Telecommunications	13,100	0	0.0%	-400	-3.0%
Financial Activities	166,400	1,300	0.8%	1,100	0.7%
...Finance and Insurance	105,000	700	0.7%	1,500	1.4%
....Credit Intermediation and Related Activities including Monetary Authorities -	45,400	300	0.7%	400	0.9%
.....Depository Credit Intermediation including Monetary Authorities - Central B	29,800	500	1.7%	200	0.7%
....Financial Investments and Related Activities including Financial Vehicles	21,900	300	1.4%	700	3.3%
....Insurance Carriers and Related Activities	37,700	100	0.3%	400	1.1%
...Real Estate and Rental and Leasing	61,400	600	1.0%	-400	-0.6%

NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	JUN 2019	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	514,800	200	0.0%	17,600	3.5%
...Professional, Scientific, and Technical Services	245,300	1,500	0.6%	17,000	7.4%
.....Legal Services	26,700	400	1.5%	500	1.9%
.....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	25,300	-100	-0.4%	600	2.4%
.....Architectural, Engineering, and Related Services	77,200	1,600	2.1%	8,100	11.7%
.....Computer Systems Design and Related Services	34,200	-400	-1.2%	1,800	5.6%
...Management of Companies and Enterprises	47,900	800	1.7%	100	0.2%
...Administrative and Support and Waste Management and Remediation Services	221,600	-2,100	-0.9%	500	0.2%
....Administrative and Support Services	208,700	-2,900	-1.4%	-1,300	-0.6%
.....Employment Services	76,500	-1,900	-2.4%	-6,600	-7.9%
.....Services to Buildings and Dwellings	53,000	1,100	2.1%	600	1.1%
..Education and Health Services	401,700	-2,200	-0.5%	9,500	2.4%
...Educational Services	61,000	-1,400	-2.2%	1,700	2.9%
...Health Care and Social Assistance	340,700	-800	-0.2%	7,800	2.3%
....Ambulatory Health Care Services	163,700	-1,400	-0.8%	2,800	1.7%
....Hospitals	86,900	100	0.1%	1,000	1.2%
..Leisure and Hospitality	341,200	5,800	1.7%	8,500	2.6%
...Arts, Entertainment, and Recreation	38,600	900	2.4%	-300	-0.8%
...Accommodation and Food Services	302,600	4,900	1.6%	8,800	3.0%
....Accommodation	29,600	400	1.4%	800	2.8%
....Food Services and Drinking Places	273,000	4,500	1.7%	8,000	3.0%
..Other Services	122,000	2,900	2.4%	7,400	6.5%
..Government	417,900	-5,300	-1.3%	6,000	1.5%
...Federal Government	30,000	300	1.0%	1,100	3.8%
...State Government	86,900	-800	-0.9%	1,100	1.3%
....State Government Educational Services	50,600	-900	-1.7%	-200	-0.4%
...Local Government	301,000	-4,800	-1.6%	3,800	1.3%
....Local Government Educational Services	209,100	-5,300	-2.5%	3,300	1.6%
UNEMPLOYMENT RATE	JUN 2019	MAY 2019	JUN 2018		
H-W-S MSA	3.8	3.2	4.6		
Texas (Actual)	3.6	2.9	4.2		
United States (Actual)	3.8	3.4	4.2		

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.