

**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, AUGUST 6, 2013**

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**MEMBERS PRESENT:**

Willie Alexander	Karlos Allen	Gerald Andrews
Betty Baitland	Sara Bouse	Carl Bowles
Yvonne Estrada	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Tracie Holub
Eduardo Honold	Guy Robert Jackson	Sarah Janes
Tony Jones	David Joost	Birgit Kamps
Ray Laughter	Ramona Malone	Linda O'Black
Janice Ruley	Allene Schmitt	Richard Shaw
Connie Smith	Gil Staley	Joe Swinbank
Evelyn Timmins	Bill Weaver	Sarah Wrobleski
Madeleine York		

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ron Borski

Mr. Mark Guthrie, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, August 6, 2013, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Guthrie determined a quorum was present.

Mr. Guthrie asked Mr. Richard Shaw to give an update on Mr. Jeff Labroski's son who was injured in an automobile accident last week. Mr. Shaw asked the Board to keep Justin and his family in our prayers.

**ADOPTION OF AGENDA**

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

**PUBLIC COMMENT**

Mr. Vernus Swisher, representing Career and Recovery Resources, Inc. addressed the Board regarding the recommendation at the Procurement Committee's meeting on July 18, 2013 not to fund the Career and Recovery Resources, Inc., proposal.

### **MINUTES FROM JUNE 4., 2013**

Mr. Guthrie asked if there were any additions or corrections to the minutes for the June 4, 2013 meeting. Mr. Guthrie stated that Vice needed to be removed from his title in the first section. A motion was made and seconded to approve the minutes as corrected. The motion carried.

### **DECLARE CONFLICTS OF INTEREST**

Ms. Ramona Malone declared a conflict of interest for item #7a.

### **CONSIDER REPORTS**

#### Chair's Report

Mr. Guthrie explained that the congressional year has concluded without a WIA reauthorization. That means that we will have approximately 2 million dollars less in the budget for 2014. The Staff and the procurement committee had to look at ways to reduce costs in the procurement process which will be addressed later in the agenda.

Mr. Guthrie stated that he will be attending a TAWB meeting in Fort Worth, Texas next week. He explained that they are working on a revised Education White Paper which he will share with anyone who is interested.

He reported that Texas Workforce Commission held two townhall meetings in late July to discuss the Adult Basic Education transfer to TWC and how TWC might administer it going forward. He said that he was unable to attend, but explained that he directed comments to TWC and suggested that anyone else who wanted to submit comments should contact staff.

Mr. Guthrie encouraged Board committee involvement; and suggested that the new members consider joining committees.

#### Audit/Monitoring

Mr. Joe Garcia explained that the committee met on July 10, 2013 and discussed recent activity. The complete report was provided to the Procurement Committee to assist in making their recommendations.

A team, composed of Board staff and representatives from four of our major contractors, conducts quality assurance monitoring throughout the year.

The team observes operations, talks to customers, and reviews records in its work. The team focuses on customer service, compliance, and management issues.

All career offices have been monitored, but all reports have not yet been issued, but the results are included in this report. The report spans three years of monitoring results.

Office rating definitions are:

**Above Average**

This means the office works well – providing customers with quality service while adequately addressing compliance requirements. There may be one or more elements of service that could be improved.

**Average**

This means the office delivers an acceptable level of service for customers and generally meets compliance requirements.

**Below Average**

This means the office does not deliver an acceptable level of service for customers and/or may fail to address one or more compliance requirements. There are critical elements of service which must be improved.

**Interfaith**

Interfaith of The Woodlands operates Columbus, Conroe, Cypress Station, Humble, Huntsville, Sealy, Waller, Westheimer and Willowbrook. Interfaith also staffs an itinerant site at the Houston Public Library Ring Branch that has an acceptable rating.

The Cypress Station office has one of the highest volumes of customer traffic in our system. Humble and Westheimer, at times, have significant traffic. Conroe is a mid-sized office. The remaining offices are smaller, with fewer staff and less traffic.

- ✓ For the past three years, Waller and Humble have been above average once and Sealy has been above average twice.
  - Factors contributing to the above average rating include data improvement, good team work, customer service and communication.
  - In 2013, the team rated the Humble office as below average principally because the quality of the work applications and job postings had declined noticeably from the prior two years.
- ✓ For the past three years the following offices have rated average: Columbus, Conroe, Cypress Station, Huntsville, Westheimer and Willowbrook. Common

issues at these offices are customer service related ones, including work application and job posting quality.

- ✓ Interfaith manages a regional team of facilitators from all three career office contractors. Team members travel to libraries, community centers, events, and agencies throughout the region to present Workforce Solutions' job search seminars to the general public. Interfaith has done a good job in managing this function and increasing the number of frequency of events for the general public.

Interfaith has a solid record of responding to and correcting quality assurance issues in a timely manner.

We would characterize the Interfaith organization as a strong contractor with a record of good performance over many years.

### **Neighborhood Centers, Inc.**

Neighborhood Centers, Inc. (NCI) operates Astrodome, East End, Hobby, Northeast, Northline, Northshore, Pasadena and Southwest. NCI also staffs an itinerant site at the Houston Public Library's Downtown location. The offices were previously managed by Houston Works.

The offices NCI manages for us are among our largest and busiest locations.

- ✓ The East End office attained above average rating this year. Customers often recommend this location to acquaintances.
- ✓ For the past three years, Astrodome, Hobby, Northeast and Northshore have had average ratings.
  - Common issues are work application and job posting quality and some compliance record-keeping.
- ✓ Three years ago, Northline and Pasadena received a below average rating and Southwest received one last year.
  - The principal issue at these offices was slow customer service, including long lines or waits for attention.

NCI responds promptly and thoroughly to quality assurance issues and has worked diligently to improve operations in the offices it manages. In our opinion, NCI did an exceptional job of transitioning staff and facilities from Houston Works at the beginning of this contract year.

We would characterize NCI as a strong organization with the ability to manage Workforce Solutions offices and provide high quality service for customers.

### **ResCare Workforce Services**

ResCare operates Bay City, Baytown, Katy Mills, Lake Jackson, Liberty, Rosenberg, Texas City, and Wharton. ResCare also staffs an itinerant site in Winnie (Chambers County).

The Texas City location is consistently a busy office, and the Baytown office sometimes receives high volume traffic. The other offices are smaller with less traffic. Katy Mills is a small, though full-service, location linked to Rosenberg. Winnie is staffed from Baytown.

- ✓ For the past three years, Katy Mills, Liberty and Wharton have had average ratings.
- ✓ Bay City was below average three years ago, but has since improved.
- ✓ Lake Jackson, Rosenberg and Texas City have been rated below average in two of the last three years.
  - Each of these locations has had management problems. Rosenberg has had the most severe problems and has been the most difficult to correct.
  - Each of these locations has also exhibited problems with customer service, including attention to customers and adequate work applications. Lake Jackson has had difficulty working job postings.
- ✓ Baytown and Winnie (which is staffed from Baytown) also have been rated below average in two of the last three years.
  - ✓ Both of these locations have had to improve customer service, including the quality of work applications and level of effort working job postings.

ResCare has changed management at the office level frequently. This has not always helped the offices improve service.

ResCare has also changed its local, regional and national management during the past three years. Current management has listened closely to quality assurance and contract management suggestions and demonstrated a willingness to improve its operations, but ResCare has not always been able to carry through with those improvements.

ResCare is a large, stable organization with a national scope and multiple lines of business, including workforce.

### **Employer Services**

Employment and Training Centers, Inc. operates Workforce Solutions' Employer Service. This group of staff is primarily responsible for direct service to and on behalf of employers throughout the region.

ETC also organizes and staffs job fair events, represents Workforce Solutions in chambers of commerce and economic development organizations, and operates as the system's principal provider of outplacement.

During the past three years, ETC has had acceptable ratings for all quality assurance reviews.

- ✓ ETC has done an exceptional job with the NASA JSC aerospace transition center, working with NASA contractors and NASA itself. Through the work at this location, ETC has added information and ability to the entire system to help customers learn to effectively use social media in job search and has tested the use of online service.
- ✓ After a slow start, ETC has done a good job of offering on-the-job training for employers in the region.

ETC responds promptly to quality assurance issues or comments and has demonstrated an ability to improve its operations. ETC has also demonstrated over many years the ability to innovate and support improvement in the entire Workforce Solutions system.

ETC is a local for-profit organization with a long history of work for the Board.

#### **Financial Aid Payment Office**

Neighborhood Centers, Inc. operates the Financial Aid Payment Office (FAPO) – the central point for tracking financial aid and paying vendors.

FAPO:

- ✓ Maintains an accounting system for financial aid – the Financial Aid Management System or FAMS – that allows staff throughout the system to commit and authorize financial aid on behalf of customers. FAMS tracks commitments and expenditures for all non-child care related financial aid.
- ✓ Pays vendors for services on behalf of customers. This includes paying colleges, schools and other training institutions for education/training; service providers for a variety of support services; and early education/child care providers.
- ✓ Estimates and reports on system commitments and expenditures of financial aid dollars. This includes projections on expenditures.
- ✓ Serves as the system's vendor relations network, providing technical assistance for vendors.

FAPO also procures, distributes and reports on the cash substitutes Workforce Solutions uses to provide some kinds of financial aid (bus passes, gas cards, store cards).

During the past three years, NCI has had an acceptable rating for all quality assurance reviews of FAPO. Issues the team has identified needing improvement have included:

- Customer service. The staff at FAPO's central location has not always been accessible to vendors for service and technical assistance.
- Monitoring. FAPO has not always conducted appropriate or adequate levels of vendor monitoring, particularly for early education/child care providers.

NCI has operated FAPO for the Board since the inception of this unit. NCI has done a good job of managing a complex function that does not stand alone but is integrated into the other operating units of Workforce Solutions.

NCI management and the FAPO management are responsive to quality assurance recommendations and have worked to improve operations.

### **Financial Aid Call Centers**

Interfaith of the Woodlands and ResCare both operate financial aid call centers.

These call centers determine eligibility for all financial aid to customers that exceed \$200. This includes the financial aid we provide to parents and caretakers to help with early education/care expenses as well as scholarships for education and training.

In the current quarter, the Interfaith call center is averaging 22,700 calls per month and processing an average of 5,350 applications for financial aid. The ResCare call center is averaging 5,000 calls and processing 1,000 applications per month.

Both the Interfaith and ResCare call centers have acceptable ratings from quality assurance reviews. Over the past several years, the call center staff has worked to address service issues that include:

- Long wait times to answer calls, dropped calls, and returning voice mail promptly
- General customer service, including responsiveness to customers
- Ensuring FAX lines are available and operating
- Receiving and tracking documents to support financial aid applications
- Reducing the time to process applications and streamlining application processing

Each call center provides operating and production data monthly through an internal report. ResCare has had difficulty in providing accurate data for these reports.

### **Training Young People for Work**

We have two projects focused on service for youth. Gulf Coast Trades Center provides residential training, largely for youth in the juvenile justice system, in basic education and a limited number of occupational areas. SER-Jobs for Progress offers support for youth in finding jobs, completing school and acquiring occupational skills.

Both Gulf Coast Trades Center and SER have acceptable ratings from quality assurance reviews.

SER has recently had some difficulty in maintaining acceptable records, including records for eligibility determination, records documenting service, and records supporting outcomes.

**Early Education and Care Quality**

Collaborative for Children provides a wide range of quality improvement activities for early education/care vendors in our network, including one-on-one technical assistance from staff experienced in early education. Collaborative helps providers in our network work to achieve various quality accreditations, such as the Texas Rising Star certification.

Collaborative supports our customers by powering a database of early education/child care providers in the region that offers parents and others information about the provider that includes quality indicators. Collaborative also prepares inclusion plans for customers who have children with disabilities.

Collaborative has been a long time contractor for the Board and has performed well. Collaborative has generally met or exceeded its production goals in providing training, technical assistance and materials.

Workforce Solutions				
Regional Quality Assurance Results				
Summary 2011 to 2013				
Contract	Unit	2013	2012	2011
ETC	Employer Service	Acceptable		Acceptable
Interfaith	Sealy	Above	Above	Average
Interfaith	Waller	Above	Average	Average
Interfaith	Interfaith Call Center	Acceptable	Acceptable	
Interfaith	Ring Library	Acceptable		
Interfaith	Columbus	Average	Above	Average
Interfaith	Conroe	Average	Average	Average
Interfaith	Cypress	Average	Average	Average
Interfaith	Huntsville	Average	Average	Average
Interfaith	Westheimer	Average	Average	Average
Interfaith	Willowbrook	Average	Average	
Interfaith	Humble	Below		Above
NCI	East End	Above	Average	Average
NCI	Downtown Library	Acceptable		
NCI	FAPO	Acceptable	Acceptable	Acceptable
NCI	Astrodome	Average	Above	Average
NCI	Hobby	Average	Average	Average
NCI	Northeast	Average	Average	
NCI	Northline	Average	Average	Below
NCI	Northshore	Average	Average	Average
NCI	Pasadena	Average	Average	Below
NCI	Southwest	Average	Below	Average
ResCare	ResCare Call Center	Acceptable	Acceptable	
ResCare	Bay City	Average	Average	Below
ResCare	Katy Mills	Average	Average	
ResCare	Lake Jackson	Average	Below	Below
ResCare	Liberty	Average	Average	Average
ResCare	Wharton	Average	Average	Average
ResCare	Baytown	Below	Below	Average
ResCare	Rosenberg	Below	Below	Average
ResCare	Texas City	Below	Average	Below
ResCare	Winnie	Below	Below	Average
	Gulf Coast Trades Center		Acceptable	
	SER-Jobs for Progress	Needs Improvement	Acceptable	

### **Financial Systems**

We review contractors' accounting policies and procedures, financial system controls and transactions, personnel policies and procedures, payroll, procurement, inventory, financial reporting/billing, cost allocation, and cash management. We conduct an annual systems review and more frequent billings reviews.

Our contractors are subject to rules and procedures that generally govern federal/state dollars, as well as some requirements specific to a particular funding source or grant.

While we often have findings and observations in financial monitoring reports, currently we have no outstanding or unresolved findings or questioned costs for seven on the eight contractors listed above.

We have issued a report for SER-Jobs for Progress for the current year review. SER has a deadline later this month to respond to the report.

Several Board members had questions or made comments; discussion followed.

Mr. Guthrie commended Chair Garcia along with the Audit/Monitoring Committee members and staff for the hard work during the procurement cycle. The committee has provided a substantial amount of information and recommendations to the procurement committee. The Procurement Committee considers the information when making their recommendations.

### **TAKE ACTION**

- a. Procurement. The chair will report on the committee's recommendations for funding Workforce Solutions operations in 2014 and ask Board consideration of contracts in an amount not to exceed a total of \$173,117,000.

Ms. Evelyn Timmins, Vice Chair of the Procurement Committee gave the report. She started by explaining that the Procurement Committee met on Thursday, July 18, 2013 at the Westin Oaks Hotel in the Galleria. Members present included Mark Guthrie, Board and committee chair, Evelyn Timmins, committee vice chair, Tony Jones, Sara Bouse, Allene Schmitt, John Hebert, Willie Alexander, Karlos Allen, Gil Staley and Joe Garcia, Board vice chair.

Vice Chair Timmins reported that we received 18 separate requests from 16 bidders requesting about \$108 million. Members heard brief presentations from all 16 proposers and asked questions of each proposer.

- We had two organizations offer projects to improve the quality of early education and child care in the region. Both proposers have recent Gulf Coast contracts.
- Three bidders submitted four proposals to deliver service for young people. Two of the proposers have current contracts with the Board, and the third is a national contractor and first time proposer in our region.
- The Financial Aid Payment Office had one proposal—from Neighborhood Centers, the current contractor
- Employer Service had three proposals, the first time we have had competitive bids for this service.
- We received two proposals for the single Financial Aid Call Center we recommend establishing. Both of the bidders operate call centers for us now.
- Finally, there were six organizations submitting proposals to operate our 25 local career offices. Three of the six are new bidders.

Overall, we expect our revenue for system operations to be \$2 million less next year, dropping from about \$175 million to \$173 million. The largest portion of the loss comes

from the sequestration of Workforce Investment Act funds, one of our most flexible funding sources. We also had small increases in other sources of our base operating revenue, but none of those was enough to offset the loss from sequester of workforce investment money.

We have slightly more Child Care and Development funds, the result of a change in state law that has increased requirements for investing in early education quality activities and rates paid to Texas Rising Star early education/care providers.

Other changes are possible in our base revenue depending upon actions at the federal level. Currently funds for employment support of Supplemental Nutrition Assistance (food stamp) recipients are yet to be approved.

Through these recommendations for 2014 contracts, the committee wants to ensure that

1. Service is available throughout the region so that employers can meet their human resource needs and individuals can build careers.
2. Workforce Solutions offices and units deliver high quality service that offers value for our customers.
3. Sufficient financial aid funds are available to support customers as they work to get a job, keep a job, or get a better job.
4. The regional workforce system helps achieve the Board's desired results and meets or exceeds the Board's performance measures and state and federal production standards.

### ***Early Education and Care***

The committee recommends funding both proposals at requested levels.

We have good experience with both contractors in the current and previous years. Collaborative for Children is an active member in the region's community of organizations working to improve the quality of early education and care. CC has done a good job for the Board in providing technical assistance to providers and their staffs, providing a valuable information and referral service region wide for parents, and in raising the matching funds we need. TAEYC has successfully operated a small scholarship program to help early education teachers advance their skills in working with children.

The Legislature made changes this year that sets a minimum level of required funding for early education quality improvement activities. We recommend moving about \$700,000 from our financial aid pool to not only meet, but exceed, the minimum required effort.

### ***Helping Young People Excel***

The committee recommends funding all three proposers for this service.

We have had positive experiences with Gulf Coast Trades Center and SER-Jobs for Progress; both submitted proposals to continue and expand on what they do currently for the Board. Dynamic Educational Systems, Inc. is a for-profit provider with a good track record of providing services to youth in other areas of the country. DESI submitted two proposals: one in Harris County, and one for the surrounding 12 counties.

The committee recommends reduced funding for all three bidders, but only for three projects.

- We would ask DESI to work in Austin, Brazoria, Colorado, Fort Bend, Galveston, Matagorda, Waller, and Wharton counties. We think DESI may bring some new ideas to an area in which we struggle to be relevant in young people's lives.
- We would ask SER to work in Chambers, Harris, Liberty, Montgomery and Walker counties.
- We would increase funding to Gulf Coast Trades Center over the current year, but not fund at the proposed level.

We will realize about \$37,000 of the savings we need to meet our expected revenue target for 2014 through these recommendations. As always, we would negotiate funding, service levels and service areas with these proposers before continuing.

#### ***Financial Aid Payment Office***

The committee recommends funding the one proposal we received at a slightly reduced level.

Neighborhood Centers, Inc. has operated the Workforce Solutions financial aid payment office since its inception. We are pleased with NCI's performance and believe it has managed the system's financial aid dollars well.

The Payment Office manages our financial aid dollars, proposed at a level of \$126 million for 2014. This includes payments to early education/care providers; payments to colleges, schools and universities providing education and training; and payments to vendors providing transportation and various other kinds of support for customers going to work or working.

Our recommendation saves \$116,000 over current operations.

#### ***Employer Service***

The committee recommends funding the current contractor at essentially the same level as the current year.

We received proposals from three bidders to provide Employer Service: Employment & Training Centers, Inc. (ETC); Educational Data Systems, Inc. (EDSI); and Manpower Group Public Sector, Inc.

- EDSI sent a strong proposal and had excellent references from workforce boards in New York City, Chicago, and Philadelphia. We have several concerns about

the organization's financial stability that lead us to not recommend contracting with it at this time.

- Manpower is a strong company with an international presence. Unfortunately we did not think the proposal provided sufficient detail about how Manpower would deliver the full range of service we requested.
- ETC's proposal included additional funds to manage the job order posting and filling function that is currently staffed in the career offices. We believe this work is more cost effective, more closely supervised, and better connected as it is currently staffed, and do not recommend moving responsibility to Employer Service.

ETC has developed strong relationships in our employer and economic development communities. ETC consistently performs well on assigned special projects, such as the Aerospace and BAE transition centers, Texas Back-to-Work, and our on-the-job training service.

We would negotiate staffing, job duties and budget from the proposal we received, with some savings over the current contract level to contribute toward meeting the 2014 revenue target.

#### ***Financial Aid Call Center***

The committee recommends funding Interfaith to operate a single financial aid call center for Workforce Solutions.

Interfaith has done a good job taking over the Houston Works career office customer requests for financial aid in addition to handling those from Interfaith-managed offices. Interfaith has had about a year of experience already managing essentially a region-wide call center with high volume.

ResCare has done an acceptable job in operating a call center for its offices; however we believe Interfaith has a stronger group of managers and is less costly. Interfaith also has experience with high call volumes and large application volumes that ResCare does not.

Equipment and data management systems from both of the current call centers remain available for use by the Board's operators.

We are recommending committing about 11% more resources to this function than we have contracted in the current year. This would allow us to improve processing times and service for our customers.

#### ***Career Offices***

The committee recommends contracting with two of the six proposers to operate 24 local offices.

- To realize necessary savings, we are proposing consolidating the Hobby and Pasadena locations into one office, Southeast, and moving it to a more accessible spot on I-45.
- Also, to realize needed savings, we are proposing ending our long-time relationship with ResCare.
  - Interfaith and Neighborhood Centers were our top scoring proposers. Overall, their performance is superior to ResCare.
  - ResCare has had continuing problems providing good customer service in the offices it manages. Management changes have not resulted in improvement.
  - ResCare is our most expensive contractor. Its current and proposed overhead costs are higher than that of our current contractors and other proposers.
  - We will save more than \$1 million by using two contractors to perform the system’s major functions. This will allow us to keep offices open in all 13 counties and maintain financial aid support for customers at current levels.
- Our recommendations for office assignments are

Interfaith	13 offices: Columbus, Conroe, Cypress, Huntsville, Humble, Sealy, Waller, Westheimer (Ring Library), Willowbrook, Bay City, Katy Mills, Liberty, and Wharton
Neighborhood Centers	11 offices: Astrodome (Downtown Library), East End, Northeast, Northline, Northshore, Southeast (Hobby +Pasadena), Southwest, Baytown (Winnie), Lake Jackson, Rosenberg, and Texas City

We would negotiate budgets and staffing levels for career office operations, and as we have in past consolidations, work to transition as many of the staff as want to stay in the system when we change contractors.

**Workforce Solutions System Operations  
 2014 Recommendations for Funding**

	Current	Proposed	Recommend	Change
<b>Early Education &amp; Care</b>				
Collaborative for Children	\$ 2,238,582	\$ 3,000,000	\$ 3,000,000	
TAEYC	22,000	51,744	51,000	
Subtotal	<b>2,260,582</b>	<b>3,051,744</b>	<b>3,051,000</b>	<b>35%</b>
<b>Helping Young People</b>				
Gulf Coast Trades	\$ 281,250	\$ 327,405	\$ 282,000	
Dynamic Education	-	1,584,199	240,000	
SER	558,000	1,413,442	480,000	
Goodwill	198,500	-	-	
Subtotal	<b>1,037,750</b>	<b>3,325,046</b>	<b>1,002,000</b>	<b>-3%</b>
<b>Financial Aid Payment Office</b>				
Neighborhood Centers	\$ 3,366,000	\$ 3,283,574	\$ 3,250,000	
Subtotal	<b>3,366,000</b>	<b>3,283,574</b>	<b>3,250,000</b>	<b>-3%</b>
<b>Employer Service</b>				
ETC	\$ 5,548,538	\$ 8,330,524	\$ 5,500,000	
Manpower	-	5,212,548	-	
EDSI	-	4,996,254	-	
Subtotal	<b>5,548,538</b>	<b>18,539,326</b>	<b>5,500,000</b>	<b>-1%</b>
<b>Financial Aid Call Center</b>				
Interfaith	\$ 2,858,804	\$ 4,460,352	\$ 4,310,000	
ResCare	1,011,088	4,480,025	-	
Subtotal	<b>3,869,892</b>	<b>8,940,377</b>	<b>4,310,000</b>	<b>11%</b>
<b>Career Offices</b>				
Interfaith	\$ 9,576,531	\$ 11,124,746	\$ 11,601,000	
Neighborhood Centers	15,304,170	15,144,937	18,195,000	
ResCare	7,229,311	16,266,486	-	
KRA	-	11,096,454	-	
Dynamic Workforce	-	9,231,690	-	
Career & Recovery Resources	-	8,493,546	-	
Subtotal	<b>32,110,012</b>	<b>71,357,859</b>	<b>29,796,000</b>	<b>-7%</b>
Career Offices + Call Center	<b>35,979,904</b>	<b>80,298,236</b>	<b>34,106,000</b>	<b>-5%</b>
<b>Total System Operations</b>	<b>\$ 48,192,774</b>		<b>\$ 46,909,000</b>	<b>-3%</b>
<b>Total Financial Aid</b>	<b>127,000,000</b>		<b>126,208,000</b>	<b>-1%</b>
<b>Total, All</b>	<b>175,192,774</b>		<b>173,117,000</b>	<b>-1%</b>

Mr. Guthrie reminded the Board that this procurement is for a five year cycle which allows for an initial annual contract and up to four 1-year renewals based on performance and availability of funding.

Mr. Guthrie explained the entire procurement process, which is conducted according to federal and state laws for procurements of this type, and the procedure followed by the committee. Mr. Guthrie then confirmed that no Board member had any contact with proposers regarding their proposal since the RFP was released and received assurances from staff that it has confirmed or will confirm that all assurances, insurance, certifications and bonding required under the RFP and applicable law are or will be in place before the contracts are final.

Several Board members had questions and discussion followed.

Mr. Guthrie asked Mr. Temple to elaborate on the recommendation regarding Career and Recovery Resources, Inc. Mr. Temple explained when considering all proposals, certain factors are evaluated - cost, how the proposer answered questions in the proposal document regarding experience, expertise and how they will manage a system as large as Gulf Coast. Mr. Temple explained that the proposal submitted by Career and Recovery Resources did not score as well as the other proposals received. Required forms and information was not included and items of cost did not appear to be in concert with what was included in the RFP document, and the explanation regarding operation of offices did it made sense to staff. In all proposals, staff looks at discussion regarding the proposer's mission and experience to see a fit with the Board's mission and expectations for the operation of the system.

A motion was made and seconded to accept the Procurement Committee recommendations and to authorize staff to negotiate contracts for 2014 Workforce Solutions system operations with organizations and in amounts not to exceed the amounts shown on the in the table above. The motion carried.

Ramona Malone did not vote on this item.

Mr. Temple read the funding recommendations.

Mr. Guthrie thanked all the proposers for submitting a proposal, and the procurement committee and staff for their hard work.

## **RECEIVE INFORMATION**

### System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2012 through June 2013. These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board's operating affiliate, Workforce Solutions. We report on the Workforce Solutions measures at each Board meeting.

#### *For Workforce Solutions*

##### *More Competitive Employers* –

Employers Receiving Services (Market Share) – we expected to provide services to 24,591 employers this year which is almost 18% of the 138,150 employers identified for the Gulf Coast area. We provided services to 21,657 employers through June.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 19,099 employers, 9,913 returned to The Workforce Solutions for additional services thru June.

*More and Better Jobs* –

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

Customers employed by the 1<sup>st</sup> quarter after exit – Reporting for three quarters ending June 2012, 185,303 of the 259,702 customers who exited from services were employed in the quarter after exit.

*Higher Real Incomes* –

Exiters with Earnings Gains of at least 20% - Reporting for three quarters ending December 2011, 82,041 of the 166,202 customers who exited had earnings gains of at least 20%.

*A Better Educated and Skilled Workforce* –

Customers pursuing education diploma, degree or certificate who achieve one  
Reporting through June 2013, 1,401 of the 3,668 customers pursuing an education diploma, degree or certificate achieved one.

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

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

- Total Job Postings Filled. The target for this measure is 32.1%. Our performance for three quarters (1/12-9/12) was 24.2%.
- Total Education Achievement. The target for this measure is 78.6%. Our performance for four quarters (10/11 – 9/12) was 70.7%.
- Choices Full Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 43.0%. Our performance through June was 34.7%.
- Average Number of Children Served per Day (Child Care). The target for this measure is 22,942. The average through June is 20,764. We are about 2,100 children under enrolled and are working to increase our enrollment.

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for the four months ending June 30, 2013. Mr. Temple explained that everything looks good. We are running a little ahead on a straight-line estimate for financial aid which seems to happen this time of year, but we are not going to spend more money than the budget.

### **LOOK AT THE ECONOMY**

Mr. Ron Borski explained that the rate of unemployment in the Houston-Sugar Land-Baytown-Metropolitan statistical area (H-S-B MSA) rose four-tenths of a percentage point to 6.7%. Normal as high school and college students enter the workforce in the summer. The local rate is lower than the state's 6.9% and the nation's 7.8% rate.

The MSA managed a strong increase in June with most industry sectoring experiencing job gains. Seasonal hiring in Leisure and Hospitality accounted for the largest portion of the increase. Strong June gains were also found in Mining and Logging, Construction, Financial Activities, and Professional and Business Services. Combine June's strong gains and revision to May estimates and the MSA is now reporting 3.6% rate of job growth compared to a 3.4% rate of job growth when we met last time. Accordingly to seasonally adjusted data the MSA recovered all jobs lost during the recession by November 2011 and since added another 172,200 jobs to payrolls, an increase of 6.6 percent. The U.S. is still down 1.6% needing to recover 2,154,000 jobs to reach pre-recession levels.

### **OTHER BUSINESS**

Mr. Temple announced promotions for David Baggerly to System Operations Manager and Michelle Ramirez to Strategic Planning Manager.

### **ADJOURN**

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