

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: December 1, 2010

Subj: Board Meeting Materials for Tuesday, December 7, 2010

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, December 7, 2010**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. Chair Thompson will report on the recent state-wide conference. Employers from our region were recognized at the event and the Board received a \$100,000 award for efficiency in child care operations. Chairman Garcia will update the Board on the recent Audit/Monitoring Committee meeting. The committee is following our progress on correcting compliance findings in our offices. We are pleased to note significant improvements on those issues. Chair Henderson will present the Early Education and Care Committee report, primarily addressing the automated childcare attendance system. The state has slipped the effective date for implementation to January 1st. Education Committee Chair Shingleton will bring information on the All Kids Alliance, a network of community partners that share our Board's goal of improving education outcomes in the region. The Committee plans a more in-depth presentation at the April Board meeting.

Action Items. Our only action item this month is a recommendation from the Employer Services Committee to maintain the current minimum job search requirements for unemployment insurance recipients. Chair Andrews has provided a summary of the recommendations in the Board package. The state requires boards to set a local policy every year.

Information. We will have staff reports on performance, expenditures, and labor market information. The good news is we are seeing modest improvements on the jobs front.

We want to remind you that our Board was selected as one of thirty Workforce Boards in the country to be part of a rigorous evaluation of the Workforce Investment Act. The evaluation will begin next summer but we are now meeting with the researchers and with

our offices. Results of the evaluation will not be final for a few years, following the employment and earnings of selected participants over time.

We hope to see you next Tuesday and ask you to call if you have any questions.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, December 7, 2010 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

The Gulf Coast workforce system helps employers meet their workforce needs and individuals build careers so both can compete in the global economy.

1. Call to Order and Determination of Quorum

2. Adoption of Agenda

3. Public Comments

4. Minutes from October, 2010 meeting

5. Declarations of Conflict of Interest

6. Chairman's and Committee Reports

The Board Chair will discuss activities and information from the Texas and National Associations of Workforce Boards.

- a. Audit/Monitoring.* The Committee chair will report on the November 2010 meeting.
- b. Early Education & Care.* The Committee chair will provide an update on automated attendance reporting for early education/care vendors.
- c. Education.* The Committee chair will provide an update from the committee's November 2010 meeting.

7. Action Items

- a. Employer Service.* Consider recommendations from the committee for work search requirements.

8. Information

- a. System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
- b. Expenditures.* Staff will report on current expenditures.

9. Labor Market Report

Staff will discuss current employment data and trends in the Gulf Coast labor market.

10. Adjourn



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, OCTOBER 5, 2010**

MEMBERS PRESENT:

Dula Abdu	Gerald Andrews	Willie Alexander
Betty Baitland	Elaine Barber	Carl Bowles
Leigh Ann Collins	Charles Cook	Bill Crouch
Sal Esparza	Yvonne Estrada	Joe Garcia
Mark Guthrie	Barbara Hayley	John Hebert
Bobbie Henderson	Cody Holloway	Tracie Holub
Guy Robert Jackson	Valeria Jackson-Forrest	Birgit Kamps
Jeffrey Labroski	Ray Laughter	Michael Nguyen
Linda O'Black	Allene Schmitt	Richard Shaw
Kathy Shingleton	Gil Staley	Frank Thompson
Bill Weaver		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Joel Wagher

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, October 5, 2010, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM AUGUST 3, 2010

Mr. Thompson asked if there were any additions or corrections to the minutes for the August 3, 2010 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Frank Thompson noted that he was in Washington recently for the US Conference of Mayors. Mr. Thompson stated that they discussed funding for a large summer youth programs for 2011.

Audit/Monitoring

Mr. Joe Garcia stated that the Audit/Monitoring Committee met on September 22, 2010 at the Conroe Career office. Mr. Garcia explained that the Regional Quality Assurance Team completed the second round special review at career offices for compliance with state and federal record keeping requirements.

- While there was improvement across the system from the first review in June, the majority of offices do not yet meet compliance standards.
- We will be conducting additional reviews for these issues in November/December

The Team also completed reviews of the 2010 Summer Jobs program.

Mr. Garcia explained that the annual financial reviews for the major Workforce Solutions contractors was completed with findings for Neighborhood Centers, Inc. Those findings include:

- For multiple years, NCI did not cancel commitments for financial aid payments on behalf of customers when those commitments were not realized. This resulted in \$1,019,191 in excess funds held at NCI.
 - NCI has agreed to return excess funds and revise its procedures to ensure it liquidates all accruals for financial aid commitments within a reasonable period of time.
- NCI received \$209,227 in excess of its costs to deliver the payroll function for the 2009 summer jobs projects. The financial monitor has recommended that NCI return the excess funds.
 - NCI has disagreed with the monitor's recommendation, and we are currently discussing the issue with NCI management.

Mr. Temple commented that we had two offices that really showed improvement with the record keeping requirements and meets all standards – Rosenberg and Liberty. Both offices are managed by ResCare Workforce Services, which was known as ARBOR E&T. Mr. Temple explained that ARBOR E &T was purchased by ResCare a couple of years ago and continued to operate under the ARBOR name. The company has recently changed from ARBOR to ResCare to recognize the parent company.

Mr. Garcia stated that the committee will meet again in November and asked interested Board members to join the committee.

Report Card

Mr. Richard Shaw stated that in 2005 the Gulf Coast Workforce Board released its first annual report card comparing the state of its workforce system to that of other competitor sunbelt cities. This report serves as a benchmark and serves to complement the strategic plan which measures the Board's progress in improving the workforce system. Report cards were also produced in 2006 and 2007. Earlier this year the committee provided a draft of this current report and some updates were made. The most recent data for almost all indicators is from 2008. The report does not reflect the economic downturn that has occurred in the past year to year and a half. Mr. Shaw stated that the committee will publish a full report card for 2011 which will accurately reflect the impact of the recession and the tenor of the economy. Mr. Shaw reviewed several indicators in the report, especially education.

ACTION ITEMS

- a. Early Education and Care. Consider recommendations from the committee to increase maximum provider rates.

Dr. Bobbie Henderson explained that the Committee met via conference call on September 21, 2010. The Committee discussed the rationale of increasing the maximum provider rate and received an update on the state's new automated attendance system. Ms. Henderson stated that the Board approved an overall 5% increase of child care provider maximum rates at its meeting in August 2009. Prior to this and for several years, the State did not permit Boards to increase provider rates. For over a year Workforce Solutions has been able to provide financial aid to qualified customers without having to place customers on a wait list. Based on the current enrollment trends, we do not anticipate establishing a wait list in the foreseeable future.

Our rate analysis indicates that we are able to raise maximum rates to a level which is the average of the state's 30th and 40th percentile maximum rates. Our recommended maximum rate increases are more than the State's 30th percentile but less than the 40th percentile. Some of the Board's current maximum rates exceed our proposed maximum rates. In such cases, we are not recommending increases. The committee is also not recommending an across-the-board rate increase for all categories and all providers. Dr. Henderson stated that no public comments were received.

A motion was made and seconded to increase maximum provider rates across the thirteen county area between the 30th and 40th percentile effective 10/2010. The motion carried.

- b. Procurement. Consider recommendations from the committee to authorize contracts in an amount not to exceed \$2.8 million for hurricane repair and rebuild projects.

Dr. Kathy Shingleton stated that the Procurement Committee met on Thursday, September 30, 2010 to consider proposals for hurricane repair and rebuild projects. The committee met in July and staff made recommendation, but the committee did not take action at that time because they wanted to review the proposals to better understand the projects.

The committee heard brief presentations from proposers who were present and asked questions of both the proposers and the staff. After considering staff rankings and recommendations, the committee made the following recommendations for funding:

Bidder	Project Type	Request	Recommend
City of Galveston	Public clean up/repair	1,565,119	1,287,738
Nehemiah's Vision	Housing	1,715,418	1,200,793
Student Conservation Association	Public clean up/repair	516,074	258,037
Jarreau & Associates	Public clean up/repair	2,241,949	-0-
Home Sweet Home	Housing	1,293,385	-0-
Project Management Resources	Public clean up/repair	1,261,209	-0-
Totals		8,593,154	2,746,568

Dr. Shingleton explained that the funding recommendations obligate the remainder of the funds available to us.

A motion was made and seconded to authorize staff to negotiate contracts not to exceed amounts shown above with the City of Galveston, Nehemiah's Vision and the Student Conservation Association for Hurricane Ike repair and rebuild projects. The motion carried.

- c. Budget. Consider recommendation to increase 2010 Board budget by \$135,722.

Ms. Yvonne Estrada explained that the Board had prepared an annual budget and in that overall budget are costs for the Board's staff. Houston-Galveston Area Council, the staff for the Workforce Board has planned to redo the physical office space that they use. This includes reconfiguring space and replacing office furniture. The current furniture is 25 years old.

Costs for the space reconfiguration are borne by H-GAC. The costs of new office furniture are \$135,722 inclusive for the staff that supports the Workforce Board.

We are requesting that the Board amend the 2010 budget to include costs for the furniture. This would increase the internal budget from \$4,102,741 to \$4,238,514, or a 3% increase.

A motion was made and seconded to increase the 2010 Workforce Board staff budget by \$135,722 to \$4,238,514. The motion carried.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2009 through August 2010. These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the regional workforce system and one for the Board's operating affiliate, Workforce Solutions. The report is based on Workforce Solutions measures.

For Workforce Solutions More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 35,275 employers this year which is 27% of the 130,648 employers identified for the Gulf Coast area. Through August, we provided services to 35,037 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 27,122 employers, 21,496 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually.

Customers employed by the 1st quarter after exit – Reporting for three quarters (October 08 – June 09), 316,421 of the 438,030 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 (April 08 – March 09), 112,126 of the 399,171 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 – through August, 1,838 of the 5,961 customers pursuing an education diploma, degree or certificate achieved one.

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

Of these sixteen measures we are not meeting the target for seven measures.

- Claimant Reemployment. The target for this measure is 67%. Our performance through August was 51.5%, unchanged from June.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through August was 40.1%, up from 39.2% in June.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through August was 71.4%, unchanged from June.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through August was 70.4%, up slightly from 70.3% in June.

Note: TWC notified H-GAC that it will impose a Performance Improvement Plan for the Board regarding this measure. Board action in August authorized staff to issue an RFP to seek out new providers of youth services, in part, to improve performance for the youth population. Staff is developing the RFP and will issue it in October.

- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through August was 44.7%, up from 38.8% in June.
- Average Choices Single Parent Participation Rate – Mandatory. The target for this measure is 50%. Our performance through August was 44.3%, down from 46.9% in June.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance through August was 51.3%, down from 54.6% in June.

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

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for eight months ending August 31, 2010. Mr. Bradshaw explained that the budget is off some, Board Administration is running slightly ahead at this point in time, but should fall in line by the end of the year. Employer Services is also running slightly ahead and Mr. Bradshaw explained there were some unplanned activities with NASA and BAE and that Nancy Tootle will give a report to explain.

Ms. Nancy Tootle updated the group on the BAE and NASA activities. BAE Systems notified us they are releasing 430 workers and 600 temporary workers starting in October. Most workers live in Harris, Austin, Fort Bend, Colorado, Wharton and Waller counties. It was determined

that a transition center was needed and a location was opened October 1, 2010 in the Sealy area. Assessments, career counseling and resume/application tools and tips are some of the services offered. BAE selected Lee, Hecht & Harrison , a national outplacement firm to provide short term services to their employees.

Ms. Tootle explained that between September 16, 2010 thru the end of the year – Johnson Space Center contractors project to lay off between 1,000 to 1,500 workers. The transition team has provided increased services to include the delivery of classes onsite at JSC as well as the transition center, rapid response orientation sessions, and two virtual career fairs with an average of 75 employers participating with 1500 global job openings. There was also one job fair with 44 employers and 675 people was in attendance.

Last week Texas Workforce Commission, Greater Houston Partnership and JSC teamed together to deliver a series of innovation and successful partnership activities. The activities are intended to bridge the gap between industries and create new business opportunities, new jobs.

Ms. Tootle explained that we anticipate receiving an additional \$5.3 million from the US department of Labor to provide training and other services for BAE and NASA. We will have more details in the near future.

LABOR MARKET REPORT

Mr. Joel Wagher explained that the employment data in this report is from August 2010. The Gulf Coast region's unemployment rate increased to 8.7 percent in August down from 8.8 percent in July. Last year at this time the rate was 8.2 percent. Government trimmed 5,300 jobs over the month – with 5,100 jobs cut in education. Mr. Wagher stated that Federal Government jobs increased by 11,000 from March to May 2010 as Census workers started their door-to-door count of the population for the 2010 census. The beginning of layoffs for Census workers decreased Federal Government jobs by 4,600 in June. Another 3,300 jobs were lost in July and 2, 000 more in August. September 6th was the last day off work for the temporary census workers; as a result there may be another small decrease next month. Unemployment remains high as students start leaving the summer job market and initial claims for unemployment benefits increased over the year. This is the first over-the-year increase since December 2009 and the highest level for the month of August in this time series which goes back to 2000.

Mr. Ron Borski gave a more detailed report – mining continues to add jobs despite the moratorium which is expected to expire November 30, 2010. New drilling and workplace safety rules were recently introduced. Construction is the hardest hit super sector of the H-S-B MSA, down 11,200 jobs or -6.2 percent over the year.

ADJOURN

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

Audit/Monitoring Committee
December 2010 Monitoring Update

Recent Activity

Career Offices. The Regional Quality Assurance Team has started the annual review at offices for customer service and compliance with rules and procedures. The team has completed visits at Astrodome, Pasadena, Westheimer and Baytown, and we expect to issue reports within the next two weeks. We have seen some improvement in compliance, but we continue to note issues with customer service.

The team will begin the third round of special reviews for compliance items in early December.

Early Education and Care Committee

Child Care Automated Attendance

Implementation of New Attendance and Billing System Delayed

The State has delayed implementation of the Child Care Automated Attendance system for our areas until January 1, 2011. Previous implementation dates were scheduled for April 1, July 1, October 1, and November 1 of this year.

Issues Identified

Some implementation issues have been identified in our area and across the State by the Workforce Commission.

1. The necessity to enter new customer data accurately and timely to facilitate a smoother transition from the current system to the new one.
2. Parents requesting replacement swipe cards are not receiving the cards until 7 to 14 days later.
3. Some parents are not using swipe cards which impacts the accuracy of attendance and may affect how a provider is paid and a parent's eligibility for child care.
4. Some providers have not received their Point Of Service machines.

What We Are Doing

Workforce Solutions Financial Aid Payment Office:

1. Hired additional staff to handle CCAA-related calls from providers and customers.
2. Informed all child care providers about the requirement to use the system and to report attendance through the Child Care Automated Attendance (CCAA).

Employer Service Committee 2011 Work Search Requirement

Background

To receive unemployment insurance payments in Texas, an individual must be ready, willing and able to work and actively seeking full-time work. The Texas Workforce Commission requires claimants to keep records of their work search activities, and periodically state staff audits these records.

As in the past, the Commission allows Workforce Boards to adjust the required number of weekly job search contacts that claimants must make to demonstrate that they are actively seeking full-time work from the state's minimum of three contacts per week.

In 2009, upon recommendation of its Employer Services Committee, the Board approved the work search requirement for Gulf Coast claimants at three job contacts per week.

Current Situation

The Commission asks that the Board annually review the work search requirements and determine if it wants to change the required number of weekly contacts.

This year we decided to forego an employer survey due to the economic conditions in our region. Instead, we have analyzed the data from multiple sources including our outplacement activities, job postings and unemployment insurance data.

Following is a summary of that analysis:

- Companies in the region continue to lay off.
 - Over the past 12 months, we have received 115 requests for rapid response services. Aerospace, engineering, and manufacturing businesses were among the industries reporting losses.
- The BAE and Dan's Temps layoffs are estimated to be 1,000 skilled and semi-skilled workers. The NASA/JSC contractors are completing their layoffs for the year which include 900 – 1,100 high skill, high demand occupations.
- In the past twelve months, we received requests from 7,356 employers representing job postings:
 - .99% from Education (down from 3% in 2009)
 - .79% from Government (down from 2% in 2009)
 - 1% from Non-Profit Organizations (no change)
 - 97% from Private Industry, including about 4% from staffing agencies (up 3% and down 4% from 2009)

- We've seen a steady pace in the number of job postings in the private sector.
- Jobs openings are split between small (less than 200) and large companies.

In September 2010 we had 89,941 continued claims (weekly claims) filed and 20,203 new claims (initial claims). Using the current requirement for job searches results in a required total of more than 269,823 contacts per month to the region's employers from unemployed individuals.

As in previous years, we continue to point out that our region's employers have said they prefer to see fewer, higher quality candidates from us. Our employers have also said they would prefer that we do a better job of matching candidates to their specifications and make sure our candidates know how to interview well for the job on which we've sent them. Our employers would prefer to see better matching rather than a higher volume of applicants for their open jobs.

For these reasons, we continue to recommend that the committee set the required number of job searches at three per week.

Action

Recommend that the Board require unemployment compensation claimants make at least three job contacts per week in order to continue their eligibility for benefits.

Gulf Coast Workforce Board
System Performance
October 2010 (First Month of Fiscal Year)

Board Measures

These measures gauge progress toward meeting the results set out in the Board’s strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board’s operating affiliate, Workforce Solutions.

We report on the Workforce Solutions measures at each Board meeting.

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services (Market Share)</u> We expect to provide services to 37,120 employers this year which is 28% of the 132,569 employers identified for the Gulf Coast area. In October, we provided services to 7,460 employers.	28%	5.6%	29.4%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 4,195 employers, 3,691 returned to Workforce Solutions for additional services.	74%	88.0%	77.2%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average. We worked with employers who added 3,312 new jobs annually. We will not update performance until January 2011.	2,000	3,312	3,312
<u>Customers employed by the 1st Qtr after exit</u> Reporting for one quarter (Oct 09 – Dec 09), 68,888 of the 104,334 customers who exited from services were employed in the quarter after exit.	78%	66.0%	72.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for one quarter (April 09 – June 09), 26,623 of the 115,717 customers who exited had earnings gains of at least 20%.	41%	23.0%	28.1%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> In October, 56 of the 3,001 customers pursuing an education diploma, degree or certificate achieved one.	35%	1.9%	37.2%

Production

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

Of these fifteen measures, we did not meet the target for seven measures.

- Claimant Reemployment. The target for this measure is 59%. Our performance for October was 46.4%.
- Staff Created Job Openings Filled. The target for this measure is 69%. Our performance for October was 60.2%.
- Staff Guided Entered Employment. The target for this measure is 60%. Our performance for October was 55.4%.
- WIA Youth Placement in Employment/Education. The target for this measure is 58%. Our performance for October was 40.5%.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance for October was 25.0%.

Note: TWC notified H-GAC that it will impose a Performance Improvement Plan for the Board regarding this measure. Board action in August authorized staff to issue an RFP to seek out new providers of youth services, in part, to improve performance for the youth population. Proposals are due December 20, 2010.

- Average Choices Single Parent Participation Rate. The target for this measure is 40%. Our performance for October was 27.0%.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance for October was 28.6%.

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

GULF COAST WORKFORCE DEVELOPMENT BOARD
 FINANCIAL STATUS REPORT
 For the Ten Months Ended October 31, 2010

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	YEAR TO DATE DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	233,861,054	194,884,212	189,928,752	4,955,459
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,102,741	3,418,951	3,390,194	28,756
EMPLOYER SERVICES	6,761,269	5,634,391	5,596,878	37,513
RESIDENT SERVICES	222,997,044	185,830,870	180,941,680	4,889,190
OFFICE OPERATIONS	50,132,546	41,777,122	38,870,551	2,906,571
FINANCIAL AID	148,751,278	123,959,398	122,690,292	1,269,106
RECOVERY PROJECTS	24,113,220	20,094,350	19,380,837	713,513
<i>TOTAL WORKFORCE EXPENDITURES</i>	233,861,054	194,884,212	189,928,752	4,955,459

VARIANCE ANALYSIS

Note: "Budget Year to Date" column reflects straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year.

Gulf Coast Workforce Board Employment Trends – December 2010

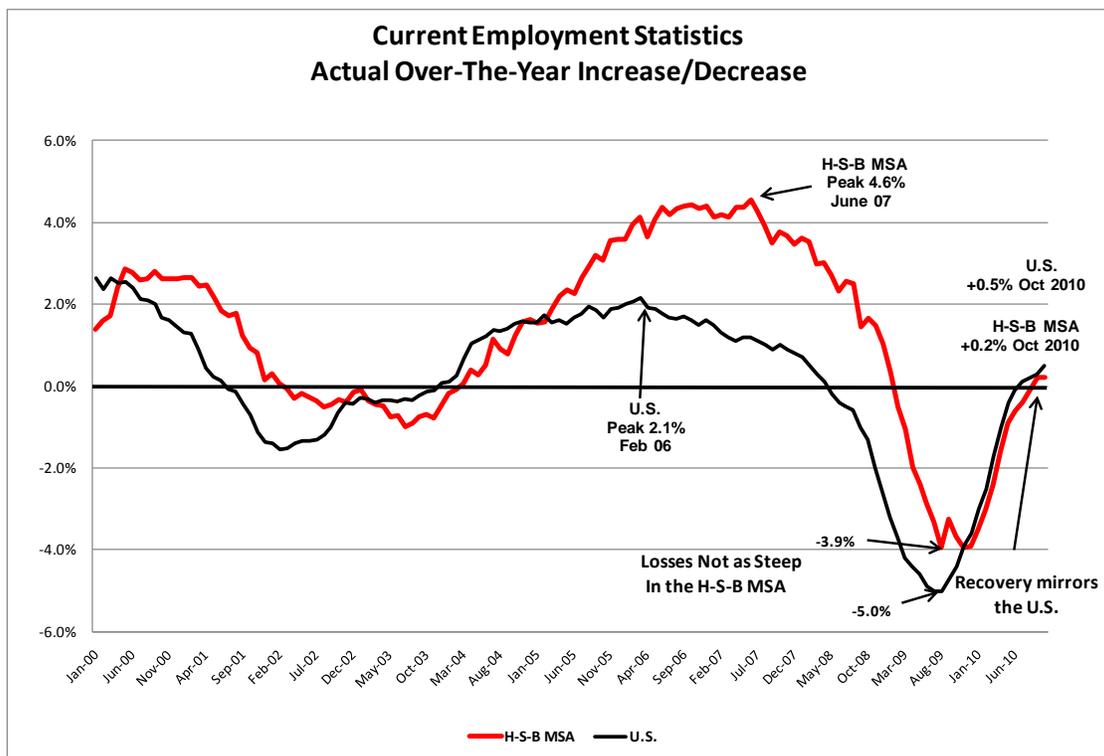
October 2010 Employment Data¹

THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) HOLDS STEADY AT 8.2 PERCENT IN OCTOBER. The unemployment rate at the state level also remained unchanged in October at 7.9 percent while the national rate dropped two-tenths of a percentage point to 9.0 percent.

OCTOBER'S INITIAL CLAIMS (IC) FOR UNEMPLOYMENT BENEFITS NUMBERED 22,280, AN INCREASE OF 2,077 IC'S OVER THE MONTH AND A DECREASE OF 3,554 (13.8%) FROM OCTOBER 2009. This was the first over-the-month increase in IC's since June, currently up 10.3 percent from September. Continued Claims (CC) were down 40,163 (33.1%) from October 2009. This was the lowest number of CC's since December 2007. The over-the-year net changes in CC have been negative for the past eight months.

FROM OCTOBER 2009 TO OCTOBER 2010, TOTAL INSURED UNEMPLOYED DECREASED BY 15,779 (27.5%). Total insured unemployed for October 2010 was 41,564, up 296 from September 2010. Total insured unemployed peaked in July 2009 at 67,045. Over the year, the number of people who are listed in the category "15 & over Weeks of Current Duration" was down 9,315 (35.2%), and was down 542 (3.1%) over the month.

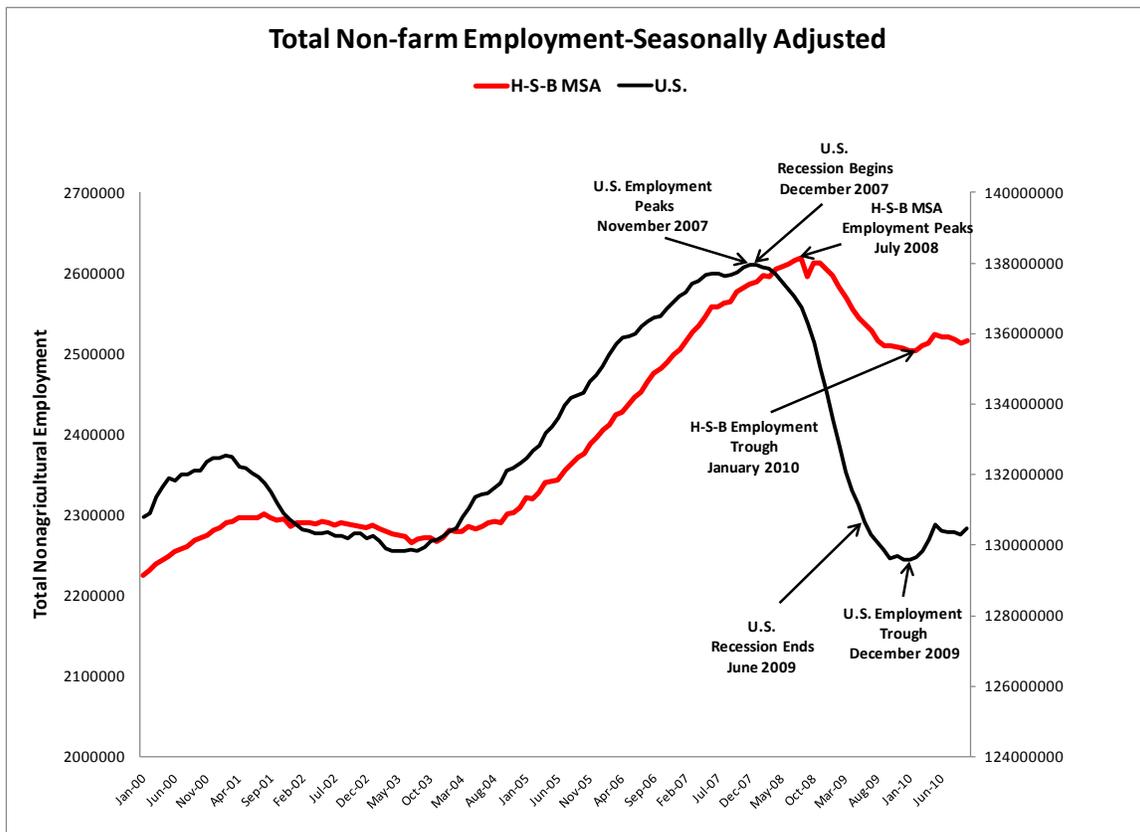
TOTAL NONAGRICULTURAL EMPLOYMENT IN THE H-S-B MSA POSTED AN OVER-THE-YEAR INCREASE FOR THE SECOND CONSECUTIVE MONTH, UP 6,200 JOBS OR 0.2 PERCENT FROM LAST OCTOBER. Improvement in the rate of job growth for the H-S-B MSA has been similar to that of the national level although it remained unchanged at 0.2 percent in October.



The H-S-B MSA added 9,500 jobs in October largely due to seasonal gains in Government as educational institutions continued to increase staffing for the fall. Construction and Trade Transportation & Utilities also contributed to October’s increase adding 2,400 jobs and 2,100 jobs respectively.

Houston-Sugar Land-Baytown MSA							
Industrial Sector	Oct-10	Sep-10	Oct-09	Month Change		Year Change	
				Actual	%	Actual	%
Total Employment	2,525,800	2,516,300	2,519,600	9,500	0.4%	6,200	0.2%
Mining and Logging	91,000	90,500	87,300	500	0.6%	3,700	4.2%
Construction	171,200	168,800	175,900	2,400	1.4%	-4,700	-2.7%
Manufacturing	221,800	221,400	219,200	400	0.2%	2,600	1.2%
Trade, Transportation & Utilities	513,300	511,200	514,000	2,100	0.4%	-700	-0.1%
Information	32,200	32,100	33,800	100	0.3%	-1,600	-4.7%
Financial Activities	136,700	137,000	138,300	-300	-0.2%	-1,600	-1.2%
Professional & Business Services	349,300	351,000	352,900	-1,700	-0.5%	-3,600	-1.0%
Education & Health Services	309,500	308,700	300,700	800	0.3%	8,800	2.9%
Leisure & Hospitality	233,500	236,300	229,900	-2,800	-1.2%	3,600	1.6%
Other Services	91,600	92,000	90,700	-400	-0.4%	900	1.0%
Government	375,700	367,300	376,900	8,400	2.3%	-1,200	-0.3%
Federal Government	28,600	28,400	29,100	200	0.7%	-500	-1.7%
State Government	71,800	70,600	70,900	1,200	1.7%	900	1.3%
Local Government	275,300	268,300	276,900	7,000	2.6%	-1,600	-0.6%

Seasonally adjusted data shows that employment in the H-S-B MSA continued to rise for eight months beyond the nation’s peak in November 2007. Labor market conditions in the H-S-B MSA have improved moderately since late 2009.



1. The Houston-Sugar Land-Baytown MSA is the only geographic area with monthly job count data in the Gulf Coast Region. The Houston-Sugar Land-Baytown MSA includes the following counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Walker.

Source-U.S. Department of Labor, BLS and the Texas Workforce Commission LMCi Dept.