

**MINUTES OF  
THE GULF COAST WORKFORCE BOARD  
TUESDAY, DECEMBER 2, 2014**

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**MEMBERS PRESENT:**

Karlos Allen	Gerald Andrews	Betty Baitland
Elaine Barber	Bill Crouch	Joe Garcia
Cheryl Guido	Mark Guthrie	John Hebert
Bobbie Henderson	Guy Robert Jackson	Sarah Janes
Tony Jones	David Joost	Birgit Kamps
Jeff Labroski	Ray Laughter	Kendrick McCleskey
Steve Mechler	Jerry Nevlud	Dale Pillow
Janice Ruley	Allene Schmitt	Richard Shaw
Connie Smith	Gil Staley	Evelyn Timmins
Shunta Williams	Toy Wood	Sarah Wrobleski
Madeleine York		

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ron Borski  
Parker Harvey

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 2, 2014, in the 2nd floor, H-GAC Conference Room B/C, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

**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.

**PUBLIC COMMENT**

No one signed up for public comment.

**MINUTES FROM OCTOBER 7, 2014**

Chair Guthrie asked if there were any additions or corrections to the minutes for the October 7, 2014 Board meeting and if not, 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 one declared a conflict. Chair Guthrie reminded the members that they also were welcome to declare conflicts with items as they are considered.

## **CONSIDER REPORTS**

### *Chair's Report*

Chair Guthrie asked new Board Member Shunta Williams to introduce herself and welcomed her to the Board.

Chair Guthrie explained that several weeks ago, he along with several members of the Workforce Solutions staff attended a meeting at Exxon Mobil Chemical that was organized by Bechtel, the prime contractor for Exxon Mobil Chemical's new cracker facility in Baytown to discuss its workforce needs in the coming years. Chair Guthrie stated that it was a good meeting – Bechtel made a good presentation on their mission and substantial need for craft workers. Chair Guthrie said that several colleges and an adjoining workforce board from the region also attended, and it is clear that there will be a huge demand for trained craft workers in our region.

Chair Guthrie reported that a group known as Educate Texas asked that we assist them in encouraging a response by area colleges to a RFP for a grant to begin a planning/programming process to increase the number of skilled graduates with two and four year degrees. Our staff is working with Educate Texas and the colleges that will be involved in responding to this RFP. The grants for programming and anticipated future grants for implementation is funded by private foundations.

Chair Guthrie stated the several Board members and staff attended the annual Texas Workforce Commission Conference in Grapevine, Texas in November. Mr. Guthrie explained that there were many good presentations and he was encouraged to see the Texas Education Agency and The Higher Education Coordinating Board are working together with TWC to coordinate their efforts to develop the workforce of the future.

Chair Guthrie noted that he attended the quarterly Texas Association of Workforce Board, TAWB meeting where he completed his term as Chairman this past year. He explained that his new position of Immediate Past Chair is an Executive Committee position which will still have him heavily involved in TAWB, but will allow him additional time to be more involved in local efforts. TAWB is continuing to promote the Education Paper that each Board member received earlier this year.

Chair Guthrie stated that he is a member of a TWC workgroup that is seeking to put together a central advertising campaign to raise statewide the visibility of Workforce Solutions. They are currently looking at a campaign similar to the "Don't Mess Texas" where you would see recognizable people in short spots raising the awareness of

Workforce Solutions and attempting to increase the market penetration for both employers and workers. The group anticipates that TWC will fund the central campaign.

Chair Guthrie concluded his report and no action was taken.

*Audit/Monitoring Committee Report*

Chair Joe Garcia reported that the committee met prior to the Board meeting on Tuesday, December 2, 2014 and heard an update on recent activity.

Chair Garcia explained that since the last report, the regional Quality Assurance team reviewed one office for each career office contractor, with a summary of the results as follows:

Both offices were rated as average – which means the offices provide an acceptable level of customer service with several opportunities for improvement. Both offices have noticeably improved customer service since the last visit.

Westheimer operated by Interfaith of The Woodlands has a new manager and he had made progress in his short tenure prior to our visit.

Rosenberg operated by Neighborhood Centers, Inc, has improved customer service, but they still have some documentation problems. We felt the office is overstaffed for its current traffic.

Both offices have minor Equal Opportunity Accessibility issues mainly due to daily wear and tear.

Chair Garcia explained that during the past year, the Quality Assurance team members rated the office locations on their customer service, management, and quality of records, judging them to be above average, average, or below average.

Chair Garcia also reported that:

- The Quality Assurance team continues to review the system to determine how well we are protecting customer information. Although we occasionally discover customer data forgotten in a staff drawer or a box under a desk, we find both contractors and staff are doing well at protecting customer information. This period had 100% compliance. (13 visits)
- Between February – November the team observed informational meetings for child care vendors hosted by the Financial Aid Payment Office. The topics covered every aspect of the child care vendor system and fielded good Question and Answer sessions. The meetings were well attended.
- Financial reviews were conducted for and a summary of the results for the following contactors:

- ✓ Gulf Coast Trade Center – need better procedures and some documentation issues. No questioned costs.
  - ✓ Dynamic Educational Systems, Inc. – need better procedures, segregation of duties. No questioned costs.
  - ✓ Interfaith of The Woodlands – (payment review) record keeping errors that Interfaith has addressed. No questioned costs.
  - ✓ Neighborhood Centers, Inc. – (billing review) Need some adjustment to segregation of duties, minor payroll errors and difference in monthly reports and GL.
- The team is currently looking at offices, the Financial Aid Call Center, the Financial Aid Payment Office, youth projects, and the early education quality improvement effort.

Chair Garcia stated that he attended the Veteran Job Fair at Minute Maid Park in the capacity of an employer. There were well over 100 employers at the job fair and over 1,200 veterans that attended. Chair Garcia explained that he felt it was a very positive job fair and wanted to thank everyone that was involved.

Chair Garcia concluded his report and no action was taken.

### Government Relations

Chair Guy Robert Jackson started his report by thanking Board Member, Ms. Elaine Barber for attending the Joint Legislative Committee on Education Policy Works in October. Chair Jackson stated that the Texas Workforce Commission and the Texas Workforce Investment Council are under Sunset review this year. At the time this report was prepared the staff recommendation report by the Sunset Commission had not been issued. The report is now available on the internet and is 107 pages long. Chair Jackson reviewed the seven Sunset staff recommendations –

#### *Texas Workforce Commission*

- The Civil Rights Division needs clearer accountability and streamlined functions to effectively focus on its core duties.
- Students need better career school performance information when selecting training programs.
- TWC must better ensure its child care program helps clients achieve employment goals and obtain quality care for children.
- TWC appeals process lacks certain tools that would increase consistency and transparency.
- TWC needs authority to use federal offsets to recover millions of dollars in unemployment compensation debt.

- Texas has a continuing need for the Texas Workforce Commission.

*Texas Workforce Investment Council*

- Texas has a continuing need for the Texas Workforce Investment Council and would benefit from its assumption of the duties of the Texas Skill Standards Board.

The Texas Sunset Advisory Commission will hold a public meeting on Wednesday, December 10, 2014 at 9:00 am in Austin, TX. Chair Jackson noted that one can also access the meeting online to make public comment.

The Sunset Advisory Commission will then meet on Wednesday, January 14, 2015 to issue its final recommendations to the Legislature.

Chair Jackson stated that beginning in February 2015 he will be in Austin six out of eight weeks meeting with the legislature not only on the Workforce Board's behalf, but on the behalf of other organizations he is involved with.

Chair Jackson concluded his report and no action was taken.

**TAKE ACTION**

- a. Procurement. The Committee Chair will present recommendations to fund efforts that help area students complete a high school education and then complete post-secondary training in high-skill, high-growth occupations in total amount not to exceed \$950,000.

Chair, Evelyn Timmins reported that the Board's Procurement Committee met on Monday, November 10, 2014 to review proposals for Building an Educated Workforce. Chair Timmins explained that the Workforce Board has always used its resources as leverage to make a difference outside the confines of the Workforce Solutions system. Recently staff has explored how to use this leveraging strategy to advance the Board's expected results of increased high school graduation rates.

In the past, we have funded the Workforce Solutions system and stand-alone youth projects to achieve these results. It was determined that we would like to consider trying a different approach that uses some of our resources to leverage existing organizations and projects in the region that have already demonstrated multi-year success in helping young people complete high school-level education and then enter and complete post-secondary education. This addresses the Board's intent to build an educated workforce and the Board's measures relating to high school graduation rates and post-secondary graduation rates.

- Our intent is not to fund or create stand alone projects – or augment any of our current contractors – but rather to expand existing, successful organizations in the

region that help achieve the Board's goals.

- This summer we issued a request for proposals to identify those organizations that are currently successful helping low-income youth complete a high school education and then enter and complete post-secondary education. We were seeking organizations that have a comprehensive approach and can leverage our resources with their existing resources and service delivery model to help train and educate young people and build our future workforce.

Chair Timmins stated that we received 16 requests from 16 bidders totaling \$8.7 million in response to the RFP. Chair Timmins noted that:

- All of the bidders were organizations that currently work with at-risk youth and have varying degrees of experience helping young people complete high school, find employment, or enroll into post-secondary education or vocational training.
- All bidders were based within the Gulf Coast region.
- Of the 16 bidders, one has a current contract, another is involved in an unfunded pilot project with Workforce Solutions, and a third is a former contractor.

The RFP stated that we were looking to find existing organizations with well-established service models that help young people complete a high school education and then enter and complete post-secondary education. We asked proposers to demonstrate the success of their existing models with performance data and to propose a payment schedule that would reflect payments for specific outcomes.

Chair Timmins noted that the staff evaluated and scored all proposals and asked proposers to make detailed presentations in person to a staff evaluation team. Fifteen bidders made presentations; one bidder rescinded its proposal.

Committee members received copies of the 15 remaining proposals, summaries of the proposals, and copies of the RFP and the scoring instrument. All 15 bidders attended the committee meeting and made short presentations and members asked questions of each of the bidders.

The committee then received the staff scoring of proposals, and members discussed their concerns with scoring. Chair Timmins reported that after detailed discussion, the committee reached the following recommendations.

- The committee recommends that the Board fund five proposals and allocate dollars to a venture fund that would provide small grants to leverage work being done by organizations the Board has not funded in the past.
- The committee also recommends that the staff work with any of the bidders not funded, at the bidder's request, to further develop their proposals.
- The recommended proposers for funding and summaries of their proposal are:

Project GRAD	For more than 25 years, Project GRAD has demonstrated success in helping young people from low-income families stay in and complete high school and move through post-secondary education. With additional funding, Project GRAD is proposing to increase its enrollment in the six HISD high schools and expand to high schools in the Pasadena, Aldine and Cypress Fairbanks ISDs.
Genesys Works	For more than 10 years, Genesys Works has supported high school students through technical and professional skills training, practical work experience, and postsecondary preparedness. With the requested funding, Genesys Works will increase its enrollment to serve an additional high school students and Genesys Works Alumni.
Knowledge First Empowerment Center	Knowledge First has offered educational services that include afterschool tutoring, accredited high school credit recovery and summer academic camps for more than 10 years. With additional funding, Knowledge First will increase its enrollment in Southwest Harris and Fort Bend counties.
Alliance for Multicultural Community Services	The Alliance is an organization with a unique niche addressing needs of refugee and immigrants for 28 years. Its Kijana Youth Program targets high school youth who are at-risk for not completing high school. With additional funding, Alliance will expand the number of youth it can serve from Liberty Alternative High School and Lee High School in Houston ISD and a Gulfton-area apartment complex.
AVANCE	AVANCE has served the needs of low-income families for more than 40 years. Through its College Going Culture AVANCE supports at-risk youth and teen parents in alternative high schools in the Pasadena and Houston ISDs. Additional funding will expand the number of students AVANCE assists.

- **Venture Fund**

The committee recommends committing 10% of the available funding amount (\$95,000) to a venture fund that would be used to make small grants to help organizations expand work they are doing that addresses the Board’s expected results. Staff would develop guidelines for application and award of grants of less than \$25,000 for organizations that Board has not funded in the past. Venture funds would also be targeted to the more rural areas of the region.

- **Project Development**

The committee noted several proposals that did not score highly on evaluation criteria but were worthy projects that the Board should consider. We would not commit funds at this time, but would offer assistance to those organizations that are interested in working with us – to help them refine their projects, identify other resources or funding in the community, and ultimately expand their activities.

The following chart shows all proposers, dollars requested, and recommendations for funding.

<b>Proposer</b>	<b>Current Contract</b>	<b>Request</b>	<b>Recommend</b>
Project Grad		\$ 700,000	\$315,000
Genesys Works - Houston		410,204	184,500
Knowledge-First Empowerment Center		170,000	76,500
Alliance for Multicultural Community Services		341,786	123,300
AVANCE Houston, Inc.		433,279	155,700
Venture Fund			95,000
Gulf Coast Trades Center	\$282,000	455,935	
St. Michael's Learning Academy		1,597,547	
100 Black Men Metropolitan Ministry, Inc.		621,600	
Youth and Family Counseling Services		111,493	
Career and Recovery Resources, Inc.		745,396	
P.A.C.E. Youth Programs, Inc.		1,421,229	
Houston Training and Education Center		341,000	
World Youth Foundation		440,120	
GMC Consultants, LLC		295,840	
Fuzion Apps, Inc.		650,000	
<b>Totals</b>	<b>\$282,000</b>	<b>\$8,735,429</b>	<b>\$950,000</b>

A motion was made and seconded to authorize staff to negotiate contracts with recommended proposers in amounts noted above; set up and implement the venture fund with an initial investment of \$95,000; and work with organizations that requested assistance in further developing their projects. The motion carried.

Dr. Bobbie Henderson wanted to express that she feels as a Board we tend to be overly cautious when it comes to approving new contractors. She feels we need to open the door and take a risk to work with new proposers – especially when they present a great proposal.

Chair Guthrie explained that the reason behind the “Venture Fund” was that the committee saw there were some excellent proposals that we felt we should take a chance on.

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

### **RECEIVE INFORMATION**

#### System Performance

Mr. David Baggerly reviewed the Year End System Performance measures for October 2013 through September 2014. 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.

*For Workforce Solutions*  
*More Competitive Employers* –

Employers Receiving Services (Market Share) – we expected to provide services to 25,147 employers this year which is almost 18% of the 140,808 employers identified for the Gulf Coast area. We provided services to 24,911 employers through September 2014.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,485 employers, 12,784 returned to The Workforce Solutions for additional services through September 2014. Although we did not meet the percentage target, 1,500 more employers returned for service in 2014 than in 2013.

*More and Better Jobs* –

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

Customers employed by the 1<sup>st</sup> quarter after exit – Reporting for the quarter ending September 2013, 237,444 of the 323,772 customers who exited from services were employed by the quarter after exit.

*Higher Real Incomes* –

Exiters with Earnings Gains of at least 20% - Reporting for the quarter ending March 2013, 116,211 of the 346,238 customers who exited had earnings gains of at least 20%.

*A Better Educated and Skilled Workforce* –

Customers pursuing education diploma, degree or certificate who achieve one - Reporting for the quarter ending June 2014, 2,419 customers pursuing an education diploma, degree or certificate exited in the period July 2013 – June 2014. 1,203 achieved a diploma, degree or certificate by the quarter after exit.

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, 2013 and ended September 30, 2014, we are met or exceeded the target for nine of ten measures. The measure we did not meet is:

- Choices Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 39.5%. Our cumulative total for the year is 37.4%. Although we did not meet this measure, our average monthly performance for the last six months of the year was 40.7%

Mr. Baggerly reported that we continue to work closely with our contractors to improve performance on all measures.

Mr. Baggerly concluded his report and no action was taken.

### Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for ten months ending October 31, 2014. Mr. Temple explained that the budget looks good, and we should be in good shape at year end. Mr. Temple noted that under Resident Services which includes office operations, financial aid and special projects – there were some dollars shifted around and we are spending a little more money in office operations and a little less in financial aid, but it does not affect the number of customers we are serving or put us over budget.

Mr. Temple explained that at year-end we should have spent approximately 95% of our budget.

Chair Guthrie asked if we are looking at ways to utilize 100% and Mr. Temple explained that we are always looking at ways to spend closer to 100%.

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

### LOOK AT THE ECONOMY

Mr. Ron Borski explained that the Houston-Sugar Land-Baytown Metropolitan Statistical Area (H-S-B MSA) unemployment rate dropped two-tenths of a percentage point to 4.7% in October. The unemployment rate for Texas and the United States also dropped two-tenths of a percentage point to 4.5 percent and 5.5 percent respectively. The Houston-Sugar Land-Baytown MSA added 19,100 jobs to payrolls in October. This month's growth was largely driven by seasonal gains in Government as educational institutions continued to increase payrolls for the new school year. All super sectors were reporting over-the-year job gains and strongest growth has been in mining and logging, construction, non-durable goods manufacturing, architectural engineering and related services, computer systems design and related services and health care services.

Mr. Borski reviewed alternative measures of labor underutilization, fourth quarter of 2013 through third quarter of 2014 average.

Mr. Borski noted that the recent decline in oil prices can be attributed to slowing economic growth in China and Europe coupled with increased U.S. production levels. Shale drilling is expensive, about 80% of it has a breakeven cost of between \$50 and \$80 compared with \$10 to \$25 a barrel for conventional supplies from the Middle East and North Africa. While drilling efficiency has increased, there will be a point where adjustment will need to be made - some drillers have already scaled back 2015 capital spending. A few have stated that they are still able to maintain a profit at \$40 a barrel.

Bottom line is that anything less than \$80 per barrel for an extended amount of time will affect drilling activity in the U.S.

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

Mr. Parker Harvey gave a presentation on – The Gulf Coast Maritime Industry. Mr. Harvey explained that the Port of Houston Authority - POHA and the Ship Channel contribute over \$178 billion in revenue to the Texas economy with \$4.5 billion in tax revenue and account for over 1 million jobs in Texas. Mr. Harvey reviewed core maritime occupations and wages. In summary the industry is relatively small, but additional opportunities are in indirect services – rail, trucking and oil and gas refining. It also remains an extremely important industry to Houston and Texas given the number of secondary and tertiary jobs the industry generates.

Mr. Richard Shaw asked questions regarding the international longshoremen unions at the port and the employment practices. Mr. Shaw also mentioned that some of the “hiring halls” are involved in training activities with San Jacinto College.

Dr. Sarah Janes of San Jacinto College responded that SJC works with the ILA thru West Gulf Maritime Association. SJC also has some skills development fund grants through WGMA for the dock workers.

Mr. Harvey concluded his report and no action was taken

### **OTHER BUSINESS**

Chair Guthrie asked staff to look at the issue of U4 to U6 unemployment and how we attract people back to employment.

Ms. Elaine Barber, announced she will be retiring at the end of December from the Greater Houston Partnership and from her service on the Board. Ms. Barber spoke about her career with the GHP and her service on the Board. She explained that she wants to continue to help with the betterment of our community.

Chair Guthrie thanked Ms. Barber for her 10+ years of service to the Board and expressed how the Board will miss her and her contributions.

Chair Guthrie also thanked all Board members for their contributions and service on the various committees.

He expressed that he felt that the Gulf Coast Board staff was better than any other Board staff in Texas, and thanked the Board staff for all their hard work.

Mr. Tony Jones announced that starting November 19<sup>th</sup> and every Wednesday from here on the Metropolitan Multiservice Center on West Gray will host a job seekers with disabilities event from 9:00 am to 12 noon. A disabilities navigator will be available to assist. Mr. Jones thanked Mr. Temple and Mr. Kevin Rodney for all their help in making this site possible.

Mr. Guthrie stated that he would like to see the Board raise our visibility out in the community in the coming year and wished everyone a safe and happy holiday season.

**ADJOURN**

There was no further business to come before the Board, and Chair Guthrie adjourned the meeting at approximately 11:00 am.