



To: Gulf Coast Workforce Board Members

From: Mike Temple  
David Baggerly  
Michelle Ramirez  
Brenda Williams

Date: February 1, 2018

Subj: Board Meeting Materials for Tuesday, February 6, 2018

---

The next meeting of the Gulf Coast Workforce Board is at **10:00 a.m., Tuesday, February 6, 2018** in H-GAC's second floor conference rooms A, B and C, 3555 Timmons Lane, Houston.

This month we welcome a new Board member -- representing economic development and Montgomery County -- Danielle Scheiner.

**Reports.** Chair Guthrie will provide a report to members on items of interest. Audit/Monitoring Committee Chair Joe Garcia will report on the committee's latest meeting.

Education Committee Chair Birgit Kamps will lead a discussion about the State Board of Education's long-range plan and Board comments on that plan.

**Action.** Budget Committee Chair Willie Alexander will bring a revision of the 2017 Board budget and a proposed 2018 budget to the members for consideration. Several factors have contributed to increases in both our general and special revenue streams for 2018.

**Information.** As usual, we will report on our performance/production and expenditures to-date and take a look at the economy and employment numbers.

As always, please call or email us if you have questions, or if we can be of assistance. We look forward to seeing you next week.

# The Gulf Coast Workforce Board Tentative Agenda

Tuesday, February 6, 2018 at 10:00 a.m.

H-GAC Conference Room A/B/C

3555 Timmons Lane, Second Floor, Houston, Texas 77027

---

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review December 2017 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
  - a. *Chair's Report.* The Board Chair will discuss items of interest.
  - b. *Audit/Monitoring.* The Committee Chair will report on the committee's November meeting.
  - c. *Education.* The Education Committee Chair will report on its most recent meeting and comments to the State Board of Education.
7. **Action Items**
  - a. *Budget.* The Committee Chair will ask members' consideration of an amendment to the 2017 Board budget and a proposed 2018 Board budget.
8. **Receive Information**
  - a. *Performance and Production.* Report on the system's performance and production.
  - b. *Expenditures.* Report on the Board's budget and expenditures.
9. **Look at the Economy**

Report on current economic data and trends in the Houston-Gulf Coast region.
10. **Take Up Other Business**
11. **Adjourn**



A proud partner of the American Job Center network

Workforce Solutions is an equal opportunity employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

Please contact H-GAC at 713.627.3200 at least 48 hours in advance to request accommodations.

Deaf, hard-of-hearing or speech-impaired customers may contact:

Relay Texas 1-800-735-2989 (TTY) or 1-800-735-2988 (Voice) or 711.

Equal opportunity is the law.

Gulf Coast Workforce Board-Workforce Solutions  
3555 Timmons Lane, Suite 120, Houston, Texas 77027  
P.O. Box 22777 Houston, Texas 77227-2777  
713.627.3200  
1.888.469.5627 toll-free  
[www.wrksolutions.com](http://www.wrksolutions.com)



**MINUTES OF  
THE GULF COAST WORKFORCE BOARD  
TUESDAY, December 5, 2017**

---

**MEMBERS PRESENT:**

Willie Alexander	Bobbie Allen Henderson	Linda O'Black
Karlos Allen	Alan Heskamp	Dale Pillow
Gerald Andrews	Eduardo Honold	Janice Ruley
Peter Beard	Guy Robert Jackson	Allene Schmitt
Narayan Bhargava	Sarah Janes	Valerie Segovia
Carl Bowles	John Josserand	Richard Shaw
Mary Helen Cavazos	Birgit Kamps	Connie Smith
Joe Garcia	Jeff LaBroski	Gil Staley
Cheryl Guido	Kendrick McCleskey	Kelly Violette
Mark Guthrie	Jerry Nevlud	Shunta Williams

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ron Borski

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 5, 2017, in the 2nd floor, H-GAC Conference Rooms A/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 and the agenda was adopted as presented.

**PUBLIC COMMENT**

No one signed up for public comment.

## **MINUTES FROM AUGUST 1, 2017 MEETING**

Chair Guthrie asked for any additions or corrections to minutes for the October 3, 2017 Board meeting and if none, for approval of the minutes as presented.

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

## **DECLARE CONFLICTS OF INTEREST**

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

## **CONSIDER REPORTS**

### Chair's Report

Chair Guthrie reported that our region is recovering well from Hurricane Harvey and that the board would hear staff reports later in the agenda. He said that we still need additional money for this recovery and our local elected officials are working to obtain additional federal funds to aid in recovery efforts.

Chair Guthrie also provided a brief report on his activities since the last Board meeting. He reported that he attended the NAWB (National Associate of Workforce Boards) Director's meetings in Washington in early October. NAWB has approved a venture with two other organizations, Jobs for the Future and Innovate + Educate to gather data nationwide on Workforce Board operations and will use that data to recommend efficiencies in the operations of Workforce Boards. The goal behind that effort is to make boards more efficient so that funding workforce development is more attractive. He said that since Texas is the leader in operating integrated programs through our Workforce Boards, he expects that they will be looking at us very carefully and we should support that effort. He also noted that Apprenticeships are a hot topic in Washington, as they are in Texas.

Chair Guthrie participated in a NAWB committee conference call on Monday, December 4 and it was discussed in that call that passage of a continuing resolution is expected in order to fund the government through the end of the year. He said that his sources expect that the federal budget will be tackled again in January.

On October 19, Chair Guthrie attended the 10<sup>th</sup> annual White Cane Safety Day here in Houston. He said this is a great event which promotes the safety of people with visual impairments. Workforce Solutions sponsored this event along with the Mayor's office and TWC Vocational Rehabilitation services. It is held in front of City Hall and had interesting speakers. Chair Guthrie encouraged attendance at next year's event.

On November 1, Chair Guthrie attended a meeting of the Greater Houston Business Leadership Network in The Woodlands at Lone Star College. This is an association of employers whose purpose is to promote and share best practices on the hiring and retention of people with disabilities and veterans. He said that some inspiring stories were presented in this meeting including one by a young man who served in our military as a munitions expert and lost his leg in a bomb explosion in Iraq. He now works at the Houston Intercontinental Airport to keep it and its patrons and employees safe from explosive devices. Chair Guthrie said that he was an inspiring young man and reinforced the desirability of veterans as employees.

On November 3, Chair Guthrie attended a New Board Member Orientation with a number of new board members who came to learn more about Board operations and committees. He reported that this group included enthusiastic new members who will participate in committees and lead us forward. Chair Guthrie welcomed all of the new members over the past year and invited comments from those who attended the orientation. Narayan Bhargava commented that it was a beneficial meeting and provided an opportunity to ask questions and provide suggestions. He stated that he is excited to become more involved.

On November 9, Chair Guthrie attended the Hiring Red, White & You veterans job fair at Minute Maid Park as well as the preceding We Hire Vets awards breakfast. He stated that he was privileged to have had the opportunity to introduce Mayor Sylvester Turner and give remarks at the opening of the event. Chair Guthrie encouraged Board Members to attend next year's event if possible.

At the end of November Chair Guthrie attended the quarterly TAWB and annual TWC conference in Dallas. He reported that during the conference, he and Mike Temple had dinner with three senior members of Texas Central Railroad, the company that is developing the high-speed bullet train that will run between Houston and Dallas. They expect to begin construction next year and would like to work with the Gulf Coast and Dallas Workforce Boards to hire approximately 10,000 construction employees and then 1,000 permanent employees to operate the system.

Chair Guthrie noted that an interesting speaker at the TWC conference was a futurist, Jerome Glenn. He discussed various scenarios of what our society might be like in 2050. Mr. Glenn said that one of the most important determining factors between the various scenarios was the education system, and that education needs to make a priority of increasing the overall intelligence of students. Chair Guthrie remarked that over the coming years, we need to focus on increasing the intelligence of students, how that is done and what we can do to drive it. Mr. Glenn also listed what he thought will be some of the most significant transformative technologies by 2050. This list included artificial intelligence, robotics, synthetic biology and genomics, computational science, cloud and data analytics, artificial and augmented reality, nano-sized manufacturing, quantum computing, drones, 3D and 4D printing, tele-presence, the cloud and web and, most importantly, synergies and integration of these technologies. Mr. Glenn stated that the

people in the companies that will succeed in the economy of 2050 will be able to harness as many of those technologies as possible and integrate them.

Chair Guthrie noted that when we think about preparing our future workforce, we need to be focused on these technologies. He said that we have a lot of work to do, but our region also has a lot of opportunities when one considers not just our oil and gas business but also the other significant drivers of our economy, including our medical center and our advanced nano-technology facilities at Rice and the University of Houston.

Chair Guthrie stated that we have the ability, if we choose to do it, to become a leader in a 2050 economy that is not just based on oil and gas. He challenged the Board to think about all of this as we work to develop our workforce. He said that while thinking about recovering from Hurricane Harvey we as a policy board need to also think about 10, 20 and 30 years in the future as we influence our education system and train workers.

Chair Guthrie announced that, at the TWC conference, Gulf Coast Workforce received a “Texas Hireability Award” for hiring people with disabilities. Along with that award came a check for \$20,000. Chair Guthrie congratulated the Board Staff on this award.

Chair Guthrie concluded his report and no action was taken.

#### Audit/Monitoring Committee Report

Committee Chair Joe Garcia reported that the Audit/Monitoring Committee met via conference call on Wednesday, November 15 to receive the following report covering activity across the region.

- **Adult Education.** Production for the adult education consortium has improved over the year. We noted improvement from the prior year, both College of the Mainland and San Jacinto College District are rated as Solid Performance.

We noted some problems with documentation for eligibility, training, early testing of students and staff qualifications for Houston Community College, rating HCC as Building Performance. We recommended the college strengthen its internal processes and continue working with us through the technical assistance/corrective action plan that is already in place.

- **Career Offices.** BakerRipley provides an intensive service for non-custodial parents involved in child support cases. Family courts in Harris, Brazoria and Galveston counties refer parents to Workforce Solutions for help in going to work. We rated this service as a Strong Performer.
- **Financial Systems.**

**SER Job for Progress** - Financial monitors recommended procurements be reviewed for six vendors and staff accurately report time worked when assisting

customers with work based learning. SER returned \$59.21 in overpayments to customers and updated the procurements.

**DESI** – DESI submitted its cost allocation plan late. Monitors determined internal controls were adequate and no significant findings were noted.

**BakerRipley** - Monitors determined that invoices were not paid within 30 days of receipt for the Career Office and the Financial Aid Payment Office and found a slight variance (\$1.00) in two of six billing reports. BakerRipley has identified the reasons for the late payments and variances and is implementing internal controls.

**TAEYC** – Financial monitors reviewed the Texas Association for Education of Young Children contract and found the cost allocation plan did not have the required elements and expenditure targets were not met. TAEYC has been a contractor with the Board for many years providing educational support for individuals in obtaining the Child Development Associate and the Associate of Applied Science in Child Care. We are not contracting with TAEYC this year.

The financial monitors did not identify any significant findings for **Wharton County Junior College** or **Houston Community College**.

Chair Garcia concluded his report and no action was taken.

#### Education Committee Report

Committee Chair Birgit Kamps reported that the Education Committee met on Thursday, October 26. Chair Kamps reported that, at the May meeting, the Education Committee adopted two strategies to support the Board's result of an educated workforce and the state's 60x30TX initiative:

- Focus outreach and service to the most economically disadvantaged independent school districts in the region; and
- Complete a gap analysis on demand/supply of candidates with Level 1 workforce certificates.

#### Current Situation

##### ➤ *Support the most economically disadvantaged districts*

Through the summer, staff connected with three districts and revised the schedule to include:

- Fall 2017
  - Galveston ISD
  - Spring Branch ISD/Northbrook and Spring Woods High Schools

- Damon ISD
- Spring 2018
  - Aldine ISD
  - Liberty, Cleveland, Hull-Daisetta, Dayton, Devers, Hardin and Tarkington ISDs
  - Galena Park ISD

To generate awareness of the data and career readiness resources available from Workforce Solutions, our support includes:

- Training teachers, counselors and staff how to access and use labor market data and the When I Grow Up curriculum
- Providing follow-up support to districts in using our resources as a foundation to expand career and technical education, internships or other district workforce readiness efforts.

Staff conducted in-service training with Galveston ISD teachers and counselors on August 23, 2017, also encouraging teachers to enlist the help of our Regional Facilitator team to connect students to work experience opportunities.

52 participants completed pre- and post-assessments from this training. In general, the teachers and counselors increased their knowledge and understanding about the region's good jobs and how to find career information and significantly increased their awareness of work-based learning opportunities for their students and themselves.

The third element of our support strategy is follow-up regarding expansion of the district's existing workforce readiness efforts. After the in-service training with Galveston ISD, we met with district career/technical education and counseling leadership. Our next step is to solidify the integration of career readiness content with sustainable student activities throughout the school year. We will use a similar approach with the other districts.

➤ ***Gap analysis on demand and supply of candidates with level 1 workforce certificates.***

Obtaining the survey responses has been more challenging than expected, and we continue to work with our community college contacts.

While we lack a complete survey response, we do have a snapshot from Lone Star College. Using both the survey response and clarifying conversations, we identified highlights as included below and illustrated on the following pages.

- Of the 846 students completing any Level 1 Workforce Certificate during the 2014-2015 academic year, 454 or 53.7% continued to further education. This percentage decreased in 2015-2016 to 42.7%.

- Nursing had the highest continuation rates with 86% (or 249) of the 288 Level 1 certificate completers continuing to further education in 2014-2015 and 97% (or 108) of the 111 continuing to further education in 2015-2016.
- However, Nursing had the steepest decline in Level 1 workforce completers from 2014-2015 to 2015-2016 (71) with Petroleum Technology also experiencing a decline of 26 students. (see attached charts as reference)
- Other Medical Technology holds the most Level 1 completers in both academic years surveyed. A large majority of the students in this area are completing EMT certification (74.3% in 2014-2015 and 86.17% in 2015-2016).
  - a. This is likely due to the occupational requirements for first-responders and other emergency and/or care-giving professions. However, it should be noted that the occupation most directly associated with this certificate, Emergency Medical Technicians & Paramedics, is a fairly large occupation in our region with over, 4,000 jobs as of 2014 and a high growth rate of 34%, yet median annual wages are relatively low at just under \$32,000 per year.
  - b. The Other Medical Technology pathways also hold the largest number of completers for Houston Community College upon preliminary review.
- Lone Star provided limited data on the industry-recognized credentials awarded as part of a Level 1 workforce certificate program. The following credentials were noted and used in the inquiry to employers:
  - a. NCCER Core
  - b. NCCER Pipefitting C1
  - c. AWS QC10 and QC11
  - d. NIMS
  - e. IADC Gateway, RigPass & WellSharp
  - f. ASE (Automotive)
  - g. Land Surveyor (CST and SIT/RPLS certifications)
  - h. Nursing CNA, CCA (Billing), and Medical Assisting

In general, colleges reported challenges in tracking employment after educational attainment, so the results were inconclusive.

#### Next Steps

Continue work with targeted school districts as well as collection and analysis of Level 1 certificate data.

Peter Beard inquired whether the committee has reviewed the TEA industry and skills certifications that are now built into the accountability systems for the ISDs? He stated

that feedback from superintendents indicates it is a short list and there is an opportunity that it may be able to be expanded so that they get the credit for accountability. He asked if this was an on the committee's agenda. Mike Temple responded that Level I certificates were the first to be looked at and, yes, the TEA list is now finalized and it will be reviewed as well.

Chair Kamps concluded her report and no action was taken.

### **RECEIVE INFORMATION**

*a. Harvey. Update on activities related to recovery from Hurricane Harvey.*

Mike Temple provided a brief report covering what has been done with the additional money that was received for recovery and rebuilding efforts that were discussed in October. To date we have been able to employ approximately 100 people in temporary jobs. There are not a lot of people who are eligible for this assistance. In order to be eligible, an individual must have lost a job because of the storm, or be long term unemployed. You will see later in this meeting that most did not lose their jobs because of the storm. Mr. Temple reported that staff is continuing to work with local governments and non-profits who have listed jobs for these temporary positions to find people who would be interested in them and acceptable to those organizations. Some of the Harvey money has also been reserved to provide training for people who are interested in training. Discussions are underway with people in Corpus Christi, Beaumont and Victoria, which are the other Board areas that have been largely affected by the storm, as well as the State and DOL to attempt to gain some flexibility for the use of that money to see if it can also be used for activities including talent development with employers. We will continue to keep you updated on how we are doing and what we see for the future.

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

*b. Performance and Production. Report on the system's performance and production.*

David Baggerly reviewed the Performance measures for October 2016 through September 2017.

#### More Competitive Employers

For Employers Receiving Services we were a little low- below our target in August and September. The Employer Loyalty target was also a little lower than our projection and lower than last year. These measures were both impacted to some degree by Hurricane Harvey.

#### More and Better Jobs

Looking at New Jobs Created, we showed improvement over where we were last year. For Customers employed by the 1<sup>st</sup> Quarter after exit, the measuring period is through September 2016. We achieved higher than the target, but not quite as high as the year before.

#### Higher Real Incomes

This is looking at the period from April 2015 through March 2016 and was impacted significantly by the downturn in oil and gas. We saw a reduction in our performance for that timeframe.

#### A Better Educated Workforce

We did not quite hit our target of 74%. We were at about 64%.

#### Production

There are 18 State measures. We did not meet the Number of Employers Receiving Workforce Assistance target. However, we did meet the Credential Rate for Adults, Median Earnings Q2 Post Exit for Dislocated Workers and Credential Rate for Dislocated Workers.

We did not meet the Work Rate for Customers Receiving TAB assistance. We were meeting this through July, but August and September caused us to not meet that for the year. For the performance year that began October 1, 2016, we met or exceeded the target for fourteen of eighteen state measures. These are the measures we did not achieve:

We have done very well on adult education measures for the period July 2016 through June 2017. One area that we are working to improve is the “Integrated English Language and Civics Education” combination.

Mr. Temple commented that after this report was published and distributed to Board members the numbers changed. He noted that this makes it challenging to manage.

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

#### *c. Budget and Expenditures. Report on the Board’s budget and expenditures.*

Mike Temple reviewed the Financial Status Report representing expenses for the eight months ending in August. We are running a little ahead of budget on our financial aid expenses. He said that we are not over budget because this budget amount has not been adjusted to reflect the initial \$10 million that we received for the hurricane. Mr. Temple also said that staff planned to gather the Budget Committee but were unable to do so due to the hurricane. Mr. Temple committed to work with the Committee Chair to schedule a meeting soon to discuss this as well as next year’s budget.

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

## **LOOK AT THE ECONOMY**

Ron Borski presented a look at the current economy. At the last meeting it was very early in the game as far as gathering information related to Hurricane Harvey. We have some data and some revisions and we anticipated that some would worsen. According to data we have now, from the employment side, our region was more resilient that we thought it would be. Originally September numbers showed us losing 16,000 jobs over that month, but that has been revised downward. Instead of 16,000 jobs lost in September, we only lost 11,200 jobs as of what we know now. Compare that to Hurricane Ike in 2008, we lost 21,900 jobs during the month of Hurricane Ike. We lost half of that during Hurricane Harvey. There is always a possibility for this to be revised some but, from what we know now, we fared much better. Our losses were revised downward in Leisure and Hospitality, Trade, Transportation and Utilities, Professional Business Services and Construction. In October we had the single largest drop in the rate of unemployment on record according to date going back to 2000 giving us the lowest rate of unemployment for October since 2007.

On a seasonally adjusted basis we added 27,000 jobs to our total employment for the region in October and saw our rate of growth rebound to 1.6% over the year. This is now higher than the increase in the nation which is 1.4% over the year.

Preliminary data for October shows an increase of 43,200 jobs for October, an increase of 1.4% which is 5 times higher than our typical increase of approximately 8,900 jobs in October. It also higher than what we needed to regain from what we lost in September. Not only did we recover, according to the current numbers, we are doing quite well.

Some of our strongest increases in October were in Construction, Retail Trade, Leisure and Hospitality, and Government. This puts us at 48,100 jobs over the year which is the 1.6% increase discussed earlier.

On an over the year basis, Manufacturing is still the fastest growing sector in the region. The drivers of our overall growth are Professional Business Services, Education and Health Services, Manufacturing, Leisure and Hospitality and Government. Declines are not as deep as they were, but most of the declines we have seen over the year are in Construction which represents 71% of the declines in the region. Within these numbers, Employment Services and Professional and Business Services account for most of the increase at 13,000 jobs and 16.1% increase over the year. That number loosely follows the rig count.

Hurricane Harvey by the numbers shows the largest amount of water we saw in our region was near Friendswood with a total of 56". Nederland on the east side was hit the hardest with 64.58". Approximately 27 to 33 trillion gallons of water were dropped on us during that time. Economically, damage estimates vary widely from \$50 to \$70 billion up to \$200 billion depending on the source. FEMA numbers indicate that almost 900,000 people have requested help. Out of that number, 357,133 have been approved for assistance. This adds up to an approved amount of approximately \$1.45 billion.

We also lost a lot of vehicles. According to InfoNation which pulls their numbers from the department of motor vehicles, there were approximately 134,000 damaged vehicles. InfoNation also estimates that approximately 75,000 new vehicles are expected to be sold by January.

Approximately 47,000 people are living in hotels paid for by FEMA. This is currently expected to continue until mid-January. Estimates on apartment damages vary between 14,852 to 43,000 units damaged. There has been a slight increase in occupancy following the hurricane as well as a slight increase in rents. As of now, FEMA expects to see more than 570,000 damaged homes.

Impact on the labor force in our region shows that we were hit heavily in comparison to the rest of the state with over 100,000 claims filed in our region versus. Harris County saw the largest number of claims. When comparing the number of claims per county to the actual size of the labor force in each county, we see the highest rates along the coast in areas such as Chambers, Matagorda, Liberty and Brazoria Counties.

As a comparison of the two months following Harvey versus the two months following Ike, following Ike our region lost a combined 3,300 jobs and, as of now post-Harvey, we have actually added approximately 32,000 jobs.

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

### **OTHER BUSINESS**

Board Member Cheryl Guido pointed out that efforts are underway to prepare for 2018 Summer Earn and Learn program which will provide students with an opportunity to obtain work experience and job readiness skills. No details are available yet regarding how many students will be placed, however, host employers are needed. Chair Guthrie commented that employers at the GHBLN meeting expressed interest in this program, and Chair Guthrie suggested that early and organized employer orientation sessions might increase employer interest and participation in the program.

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

### **ADJOURN**

Chair Guthrie adjourned the meeting at approximately 11:00 a.m.

## GULF COAST WORKFORCE BOARD

Board Member	02/07/17	04/04/17	06/06/17	08/01/17	10/03/17	12/06/17
Aguilar, Ray	X			X	X	
Alexander, Willie	X		X	X		X
Allen, Karlos	X	X	X			X
Andrews, Gerald	X	X	X	X	X	X
Baitland, Betty	X	X	X	X		
Beard, Peter	X	X	X	X	X	X
Bhargava, Narayan					X	X
Bouse, Sara	X	X	X	X		
Bowles, Carl	X		X	X	X	X
Cavazos, Mary Helen			X	X	X	X
Garcia, Joe	X	X	X		X	X
Guido, Cheryl	X		X	X	X	X
Guthrie, Mark	X	X	X	X	X	X
Henderson, Bobbie Allen	X	X		X	X	X
Heskamp, Alan	X	X			X	X
Honold, Eduardo		X			X	X
Jackson, Guy Robert	X	X	X	X	X	X
Janes, Sarah		X		X	X	X
Jordan, Frank						
Josserand, John			X		X	X
Kamps, Birgit	X	X	X	X	X	X
Karr, Doug	X	X	X	X	X	
King, Paulette	X	X	X	X		
LaBroski, Jeff	X	X	X		X	X
Marshall, Scott						
McCleskey, Kendrick	X	X		X		X
Mechler, Steve	X	X	X	X	X	
Nevlud, Jerry	X			X	X	X
O'Black, Linda	X	X	X	X		X
Pillow, Dale		X	X	X	X	X
Ruley, Janice	X		X	X		X
Schmitt, Allene	X	X	X	X	X	X
Segovia, Valerie					X	X
Shaw, Richard	X	X	X		X	X
Smith, Connie	X			X		X
Staley, Gil	X	X	X	X	X	X
Timmins, Evelyn	X	X	X	X	X	
Violette, Kelly				X		X
Williams, Shunta	X	X	X	X	X	X
Wroblewski, Sarah	X					

# GULF COAST WORKFORCE BOARD

## **AGUILAR, RAY**

Classic Chevrolet Sugar Land  
13115 Southwest Freeway  
Sugar Land, TX 77478  
281-491-9000

Category: Business

County: Fort Bend

[rayfrank11@yahoo.com](mailto:rayfrank11@yahoo.com)

Term: January 1, 2017 thru December 31, 2018

## **ALEXANDER, WILLIE**

W J Alexander Associates P.C.  
50 Briar Hollow Lane, Suite 320 East  
Houston, TX 77027  
(713) 802-0900, ext. 12

Fax: (713) 802-1188

Category: Business

County: City of Houston

[walex@wjalexander.com](mailto:walex@wjalexander.com)

Term: January 1, 2017 thru December 31, 2018

## **ALLEN, KARLOS**

TKG Advisors  
8303 Southwest Fwy., Suite 218  
Houston, TX 77074  
(713) 778-1707

Category: Business

County: City of Houston

[kallen@tkgadvisors.net](mailto:kallen@tkgadvisors.net)

Term: January 1, 2016 thru December 31, 2017

## **ANDREWS, GERALD**

Gallagher Victory Insurance  
122 West Way, Suite 404  
Lake Jackson, TX 77566  
(979) 297-8604

Fax: (979) 297-7080

Category: Business

County: Brazoria

[geraldandrews36@yahoo.com](mailto:geraldandrews36@yahoo.com)

Term: January 1, 2017 thru December 31, 2018

## **BAITLAND, BETTY**

Achieve Fort Bend County  
72 Crestwood Drive  
Sugar Land, TX 77478  
(713) 818-5639/(281)-242-2214

Category: CBO

County: Fort Bend

[bbaitland@comcast.net](mailto:bbaitland@comcast.net)

Term: January 1, 2017 thru December 31, 2018

## **BEARD, PETER**

Greater Houston Partnership  
701 Avenida de las Americas, Suite 900  
Houston, TX 77010  
(713) 844-3602 – office

(281) 906-1088 – cell

Fax: (713) 844-0200

Category: Business

County: City of Houston

[pbeard@houston.org](mailto:pbeard@houston.org)

Term: January 1, 2017 thru December 31, 2018

## **BHARGAVA, NARAYAN**

The SDB Group  
817 Southmore Ave, Suite 301  
Houston, TX 77502  
(713) 475-0048

Fax: (713) 475-0083

Category: Business

County: Harris

[nbhargava@thesdbgroup.com](mailto:nbhargava@thesdbgroup.com)

Term: January 1, 2017 thru December 31, 2018

## **BOUSE, SARA**

Alvin Community College  
3110 Mustang Road  
Alvin, TX 77511

(281) 732-8389 – cell

(713) 756-3568 – office

Category: Education

County: Brazoria

[sbouse@alvincollege.edu](mailto:sbouse@alvincollege.edu)

Term: January 1, 2017 thru December 31, 2018

**BOWLES, CARL**

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

**CAVAZOS, MARY HELEN**

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

**GARCIA, JOE**

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

**GUIDO, CHERYL**

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

**GUTHRIE, MARK**

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

**HENDERSON, BOBBIE ALLEN**

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

**HESKAMP, ALAN**

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

**HONOLD, EDUARDO**

Harris County Department of Education  
6515 Irvington Blvd.  
Houston, TX 77022  
(713) 691-8765  
Fax: (713) 695-1976  
Category: Adult Basic & Cont. Edu  
County: Harris  
[ehonold@hcde-texas.org](mailto:ehonold@hcde-texas.org)  
Term: January 1, 2018 thru December 31, 2019

**JACKSON, GUY ROBERT**

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

**JANES, SARAH**

San Jacinto College  
8060 Spencer Highway  
Pasadena, TX 77505  
281-998-6100  
Fax: (281) 479-8127  
Category: Education  
County: Harris  
[sarah.janes@sjcd.edu](mailto:sarah.janes@sjcd.edu)  
Term: January 1, 2018 thru December 31, 2019

**JORDAN, FRANK M.**

Nutrition Supply Corporation  
317 Industrial Circle  
Liberty, TX 77575  
936-334-5778  
Fax: (936) 334-0514  
Category: Business  
County: Liberty  
[fmjordan77575@yahoo.com](mailto:fmjordan77575@yahoo.com)  
Term: July 31, 2017 thru December 31, 2018

**JOSSERAND, JOHN**

Turner Industries Group, LLC  
3850 Pasadena Blvd.  
Pasadena, TX 77503  
Category: Business  
County: Harris  
(713) 477-7440  
Fax: (713) 477-4846  
[jjosser@yahoo.com](mailto:jjosser@yahoo.com)  
Term: January 1, 2017 thru December 31, 2018

**KAMPS, BIRGIT**

Hire Universe  
5517 Aspen Street  
Houston, TX 77081  
713-822-7411  
Category: Business  
County: Harris  
[bk@hireuniverse.com](mailto:bk@hireuniverse.com)  
Term: January 1, 2017 thru December 31, 2018

**KARR, DOUG**

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

**KING, PAULETTE**

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

**LaBROSKI, JEFFREY**

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

**MARSHALL, SCOTT**

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

**McCLESKEY, KENDRICK**

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

**MECHLER, STEVE**

Balfour Beatty Construction  
4321 Directors Row, Suite 101  
Houston, TX 77092  
(713) 824-6266  
Category: Business  
County: Harris  
[smechler@ticonstructors.com](mailto:smechler@ticonstructors.com)  
Term: January 1, 2018 thru December 31, 2019

**NEVLUD, JERRY**

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

**PILLOW, DALE**

Adult Reading Center, Inc.  
2246 N. Washington Ave.  
Pearland, TX 77581  
(281) 485-1000  
Fax: (281) 485-3473  
Category: Literacy  
County: Brazoria  
[dale.pillow@adultreadingcenter.org](mailto:dale.pillow@adultreadingcenter.org)  
Term: January 1, 2018 thru December 31, 2019

**RULEY, JANICE**

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

**SCHEINER, DANIELLE**

Conroe Economic Development Council  
300 W Davis Street  
Conroe, TX 77301  
(936) 522-3529  
Category: Economic Development  
County: Montgomery  
[scheinerg@cedc.org](mailto:scheinerg@cedc.org)  
Term: January 1, 2018 thru December 31, 2019

**SCHMITT, ALLENE**

Blinn College - Sealy  
3701 Outlet Center Drive, #250  
Sealy, TX 77474  
(979) 865-8461  
Category: Education  
County: Austin  
[allenes@live.com](mailto:allenes@live.com)  
Term: January 1, 2017 thru December 31, 2018

**SEGOVIA, VALERIE GARCIA**

Director of Outreach and Development  
Nuclear Power Institute  
101 Gateway Blvd, Suite A  
College Station, TX 77845  
979-240-5005  
Category: CBO  
County: Palacios  
[vsegovia@tamu.edu](mailto:vsegovia@tamu.edu)  
[valeriegsegovia@gmail.com](mailto:valeriegsegovia@gmail.com)  
Term: September 5, 2017 thru December 31, 2018

**SHAW, RICHARD**

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

**SMITH, CONNIE**

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

**STALEY, GIL**

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

**TIMMINS, EVELYN**

Houston Mayor's Committee for  
Employment of People with Disabilities  
2120 Lundy Lane  
Friendswood, TX 77546  
(281) 388-1967  
Category: CBO  
County: City of Houston  
[evtimmins@aol.com](mailto:evtimmins@aol.com)  
Term: January 1, 2017 thru December 31, 2018

**VIOLETTE, KELLY**

Tomball Economic Development Corporation  
29201 Quinn Road, Unit B  
Tomball, TX 77375  
(281) 401-4086  
Fax: (281) 351-7223  
Category: Economic Development  
County: Harris County  
[kviolette@tomballtxedc.org](mailto:kviolette@tomballtxedc.org)  
Term: January 1, 2017 thru December 31, 2018

**WILLIAMS, SHUNTA**

Texas Workforce Commission  
3555 Timmons Lane, Suite 120  
Houston, TX 77027  
(713) 993-2439  
Fax: (832) 681-2534  
Category: State Agency  
[shunta.williams@wrksolutions.com](mailto:shunta.williams@wrksolutions.com)  
Term: January 1, 2017 thru December 31, 2018

**WORKFORCE BOARD KEY STAFF:**

Mike Temple, Director  
David Baggerly, Program Manager  
Michelle Ramirez, Program Manager  
Brenda Williams, Quality Assurance Manager  
Deborah Duke, Administrative Coordinator  
Cally Graves, Employer Services  
Lucretia Hammond, Grants Management

Houston-Galveston Area Council  
3555 Timmons Lane, Suite 120  
P.O. Box 22777  
Houston, TX 77227-2777  
(713) 627-3200  
Fax: (713) 993-4578  
<http://www.wrksolutions.org>

# GULF COAST WORKFORCE DEVELOPMENT BOARD

## COMMITTEES

### **Audit/Monitoring**

- Joe Garcia – Chair
- Guy Robert Jackson – Vice Chair
- Ray Aguilar
- Karlos Allen
- Narayan Bhargava
- Sara Bouse
- Carl Bowles
- Helen Cavazos
- Cheryl Guido
- Doug Karr
- Scott Marshall
- Kendrick McCleskey
- Dale Pillow
- Allene Schmitt
- Evelyn Timmins

### **Budget**

- Willie Alexander – Chair
- Gerald Andrews – Vice Chair
- Karlos Allen
- Narayan Bhargava
- Sarah Janes
- Jerry Nevlud

### **By-Laws**

- – Chair
- – Vice Chair
- Betty Baitland

### **Career Office**

- Karlos Allen - Chair
- – Vice Chair
- Carl Bowles
- Joe Garcia
- Cheryl Guido
- Birgit Kamps
- Shunta Williams

### **Early Education and Care**

- Bobbie Henderson – Chair
- – Vice Chair
- Betty Baitland
- Sarah Janes
- Birgit Kamps
- Scott Marshall
- Allene Schmitt

### **Employer Services**

- Gerald Andrews – Chair
- Jeff LaBroski – Vice Chair
- Sara Bouse
- Helen Cavazos
- Joe Garcia
- Cheryl Guido
- Mark Guthrie
- Alan Heskamp
- Guy Robert Jackson
- Sarah Janes
- Birgit Kamps
- Scott Marshall
- Steve Mechler
- Richard Shaw
- Connie Smith
- Gil Staley
- Evelyn Timmins

### **Government Relations**

- Guy Robert Jackson – Chair
- – Vice Chair
- Ray Aguilar
- Gerald Andrews
- Narayan Bhargava
- Scott Marshall
- Jerry Nevlud
- Richard Shaw

# GULF COAST WORKFORCE DEVELOPMENT BOARD

## COMMITTEES

### **Nominating**

- Guy Robert Jackson – Chair
- Jeff LaBroski – Vice Chair
- Betty Baitland

### **Oversight Committee**

- Gerald Andrews
- Bobbie Henderson

### **Procurement**

- Evelyn Timmins – Chair
- Bobbie Henderson – Vice Chair
- Willie Alexander
- Karlos Allen
- Narayan Bhargava
- Sara Bouse
- Helen Cavazos
- Joe Garcia
- Cheryl Guido
- Mark Guthrie
- Alan Heskamp
- Doug Karr
- Jeff LaBroski
- Scott Marshall
- Allene Schmitt
- Richard Shaw
- Connie Smith
- Gil Staley

### **Report Card**

- Richard Shaw – Chair
- – Vice Chair
- Narayan Bhargava

### **Strategic Planning**

- Carl Bowles – Chair
- – Vice Chair
- Betty Baitland
- Narayan Bhargava
- Sarah Janes
- Doug Karr
- Kendrick McCleskey
- Richard Shaw
- Evelyn Timmins

### **System Visibility**

- Evelyn Timmins – Chair
- Gerald Andrews
- Carl Bowles
- Joe Garcia
- Bobbie Henderson
- Richard Shaw

### **Workforce Education**

- Birgit Kamps – Chair
- Allene Schmitt – Vice Chair
- Karlos Allen
- Betty Baitland
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Alan Heskamp
- Eduardo Honold
- Sarah Janes
- Jeff LaBroski
- Steve Mechler
- Scott Marshall
- Jerry Nevlud
- Dale Pillow
- Valerie Segovia
- Richard Shaw



# Audit/Monitoring Committee

---

## Update for February 2018

### Background

The Audit/Monitoring Committee met Monday, January 22, 2018 at the H-GAC office. Committee Chair Joe Garcia, members, Carl Bowles, Cheryl Guido, Doug Karr attended the meeting. Committee Vice Chair Guy Jackson, Dale Pillow, Kendrick McClesky, Allene Schmidt, Carlos Allen, Helen Cavazos and Gerald Andrews participated by phone. Board Chair Mark Guthrie also attended.

### Current Situation

Committee members reviewed data from four quality assurance reviews and one financial system review. We also received a response from the Texas Workforce Commission regarding their monitoring visit during June 2017.

- **Career Offices**

- **Huntsville - Interfaith**

- We noted opportunities to improve the number of direct placements, quality of individuals referred to employers and increasing the number of young adults served. We rated this service as Solid Performance.

- **Winnie – Baker Ripley**

- We noted accessibility concerns at this donated space. This site is in a county building, and staff from the Baytown office staffs the location two half days each week on Monday, 12-4pm and Wednesday, 8-12pm. We rated the service as Solid Performance. We have located a new space in Anahuac to replace this location.

- **Youth and Young Adults**

- Interfaith, BakerRipley and SER Job for Progress partner with Workforce Solutions to coordinate work-based learning and internships for youth throughout the year. We reviewed youth interns, supervisors, and worksites beginning in May 2017 and ending in August 2017. We recommended the contractors ensure orientations are provided for the youth workers and supervisors. We also recommended contractors develop a stronger cooperative relationship with Vocational Rehabilitation.

- **Early Education**

- We visited the Collaborative in June and July 2017 and rate its work as Strong Performance. Our review shows Collaborative is responsive to providers and is meeting the local match goal. We do not find any major issues.

- **Financial Systems**

- **Harris County Department of Education**

- Financial monitors recommended changes in the way the contractor is currently reporting time for staff and allocating costs. Corrections were made to address the time reporting and strengthen the allocation process.

### **Texas Workforce Commission Monitoring Report**

We received a response on December 20, 2017, from TWC regarding the monitoring review conducted in June 2017 of our operations. TWC listed one finding about strengthening the program monitoring function.

Our approach to monitoring since 2009 has been to include contractor representatives on a regional team – which Board staff trains and directs. We believe this approach supports common understanding among our contractors of system standards, policies, and procedures. It also helps train contractor staff how to check operations for compliance and quality.

The Commission has looked at our system each time it has carried out its annual reviews. This is the first time TWC has objected to our process.

TWC's principal concern is that by including contractors in compliance monitoring, we give rise to an appearance of a conflict of interest – staff from one contractor may review that contractor's records, processes, or procedures.

- Our regional quality assurance team has four Board staff and 10 contractor staff.
- We have found benefit in having contractor staff as a part of a quality assurance team and will continue to work with them in the team format on quality improvement issues.
- Board staff proposes hiring up to four added Board staff to conduct compliance monitoring and contract oversight for all contracts. We will make sure the contractor staff do not engage in these functions.

The Audit and Monitoring Committee put forth a motion and second in support of the recommendation to hire additional Board staff for the monitoring and oversight function. The motion passed unanimously.

# Workforce Education Committee

---

## State Board of Education

### Long-Range Plan for Public Education

The Education Committee is scheduled to meet at 9 am on February 6, 2018, prior to the Workforce Board meeting.

## Background

The Texas State Board of Education sets policies and standards for Texas public schools. The primary responsibilities of the State Board of Education include:

- Setting curriculum standards
- Reviewing and adopting instructional materials
- Establishing graduation requirements
- Overseeing the Texas Permanent School Fund
- Appointing board members to military reservation and special school districts
- Providing final review of rules proposed by the State Board for Educator Certification
- Reviewing the commissioner's proposed award of new charter schools, with authority to veto a recommended applicant.

The State Board of Education recently appointed a steering committee to guide the development of a new Long-Range Plan for Public Education, which will set goals for Texas public schools through the year 2030. This 18-member steering committee is made up of state board members, various stakeholder group representatives and representatives from three state agencies. The steering committee will recommend long-term goals for Texas schools and will identify the strengths, weaknesses, opportunities, and challenges of the system.

As part of the plan development, the State Board of Education's steering committee will host a series of community conversations across the State to discuss educational priorities. The Houston session will be on Thursday, February 8, 6:30 to 8:30 at the Region 4 Education Service Center. Pre-registration is available [online](#), but is not required.

The session will start with the question:

- What is the purpose or desired outcome of public education?

Discussion will be structured around identifying the challenges, strengths and opportunities on four broad topics:

- Educator Preparation, recruitment and retention
- Equity and Access
- Family Engagement and Empowerment

- Student Engagement and Empowerment, including:
  - Future Readiness (including early learning & workforce preparation)
  - Effective Systems of Support for all students
  - Individual student empowerment for their own learning

The event flyer along with summary reports from the sessions held in El Paso and Kilgore are attached.

For those who wish to provide input online, the State Board of Education offers a survey in both English <http://sgiz.mobi/s3/Long-Range-Planning-Survey> and Spanish <http://sgiz.mobi/s3/Encuesta-de-opini-n-p-blica-para-Texas>.

Additionally, staff has gathered background and resource documents provided by the Texas Education Agency and other organizations at:

<https://www.dropbox.com/sh/9dx74956sf0qvvgg/AAArnfl-ry7z09uhnLPAuJ11a?dl=0>

## Current Situation

The Gulf Coast Workforce Board values public education as a partner in workforce development and shares the following based on the Workforce Board's ongoing efforts:

### **Educator Preparation, Recruitment and Retention**

- Teacher preparation is one of the many factors contributing to recruitment and retention. The Gulf Coast Workforce Board shares the [Teacher Preparation and Quality Standards](#) developed by the Education Industry Workgroup. We encourage the State Board of Education to review the contents of this report in developing the Long-Range Plan.

### **Equity and Access**

- How well we engage and prepare students on free/reduced lunch will have a major impact on the future workforce.

### **Student Engagement and Empowerment**

- In order to graduate students ready for the workforce, children must enter kindergarten prepared to learn. The Gulf Coast Workforce Board supports the availability of quality pre-K programs, particularly for low-income families.
- Parents and students must begin career planning long before high school graduation. The Gulf Coast Workforce Board supports early and ongoing career exploration by providing data-driven career planning resources for parents, educators and students from pre-K through 12<sup>th</sup> grade.
- Career and technical education (CTE) programs benefit both students and employers by allowing young people to gain valuable skills that lead to industry credentials and in-demand jobs. The Gulf Coast Workforce Board supports CTE programs, especially when

they are integrated into an employer-sponsored pre-apprenticeship or other work-based learning.

- Whether a student enters the workforce directly or continues onto post-secondary education, he/she must graduate with essential workplace skills including problem solving, communication and teamwork. The Gulf Coast Workforce Board supports efforts to integrate essential workplace skills into academic and skills education.
- To make sure we prepare our children for the future, we will have to fundamentally change the way we educate them.

## Next Steps

The community conversation on February 8 is open to everyone. Workforce Board members are invited to attend and encouraged to participate in the conversation, or complete the survey. Additionally, the Education Committee will share the Board's perspective as noted above.



## **Kilgore Community Conversation Summary November 14, 2017**

**Host(s):** Keven Ellis and Donna Bahorich

**Participant Description:** Approximately 35 participants

The State Board of Education (SBOE), under Texas law, is required to adopt a Long-Range Plan for Public Education. The 18-member steering committee, which is made up of state board members, various stakeholder group representatives and representatives from three state agencies, is leading the process. The steering committee will recommend long-term goals for Texas schools and will identify the strengths, weaknesses, opportunities, and challenges of the system.

To help the board gather public input that will shape the new plan and set long-term goals through the year 2030, community conversations are being held around the state. In each community conversation, participants identify the purpose or desired outcome of public education and give feedback on challenges, strengths, and opportunities in four topics: educator preparation, recruitment, and retention; equity and access; family engagement and empowerment; and student engagement and empowerment.

This document provides a snapshot of the data collected during the Kilgore community conversation and highlights the main concepts captured during small-group conversations. Staff members from the Texas Comprehensive Center at the American Institutes for Research facilitated the community conversations and prepared this summary.

To learn more about the development of the Texas State Board of Education's work on the Long-Range Plan, visit [https://tea.texas.gov/SBOE/long-range\\_plan/](https://tea.texas.gov/SBOE/long-range_plan/).



## What is the purpose or desired outcome of public education?

- Accepting of differences and not isolating.
  - Biblical literacy so students can understand western civilization.
  - Develop employable skills, vocational training or prepare for college, career, or military (CCMR).
  - Equipping our students to be tech savvy.
  - It is the foundation of democracy. Path out of poverty.
  - Making connections, gets their attention, gives them purpose.
  - Meet the needs of the whole child.
  - Prepare students to contribute to society and community with positive, meaningful actions.
  - Preparing children to be thinkers and doers.
  - Preparing students to be collaborators with high levels of adaptability.
- 
- Quality self-governed and controlled lifelong students.
  - Safe place for learning.
  - Socially equip students to exemplify life skills and work well with others.
  - Technology smart in “how-to” and also what “not” to do.
  - To develop an attitude of life-long learning.
  - To educate all (each child reaches their maximum potential).
  - To prepare students with skills and knowledge in their areas of interest so that they can become productive citizens.
  - Vehicle for empowering people to become contributing members of community (productive, patriotic, responsible citizens).
  - Well-rounded education in math, science, social studies, literacy (read/write article at upper level); teach students to be critical thinkers and problem solvers.
  - Where American exceptionalism came from and why we value what we do.



<b>Educator Preparation, Recruitment, and Retention</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Career and technical teachers cannot stay in the schools because of the minimal salary compared to what they could make in the field (e.g., nursing, welding, etc.).</li><li>• College-trained, young students are not generally prepared for real-world school teaching.</li><li>• It can be difficult to recruit teachers because new teachers cannot afford to pay back loans on the dismal pay scale.</li><li>• Salaries are not competitive from small to large school districts.</li><li>• The teacher requirement load is ever-increasing. It is so much for so little pay and benefit.</li><li>• There are some weak alternative certification programs.</li><li>• You cannot recruit or retain with cuts to the teacher retirement system and high insurance rates. Teachers need salary increases for longevity.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Alternative certification programs can be a great alternative for recruiting teachers. They can help bring real-world experiences to the classroom by allowing teaching candidates to work with seasoned teachers.</li><li>• Defined retirement benefits are keeping educators. This may change, though, if retirement benefits change.</li><li>• Mentor programs and new teacher academies help with preparation.</li><li>• Summer break is a refreshing positive that helps to retain some teachers.</li><li>• Teachers still make a difference with students.</li><li>• The variety of alternative certification programs that are accessible helps with recruitment.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Create and increase funds to offer incentives to recruit teachers.</li><li>• Include student teaching before employment to prepare new teachers.</li><li>• Pairing new teachers with the right mentor-teacher is essential for positive motivation and quality.</li><li>• To retain teachers, create a master teacher program and bonus pay opportunities, if certain criteria are met.</li></ul>



<b>Equity and Access</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Children need help and support and not all schools have access to what kids need.</li><li>• Current structure prohibits smaller tax base districts from providing equitable services as compared to larger tax base districts.</li><li>• Students need training towards a career.</li><li>• The property taxes and school funding system is so complicated that the average citizen does not understand how it works.</li><li>• There is erosion of local control.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Texas is a wealthy and diverse state; we are growing.</li><li>• We have efforts for differentiated instruction and reaching students with different types of learning.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• All schools should have a vocational focus, not by student population focus. Then all students could benefit such as learning disabled, gifted, college-bound, trades, etc.</li><li>• Capitalize on the technology students already have available to them.</li><li>• Expand hours at the school for students for library, internet access, etc., especially for high school students working part-time jobs or with no support at home.</li><li>• Fix tax structures related to school funding/property tax. State funding needs to be restructured.</li><li>• Partnering with higher education to increase access to course offerings.</li><li>• School times need to be expanded to meet students' needs.</li><li>• We need central facilities instead of each school having their own services. This could increase access to services and staff for all students, especially students with special needs.</li><li>• We need to educate voters and mobilize.</li></ul>



## Family Engagement and Empowerment

<b>Challenges</b>	<ul style="list-style-type: none"><li>• Lack of funding to implement engagement programs, especially for economically disadvantaged, English Language Learners (ELLs), migrant students and homeless students.</li><li>• Many children are coming from poverty.</li><li>• Social media can easily be a source of negativity and “airing out” issues.</li><li>• Some students are not coming to school to learn.</li><li>• The work ethic has changed. Welfare was once simply not what families sought or accepted.</li><li>• There are language and cultural barriers.</li><li>• There is an absence of parental figures, support, and discipline in some homes.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Family engagement nights can introduce parents to curriculum and “how to’s” for their children.</li><li>• Many schools have events for families to attend.</li><li>• Social media can be used correctly and positively for communication to parents.</li><li>• Teachers are communicating and reaching out to teachers.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Build connections to families. Reach out to families and build on strengths.</li><li>• Develop school programs to engage and inform parents.</li><li>• We can use social media and technology to reach parents.</li><li>• Work to reduce language and cultural barriers to focus on specific needs.</li></ul>



<b>Student Engagement and Empowerment</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Accountability is necessary but benchmarks keep moving.</li><li>• For some students, the lack of parental support and expectations are a struggle to feeling empowered. Students cannot be successful without a strong, loving parental base.</li><li>• Many students lack motivation and are apathetic towards school.</li><li>• Poverty is an issue. Students' physical needs are not met.</li><li>• Some older teachers are incompetent with technology and can't reach students.</li><li>• Students who do not read at grade level do not feel empowerment. They are constantly struggling to survive.</li><li>• There is a diversity of values.</li><li>• Too many TEKS to cover.</li><li>• Too much testing. We are required to differentiate, yet state testing is "one size fits all."</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Extra curricular activities (e.g. football, volleyball, band, cheerleading, ROTC, and technology, etc.) engage students.</li><li>• Kids that are motivated do well.</li><li>• There are some great instructional practices.</li><li>• We have quality teachers and quality lessons.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Allow students to have leadership opportunities and volunteer in the community.</li><li>• Allow teachers and educational professionals to shape assessments away from multiple choice.</li><li>• Certification programs can help students become career ready.</li><li>• Compress TEKS, shift from "mile wide, inch thick."</li><li>• Individual graduation plans and career pathways—House Bill 5.</li><li>• Let teachers challenge students to think.</li><li>• Provide cross curricular courses and opportunities.</li><li>• Provide extension classes for thinking—innovative courses and flexible curriculum.</li><li>• Provide mentoring, internships and apprenticeships programs for students.</li><li>• Teaching technology skills (developing apps) can be engaging student projects.</li><li>• Variety of cultures, ethnicities, learning abilities and disabilities can be a tool for engagement and enrich learning.</li></ul>



# **FEBRUARY 8TH @ 6:30 PM** COMMUNITY CONVERSATION HOUSTON

## **Long-Range Plan for Texas Public Education**

Work is under way to create a new Long-Range Plan for Public Education, which is expected to establish goals for Texas public schools through the year 2030.

Come join your State Board of Education members and Long-Range Plan Steering Committee members for an opportunity to discuss educational priorities and brainstorm ideas to address them.

Register for this free event at:

[https://communityconversation\\_houston\\_february8.eventbrite.com](https://communityconversation_houston_february8.eventbrite.com)

You may also register at the door!



Student  
Engagement and  
Empowerment

—  
Educator  
Preparation,  
Recruitment, and  
Retention

—  
Equity and Access  
to Funding,  
Courses, and  
Technology

—  
Family  
Engagement and  
Empowerment

REGION 4 MCKINNEY  
CONFERENCE CENTER

7200 Northwest 100  
Drive, Houston, TX

**February 8, 2018**

**6:30 pm – 8:30 pm**

## El Paso Community Conversation Summary November 2, 2017

**Host(s):** Georgina Pérez and Donna Bahorich

**Participant Description:** Approximately 60 participants

The State Board of Education (SBOE), under Texas law, is required to adopt a Long-Range Plan for Public Education. The 18-member steering committee, which is made up of state board members, various stakeholder group representatives and representatives from three state agencies, is leading the process. The steering committee will recommend long-term goals for Texas schools and will identify the strengths, weaknesses, opportunities, and challenges of the system.

To help the board gather public input that will shape the new plan and set long-term goals through the year 2030, community conversations are being held around the state. In each community conversation, participants identify the purpose or desired outcome of public education and give feedback on challenges, strengths, and opportunities in four topics: educator preparation, recruitment, and retention; equity and access; family engagement and empowerment; and student engagement and empowerment.

This document provides a snapshot of the data collected during the El Paso community conversation and highlights the main concepts captured during small-group conversations. Staff members from the Texas Comprehensive Center at the American Institutes for Research facilitated the community conversations and prepared this summary.

To learn more about the development of the Texas State Board of Education's work on the Long-Range Plan, visit [https://tea.texas.gov/SBOE/long-range\\_plan/](https://tea.texas.gov/SBOE/long-range_plan/).

## What is the purpose or desired outcome of public education?

- Create global educated citizens.
  - Create life-long learners.
  - Create opportunities for all citizens and push them to their full potential.
  - Develop a well-rounded person, tap into every area, and bring out each child's value (independent, creative thinkers).
  - Educate students to go into the real world, be successful, and give back to their community.
  - Education like math and science is important, but respect and responsibility are also important.
  - Empower people with knowledge and improve lives.
  - Not to prioritize standardized testing.
  - Prepare students for the real world.
  - Produce young men and women who are responsible, independent, and educated citizens.
  - Provide education and equal opportunity for people to communicate with global community.
  - Provide level playing field for all kids despite beginnings (e.g., ELL, poverty). Education is the great equalizer.
- 
- Provide safe place for students to explore opportunities, find themselves by expressing who they are, and eventually live a life full of happiness.
  - Teach inclusivity. Teaching students to be able to interact with people different from them.
  - Teach students with disabilities to be more independent and social.
  - Teach them the academics for the future.
  - Teaching life skills, ethics, morals, communication skills—not just content.
  - Teaching students to be critical thinkers, not just creative test-takers.
  - To help all children, including those with disabilities, to be productive and functional community members.
  - To prepare kids to run country and community. Be a productive citizen. Prepare and have everybody be a part, every part is important.



<b>Educator Preparation, Recruitment, and Retention</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Lack of funding to support the needs of new teachers, such as mentors and longer student-teaching assignments.</li><li>• Need higher salaries and greater appreciation.</li><li>• Teachers are missing out on opportunities to integrate technology.</li><li>• Teachers need to know how to challenge students in their instruction.</li><li>• Testing pressures places extra demand on teachers.</li><li>• There is a disconnect between college preparation and actual teaching. Universities need to address this.</li><li>• Unprepared to teach children with disabilities or social-emotional needs.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Avenues through technology to pair up teachers to great mentors across district.</li><li>• Campus administrators and leadership teams available to assist educators.</li><li>• Education service centers (ESCs) are willing to help districts recruit.</li><li>• Teachers are trained and accept data.</li><li>• Teachers receive encouragement and work together in professional learning communities (PLCs).</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Building collaboration between districts and university / prep programs to better prepare teachers.</li><li>• Creating different avenues for all types of learners (Twitter chat, online classrooms, online community).</li><li>• Give potential teachers more exposure to teaching.</li><li>• Give new teachers the support they need, like a mentor teacher or PLCs.</li><li>• Recruit alternative teachers.</li></ul>



## Equity and Access

Equity and Access	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Access to healthcare, nutritious food, counselors.</li><li>• Discrepancies between districts' abilities to pass bonds. Some districts cannot get bonds and revenues passed, but other districts can.</li><li>• Funding is still so low, same weights as 1984.</li><li>• Funding needed for career and tech opportunities.</li><li>• Laws that regulate how money can be used.</li><li>• Need business partnerships—city council, parents, schools.</li><li>• Teacher preparation in early literacy (especially in Spanish).</li><li>• Technology—staying current. Need Wi-Fi access at home.</li><li>• There are no Advanced Placement (AP) classes in my community. Need funding to support teachers and technology so my students can have access to more classes.</li><li>• Very little for English Language Learners (ELLs), special education (SPED), gifted and talented. Assist all students. Some programs and clubs are English only.</li><li>• Zip code predicts lifespan. Some areas have more needs than others—equality vs equity.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Breakfast for everybody.</li><li>• Community resilience for struggling communities with student access, progress; communities aren't giving up.</li><li>• Dual credit courses are being offered outside the early colleges.</li><li>• Ed justice site (educators, principals, teachers involved in conversation).</li><li>• Emphasis on universal Pre-kindergarten.</li><li>• Marketing across districts for professional development to allow to provide opportunities for all.</li><li>• Our community makeup such as Ft. Bliss, Juarez. The changing demographic is allowing for our students to gain insight to different ways of thinking.</li><li>• Teachers love job; kids love to be there.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Be able to work across districts to support some of the smaller districts (share teachers' salary, resources, labs).</li><li>• Bigger districts supporting smaller/rural districts.</li><li>• Create mentor programs within the student body (e.g., big brother/sister).</li><li>• Creating consortiums.</li><li>• Reduce burden of legislation, red tape, toxic testing coming from state.</li><li>• Student councils—diverse but also differentiated by needs and interests.</li><li>• Training teachers to be aware of bias (anti-bias training).</li></ul>



<b>Family Engagement and Empowerment</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Money influencing education.</li><li>• Lack of communication between schools and families. How do schools make a parent feel welcome?</li><li>• Language and cultural differences that aren't being addressed.</li><li>• Parents without framework of school system/educational model and what they can do to help their child.</li><li>• Too much homework given to students that decreases quality family time. Too much emphasis on academics and testing.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Academic parent-teacher teams. This empowers parents with the knowledge and understanding to assist in their children's education. Goes beyond regular teacher-parent conferences.</li><li>• One school in our area went from one of the lowest schools to becoming a blue ribbon school.</li><li>• Parent liaisons. Parents have a stronger voice.</li><li>• There has been a lot of improvement in this area in some schools and districts.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Classes for parents on weekends while students are in tutoring.</li><li>• Community events that involve students and parents led by schools.</li><li>• Funding to provide necessary classes to support parents (transportation, English classes).</li><li>• Guide parents to understand where their children are academically.</li><li>• Host culturally relevant activities.</li><li>• Incentives for parents.</li><li>• Reach out to parents by first building relationships with them.</li><li>• Use social media to keep parents informed as to what is going on.</li></ul>



<b>Student Engagement and Empowerment</b>	
<b>Challenges</b>	<ul style="list-style-type: none"><li>• Lack of social capital. Is there help at home, access to other materials at home?</li><li>• Need one-on-one connections with students to administration. Schools are over populated and we must find a way to help every student.</li><li>• Students do not feel empowered. Lack of care from educators, lack of emotional care.</li><li>• Students need real life experiences and culturally responsive teaching/textbooks.</li><li>• Students need to have voices, learn critical thinking.</li><li>• Students that struggle with academics.</li><li>• They need skills to navigate system.</li><li>• We are dealing with human beings. Education should be simpler. I need to be able to build relationships and make connections to help students be confident. Students do not need another test.</li></ul>
<b>Strengths</b>	<ul style="list-style-type: none"><li>• Exposure to college and career.</li><li>• Having teachers going out to places and gaining experience, to bring back to the classroom.</li><li>• Programs and resources which allow students to become more involved.</li><li>• School districts becoming more creative with students on things they're interested in doing in life. With magnet schools, CTE, STEM.</li><li>• Some students are really tech savvy.</li><li>• Some teachers establish relationships with students.</li><li>• Students believe that education prepares them for a variety of opportunities.</li><li>• Teachers knowing the stress that more work/classwork puts on their students.</li></ul>
<b>Opportunities</b>	<ul style="list-style-type: none"><li>• Connecting students to community members or real employers.</li><li>• Engage students in the community and take ownership.</li><li>• Having hands-on learning, preparing them with real-world engagement.</li></ul>



# Budget Committee

---

## Proposed 2017 Board Budget Revision

### Background

Periodically we update the Board's budget mid-year to account for changes in revenue. We are proposing the Board approve a moderate increase in the overall budget.

The Budget Committee met on Monday, January 29, 2018 with Committee Chair Willie, Board Chair Mark Guthrie, and members Doug Karr, and Narayan Bhargava attending.

### Current Situation

The proposed revision to the 2017 budget places total available revenue just over \$228 million, which results in a 6.1% increase from the original budget. The additional revenue is largely financial aid dollars – direct assistance to customers – and includes

- Additional revenue for early education and care;
- Extra dollars for workforce opportunity activities; and
- Supplementary funding targeting work based learning for young adults.

We have also adjusted proposed 2017 system operations costs to incorporate additional resources and projected performance during the remaining months of the year. We have

- Added money to the financial aid pool for customers to support scholarships and early educational care;
- Increased career office operations to support summer work based learning, integration of Vocational Rehabilitation, and expansion of career offices; and
- Boosted the System IT budget to reflect the support needed to accommodate VR staff transition into our career offices.

Budgeted Board operational costs have increased by less than a percent. This increase accommodates two additional summer monitors for our quality assurance team. H-GAC's budgeted indirect cost rate also increased to 12.1% from 11.57%. Board full-time equivalents remains at 34 staff.

## Results

We are not proposing any changes to the Board's targets for 2017 performance or production and plan to achieve the following:

- Provide service for 22,000 employers and 360,000 individuals
- Spend \$11.0 million on scholarships for more than 3,400 individuals in high-skill, high-growth occupational training
- Provide adult education and literacy for 20,470 individuals
- Support about 21,000 families and 40,000 children with their early education expenses
- Ensure 60% of our employers return for additional services
- Assist in creating 3,200 new jobs
- Help more than 300,000 individuals go to work
- Raise the incomes of 110,000 by at least 20%
- Help 84% of individuals pursuing a post-secondary education attain a certificate or degree

## Action

Approve a revised 2017 Board budget in amount of \$228,056,927.

GULF COAST WORKFORCE BOARD				
PROPOSED 2017 BUDGET REVISION				
SOURCE AND USE				
Source		Use		
General Revenue	201,527,280	Board Operations		5,954,221
Special Federal & State Revenue	25,829,647	System IT		474,751
Other	700,000	Service for Employers		8,300,000
		Service for People		213,327,956
		<i>Financial Aid</i>	<i>155,993,473</i>	
		<i>Office Operations</i>	<i>40,800,138</i>	
		<i>Adult Education</i>	<i>16,534,345</i>	
<b>Total</b>	<b>\$228,056,927</b>	<b>Total</b>		<b>\$228,056,927</b>

<b>GULF COAST WORKFORCE BOARD</b>				
<b>PROPOSED 2017 BUDGET REVISION</b>				
<b>REVENUE SUMMARY</b>				
	<b>2017 Revision</b>	<b>2017</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>General Revenue</b>	<b>201,527,280</b>	<b>189,375,387</b>	<b>12,151,893</b>	<b>6.4%</b>
Child Care & Development Block Grant	141,449,438	133,005,898	8,443,540	6.3%
Workforce Investment	32,417,486	29,257,255	3,160,231	10.8%
Temporary Assistance for Needy Families	15,605,912	15,605,912	-	0.0%
Employment Service	6,335,652	6,335,652	-	0.0%
Supplemental Nutrition Assistance	3,449,053	2,900,931	548,122	18.9%
Trade Act	1,907,739	1,907,739	-	0.0%
Veterans Employment & Training	362,000	362,000	-	0.0%
<b>Special Federal &amp; State Revenue</b>	<b>25,829,647</b>	<b>24,869,247</b>	<b>960,400</b>	<b>3.9%</b>
Adult Education	17,853,747	18,753,747	- 900,000	-4.8%
National Dislocated Worker Funds	5,315,500	5,315,500	-	0.0%
Disconnected Youth	800,000	800,000	-	0.0%
Summer Earn and Learn	1,130,400	-	1,130,400	100.0%
Vocational Rehabilitation Integration	30,000	-	30,000	100.0%
Apprenticeship Texas	200,000	-	200,000	100.0%
Hurricane Harvey Disaster Relief	500,000	-	500,000	100.0%
<b>Other</b>	<b>700,000</b>	<b>700,000</b>	<b>-</b>	<b>0.0%</b>
Coalition for the Homeless	300,000	300,000	-	0.0%
Houston Housing Authority	210,000	210,000	-	0.0%
Performance Awards	190,000	190,000	-	0.0%
	<b>228,056,927</b>	<b>214,944,634</b>	<b>13,112,293</b>	<b>6.1%</b>

<b>GULF COAST WORKFORCE BOARD</b>					
<b>PROPOSED 2017 BUDGET REVISION</b>					
<b>BUDGET SUMMARY</b>					
	<b>2017 Revision</b>	<b>2017</b>	<b>% of Total 2017 Budget</b>	<b>Dollar Variance from 2017</b>	<b>% Variance from 2017</b>
<b>Board Operations</b>	<b>5,954,221</b>	<b>5,907,699</b>	<b>2.6%</b>	<b>46,522</b>	<b>0.8%</b>
Personnel	3,592,398	3,570,677	1.6%	21,721	0.6%
Indirect	434,680	413,127	0.2%	21,553	5.2%
Consultants & Contract	1,050,500	1,050,500	0.5%	-	0.0%
Travel	44,100	44,100	0.0%	-	0.0%
Rent	210,715	208,919	0.1%	1,796	0.9%
Capital Equipment	-	-	0.0%	-	0.0%
Other	621,828	620,375	0.3%	1,453	0.2%
<b>System Operations</b>	<b>222,102,707</b>	<b>209,036,935</b>	<b>97.4%</b>	<b>13,065,772</b>	<b>6.3%</b>
Service for Employers	8,300,000	8,300,000	3.6%	-	0.0%
Service for People					
Financial Aid	155,993,473	142,679,997	68.4%	13,313,476	9.3%
Career Offices	40,800,138	40,237,593	17.9%	562,545	1.4%
Adult Education	16,534,345	17,434,345	7.3%	900,000	-5.2%
	-				
System IT, TOTAL	474,751	385,000	0.2%	89,751	23.3%
<b>Total</b>	<b>228,056,927</b>	<b>214,944,634</b>	<b>100.0%</b>	<b>13,112,294</b>	<b>6.1%</b>

<b>GULF COAST WORKFORCE BOARD</b>				
<b>PROPOSED 2017 BUDGET REVISION</b>				
<b>BUDGET DETAIL</b>				
	<b>Board Operations</b>			
	<b>2017 Revision</b>	<b>2017</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
<b>Consultants</b>	<b>1,050,500</b>	<b>1,050,500</b>	<b>-</b>	<b>0%</b>
Legal Services	15,000	15,000	-	0%
Audit	33,500	33,500	-	0%
Financial Monitoring	402,000	402,000	-	0%
Public Information & Outreach	600,000	600,000	-	0%
<b>Other</b>	<b>621,828</b>	<b>620,375</b>	<b>1,453</b>	<b>0%</b>
Supplies	16,000	16,000	-	0%
Meeting Expenses	19,000	19,000	-	0%
Outside Printing	1,750	1,750	-	0%
Books & Publications	2,000	2,000	-	0%
Maintenance & Repair	5,000	5,000	-	0%
Software	5,000	5,000	-	0%
Licenses & Permits	1,000	1,000	-	0%
Communications	52,000	52,000	-	0%
Postage & Delivery	16,000	16,000	-	0%
Subscriptions & Dues	20,000	20,000	-	0%
Expendable Equipment	22,400	22,400	-	0%
Legal Notices	15,000	15,000	-	0%
Employee Development	13,000	13,000	-	0%
GIS Support	51,589	46,023	5,566	12%
Network Services	193,242	193,990	- 748	0%
Personnel Services	87,439	84,554	2,885	3%
Purchasing	19,812	19,297	515	3%
Print Shop	54,120	53,316	804	2%
Facility	27,476	35,045	- 7,569	-22%

# Budget Committee

---

## Proposed 2018 Board Budget

### Background

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

The budget describes how the Board will use its resources to both operate Workforce Solutions and leverage results in the region.

The Budget Committee met on Monday, January 29, 2018 with Committee Chair Willie, Board Chair Mark Guthrie, and members Doug Karr, and Narayan Bhargava attending.

### Current Situation

The proposed 2018 budget at just over \$246 million is 8% more than 2017. We project a noticeable increase in revenue attributable to increases in our general revenue and disaster relief recovery dollars.

- Our larger formula funded allotments have seen meaningful increases and are only slightly offset by decreases in smaller funds. We project general revenue will be 5.4% larger than in 2017. An increase to our general fund is significant as these are the primary dollars which power Workforce Solutions.
- Special federal & state revenue, funds we consider short-lived or with a limited guarantee of continuance, have largely grown due to disaster recovery dollars from Hurricane Harvey. We have also received targeted funding to increase assistance for unemployment claimants.
- The Adult Education consortium agreement ends June 30, 2018. TWC is currently reviewing proposals for the next funding cycle, and if our consortium is funded, we assume funding will be comparable to prior years. This funding is incorporated as part of our revenue estimate.
- Although financial support from the Homeless Coalition has ended, we continue to assist customers experiencing homelessness through our regular and usual resources. Our agreement with the Houston Housing Authority to support our presence at Cuney Homes location continues through 2018.

Proposed 2018 expenditures are in line with contracts the Board approved for Workforce Solutions in August 2017 and includes a portion of the funds we plan to use for contracts beginning in fall 2018.

- The Workforce Board recognizes the need to expand and improve Workforce Solutions capacity to reach more employers and provide targeted service to key regional industries. We have contracted with two organization to perform the Employer Service function. This commitment results in a 19% increase from 2017.
- The demand for early education, scholarships, work based learning, and work support continues to be strong. We are asking for a \$5.1 million increase to the financial aid pool: fully 65% of our dollars are financial aid.
- We propose increasing the budget for career offices to \$46.8 million. With the approval of new contracts last fall, the Board authorized new office locations.
- One-time funding for career pathway and integrated training opportunities expired in 2017. This results in a decrease of 6.4% in budgeted adult education activities.
- We received \$10.5 million in Hurricane Harvey disaster relief funding in September 2017. We have created a new budget line item to follow activities related to these dollars.

We propose a Board operations budget of \$6.5 million, an increase of 9.6% from 2017. Board operations represent 2.7% of the total system budget.

- The personnel line item reflects the Board's current staffing level at 34 FTEs. H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool has been set at 3%. The increase in personnel cost results from H-GAC's budgeted merit increase.
- H-GAC has been working with TWC's Vocational Rehabilitation Services to locate the VRS regional staff on the seventh floor at 3555 Timmons. The annual space cost is \$140,000 and has been added to the rent line item. We have also reserved \$100,000 to modify the space, providing cubicles and furniture.
- We propose increasing contracted financial monitoring services by \$93,000. This will allow us to monitor new contractors added during the last system procurement. We also propose adding \$100,000 to expand public information and outreach.
- We are asking for additional IT dollars to upgrade system-wide support for Workforce Solutions staff. We plan to implement Microsoft Office 365 – a cloud-based version of Office that includes expanded email capabilities for staff.

## Results

With this budget, we plan to achieve the following:

- Provide service for 26,000 employers and 355,000 individuals
- Spend \$13.0 million on scholarships for more than 3,900 individuals in high-skill, high-growth occupational training
- Provide adult education and literacy for 20,548 individuals
- Support about 24,000 families and 40,000 children with their early education expenses
- Ensure 60% of our employers return for additional services
- Assist in creating 3,300 new jobs
- Help more than 227,000 individuals go to work
- Raise the incomes of 100,000 by at least 20%
- Help 85% of individuals pursuing a post-secondary education attain a certificate or degree
- Serve at least 845 individuals impacted by Hurricane Harvey

Below is a comparison of 2017 performance to 2018 targets:

	<b>2017 Actual</b>	<b>2018 Target</b>
Provide service for employers	19,903	26,000
Provide service for individuals	337,521	355,000
Spend on scholarships	\$11,156,606	\$13,000,000
Individuals in occupational training	3,303	3,900
Provide adult education and literacy	23,625	20,548
Support families with their early education expenses	22,445	24,000
Support children with their early education expenses	42,409	40,000
Ensure employers return for additional services	51.2%	60%
Assist in creating new jobs	2,726	3,300
Help individuals go to work	198,491	227,000
Raise incomes by at least 20%	86,431	100,000
Help individuals pursuing a post-secondary education attain a certificate or degree	71.5%	85%

## Action

Recommend the proposed 2018 budget in amount of \$246,306,870 to the Board for approval.

Gulf Coast Workforce Board				
Proposed 2018 Budget				
Source and Use				
Source		Use		
General Revenue	212,496,918	Board Operations		6,527,512
Special Federal & State Revenue	33,579,952	System IT		530,414
Other	230,000	Service for Employers		9,850,000
		Service for People		229,398,944
		<i>Financial Aid</i>	<i>161,107,000</i>	
		<i>Office Operations</i>	<i>46,814,946</i>	
		<i>Adult Education</i>	<i>15,476,998</i>	
		<i>Disaster Recovery</i>	<i>6,000,000</i>	
<b>Total</b>	<b>\$246,306,870</b>	<b>Total</b>		<b>\$246,306,870</b>

<b>Gulf Coast Workforce Board</b>				
<b>Proposed 2018 Budget</b>				
<b>Revenue Summary</b>				
	<b>2018</b>	<b>2017 Revised</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>General Revenue</b>	<b>212,496,918</b>	<b>201,527,280</b>	<b>10,969,638</b>	<b>5.4%</b>
Child Care & Development Block Grant	147,881,980	141,449,438	6,432,542	4.5%
Workforce Opportunity and Investment	36,277,806	32,417,486	3,860,320	11.9%
Temporary Assistance for Needy Families	16,789,647	15,605,912	1,183,735	7.6%
Employment Service	6,396,206	6,335,652	60,554	1.0%
Supplemental Nutrition Assistance	3,254,428	3,449,053	-	-5.6%
Trade Act	1,555,587	1,907,739	-	-18.5%
Veterans Employment & Training	341,264	362,000	-	-5.7%
<b>Special Federal &amp; State Revenue</b>	<b>33,579,952</b>	<b>25,829,647</b>	<b>7,750,305</b>	<b>30.0%</b>
Adult Education	16,195,548	17,853,747	-	-9.3%
Hurricane Harvey Disaster Relief	10,000,000	500,000	9,500,000	1900.0%
National Dislocated Worker Funds	3,500,000	5,315,500	-	-34.2%
Reemployment Services & Eligibility Assessment	1,963,159	-	1,963,159	100.0%
Summer Earn and Learn	1,130,400	1,130,400	-	0.0%
Vocational Rehabilitation Integration	540,845	30,000	510,845	1702.8%
Apprenticeship Texas	250,000	200,000	50,000	25.0%
Disconnected Youth	-	800,000	800,000	-100.0%
<b>Other</b>	<b>230,000</b>	<b>700,000</b>	<b>-470,000</b>	<b>-67.1%</b>
Coalition for the Homeless	-	300,000	300,000	-100.0%
Houston Housing Authority	210,000	210,000	-	0.0%
Performance Awards	20,000	190,000	170,000	-89.5%
	<b>246,306,870</b>	<b>228,056,927</b>	<b>18,249,943</b>	<b>8.0%</b>

<b>Gulf Coast Workforce Board</b>					
<b>Proposed 2018 Budget</b>					
<b>Budget Overview</b>					
	<b>2018</b>	<b>2017 Revised</b>	<b>% of Total 2017 Budget</b>	<b>Dollar Variance from 2017</b>	<b>% Variance from 2017</b>
<b>Board Operations</b>	<b>6,527,512</b>	<b>5,954,221</b>	<b>2.7%</b>	<b>573,291</b>	<b>9.6%</b>
Personnel	3,700,150	3,592,398	1.5%	107,752	3.0%
Indirect	416,637	434,680	0.2%	- 18,043	-4.2%
Consultants & Contract	1,243,500	1,050,500	0.5%	193,000	18.4%
Travel	45,100	44,100	0.0%	1,000	2.3%
Rent	379,789	210,715	0.2%	169,074	80.2%
Capital Equipment	100,000	-	0.0%	100,000	100.0%
Other	642,336	621,828	0.3%	20,508	3.3%
<b>System Operations</b>	<b>239,779,358</b>	<b>222,102,707</b>	<b>97.3%</b>	<b>17,676,652</b>	<b>8.0%</b>
Service for Employers	9,850,000	8,300,000	4.0%	1,550,000	18.7%
Service for People					
Financial Aid	161,107,000	155,993,473	65.4%	5,113,528	3.3%
Career Offices	46,814,946	40,800,138	19.0%	6,014,808	14.7%
Adult Education	15,476,998	16,534,345	6.3%	- 1,057,347	-6.4%
Disaster Recovery	6,000,000	-	2.4%	6,000,000	100.0%
System IT, TOTAL	530,414	474,751	0.2%	55,663	11.7%
<b>Total</b>	<b>246,306,870</b>	<b>228,056,927</b>	<b>100.0%</b>	<b>18,249,943</b>	<b>8.0%</b>

<b>Gulf Coast Workforce Board</b>				
<b>Proposed 2018 Budget</b>				
<b>Budget Detail</b>				
	<b>Board Operations</b>			
	<b>2018</b>	<b>2017 Revised</b>	<b>Dollar Variance</b>	<b>Percent Variance</b>
<b>Consultants</b>	<b>1,243,500</b>	<b>1,050,500</b>	<b>193,000</b>	<b>18%</b>
Legal Services	15,000	15,000	-	0%
Audit	33,500	33,500	-	0%
Financial Monitoring	495,000	402,000	93,000	23%
Public Information & Outreach	700,000	600,000	100,000	17%
<b>Other</b>	<b>642,336</b>	<b>621,828</b>	<b>20,508</b>	<b>3%</b>
Supplies	16,000	16,000	-	0%
Meeting Expenses	19,000	19,000	-	0%
Outside Printing	1,750	1,750	-	0%
Books & Publications	2,000	2,000	-	0%
Maintenance & Repair	5,000	5,000	-	0%
Software	5,000	5,000	-	0%
Licenses & Permits	1,000	1,000	-	0%
Communications	52,000	52,000	-	0%
Postage & Delivery	16,000	16,000	-	0%
Subscriptions & Dues	20,000	20,000	-	0%
Expendable Equipment	21,400	22,400	- 1,000	-4%
Legal Notices	15,000	15,000	-	0%
Employee Recruitment	2,500	2,500	-	0%
Employee Development	10,500	10,500	-	0%
GIS Support	36,443	51,589	- 15,146	-29%
Network Services	209,417	193,242	16,175	8%
Personnel Services	89,413	87,439	1,974	2%
Purchasing	36,644	19,812	16,832	85%
Print Shop	51,434	54,120	- 2,686	-5%
Facility	31,835	27,476	4,359	16%



## Gulf Coast Workforce Board System Performance October 2017 to December 2017

### Board Measures

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

### More Competitive Employers

Measure	Annual Target	Current Performance	Prior Year Performance
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 26,367 employers this year. We provided services to 11,610 employers in the period October 2017 through December 2017	26,367	11,610	19,903
<u>Employer Loyalty</u> Of a possible 17,519 employers, 7,830 returned to Workforce Solutions for additional services in the period October 2017 through December 2017	60.0%	44.7%	51.2%

## More and Better Jobs

Measure	Annual Target	Current Performance	Prior Year Performance
<u>New jobs created</u> New jobs created in the region as a result of Workforce Solutions partnering with economic development organizations. This information is captured quarterly and reflects a two-year average through December 2017.	3,300	3,269	2,726
<u>Customers employed by the 1st Qtr. after exit</u> 51,667 of the 68,415 customers who exited service in the period October 2015 through December 2016 were employed by the quarter after exit.	76.0%	75.5%	77.4%

## Higher Real Incomes

Measure	Annual Target	Current Performance	Prior Year Performance
<u>Earnings Gains of at least 20%</u> 19,611 of the 76,024 customers who exited in the period April 2016 through June 2016 had earnings gains of at least 20%.	37.0%	25.8%	28.4%

## A Better Educated Workforce

Measure	Annual Target	Current Performance	Prior Year Performance
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> 194 of 256 customers who pursued an education diploma, degree or certificate and exited from July 2017 through September 2017, attained a diploma, degree or certificate by the end of the quarter after exit.	74.0%	75.8%	63.9%

## Production

In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production.

For the performance year that began October 1, 2017, we are meeting or exceeding the target for fourteen of nineteen state measures. These are the measures we are not achieving:

- Choices Full Work Rate: The target for this measure is 50.0%. Our performance for customers who exited from October 2017 through November 2017 was 35.16%.
- Average # Children Served Per Day: The target for this measure is 24,179. Our performance for customers who from October 2017 through November 2017 was 27,430.
- Credential Rate – All Customers: The target for this measure is 48.0%. Our performance for customers who exited from January 2016 through March 2016 was 41.79%.
- Employed/ Enrolled Q2 Post Exit – Youth: The target for this measure is 68.2%. Our performance for customers who exited from July 2016 through September 2016 was 62.94%.
- Credential Rate – Youth: The target for this measure is 51.5%. Our performance for customers who exited from January 2016 through March 2016 was 47.69%.

Adult education measures for the period July 2017 through December 2017 include:

- Total enrollments are the number of individuals who begin an adult education class.
- 12+ hour enrollments count the number of individuals who are in class 12 or more clock hours.
- Transitions enrollments count the number of individuals in adult education classes designed to lead to further post-secondary training.
- Career Pathways enrollments counts the number of individuals in contextualized learning (basic education and occupational skills at the same time) classes.
- Integrated English Language and Civics courses will be integrated with some workforce training that result in a job and/or certificate/credential.
- TWC Accelerate Texas includes individuals enrolled in an integrated education and training module.

	<b>Target</b>	<b>Year to Date</b>
<i>Total Enrollments</i>	<b>20,548</b>	<b>12,215</b>
<i>12+ Hour Enrollments</i>	19,204	11,069
<i>Transitions</i>	1,301	832
<i>IET Program</i>	862	423
<i>EL Civics</i>	1,006	487
<i>Integrated EL Civics.</i>	889	487
<i>Intensive Services</i>	196	196

## GULF COAST WORKFORCE DEVELOPMENT BOARD

## FINANCIAL STATUS REPORT

For the 12 Months Ended December 31, 2017

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES	228,056,928	228,056,928	224,241,718	3,815,209
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	5,954,221	5,954,221	5,625,238	328,983
SYSTEM IT	474,751	474,751	406,066	68,685
EMPLOYER SERVICES	8,300,000	8,300,000	7,065,676	1,234,324
RESIDENT SERVICES	213,327,956	213,327,956	211,144,738	2,183,217
OFFICE OPERATIONS	40,800,138	40,800,138	40,305,996	494,142
FINANCIAL AID	155,993,473	155,993,473	155,909,951	83,521
ADULT EDUCATION	16,534,345	16,534,345	14,928,791	1,605,554
<b>TOTAL WORKFORCE EXPENDITURES</b>	<b>228,056,928</b>	<b>228,056,928</b>	<b>224,241,718</b>	<b>3,815,209</b>

Note: The "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.





Labor Market Information  
DECEMBER 2017 Employment Data

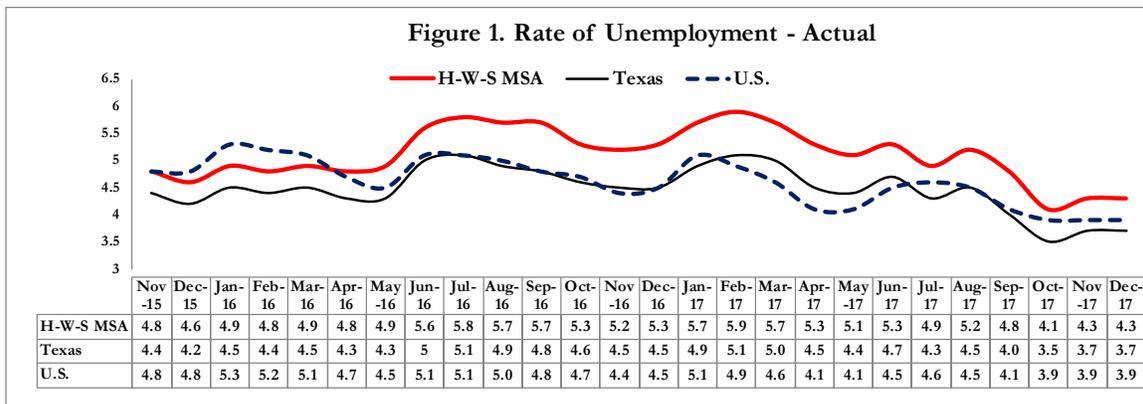
HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA

Visit our website at [www.wrksolutions.com](http://www.wrksolutions.com)

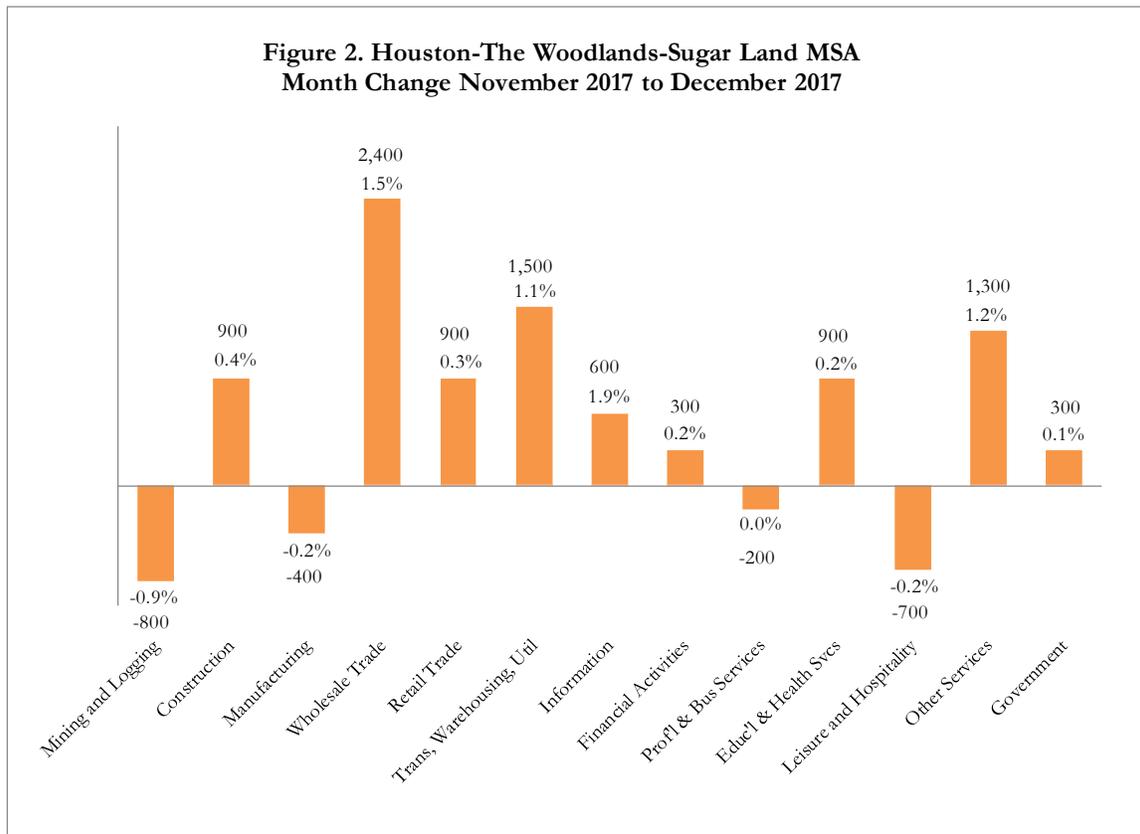
The rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) was unchanged at 4.3 percent in December. While the local rate of unemployment fell an average 0.2 percentage points in December over the last seventeen years it does rise on the occasion as it did by 0.1 percent in 2016. A large increase in the labor force, up 14,746, was matched by a large increase in the number employed, up 13,413, resulting in an unchanged rate of unemployment. December's rate of unemployment was one full percentage point lower than a year earlier remaining slightly higher than the state's 3.7 percent rate and the nation's 3.9 percent rate, see figure 1.

**Unemployment Rate (Actual)**

	DEC 2017	NOV 2017	DEC 2016
<b>Civilian Labor Force</b>	3,328,011	3,313,265	3,299,559
<b>Total Employed</b>	3,184,224	3,170,811	3,124,956
<b>Unemployed</b>	143,787	142,454	174,603
<b>Unemployment Rate</b>	4.3%	4.3%	5.3%

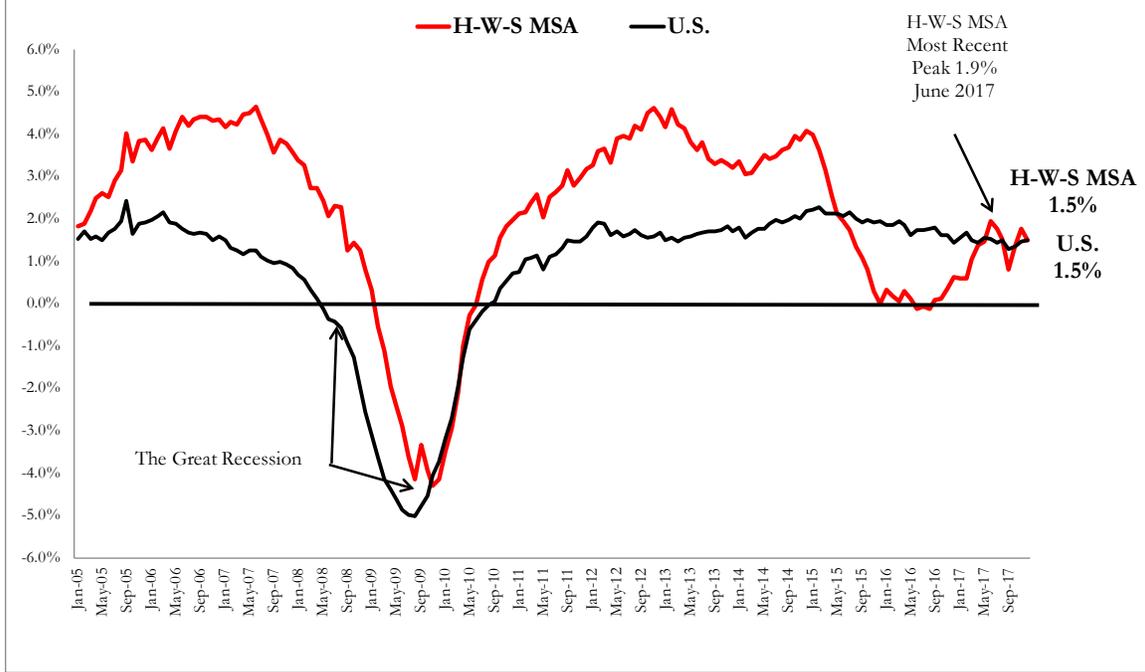


Total Nonfarm Employment in the H-W-S MSA added 7,000 jobs in December. The 0.2 percent increase was much weaker than a historical average 0.5 percent increase. The weaker increase was largely due to retail establishments doing the bulk of their seasonal hiring in October and November. The largest December increases were in Trade, Transportation & Utilities, up 4,800 jobs, Other Services, up 1,300 jobs, Construction, up 900 jobs, and Educational and Health Services, up 900 jobs. Several industries experienced losses with largest declines found in Mining and Logging, down 800 jobs, and Leisure and Hospitality, down 700 jobs, see figure 2. Detailed data can be viewed on pages 11 and 12.

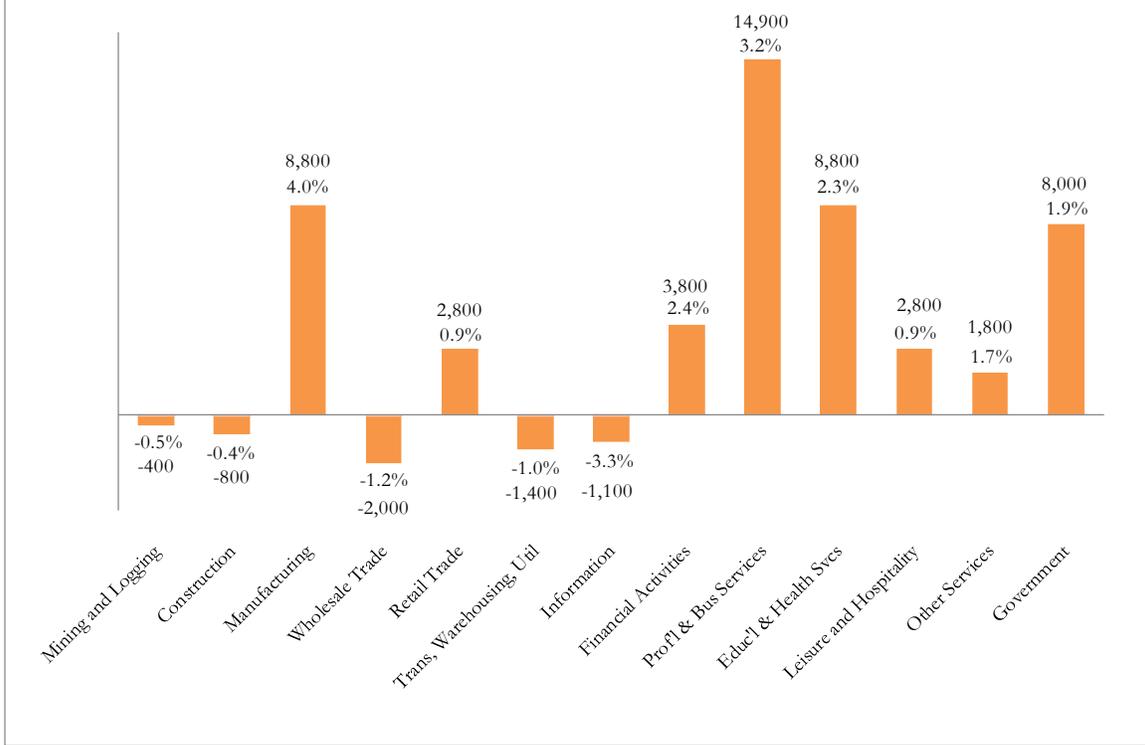


The pace of job growth in the H-W-S MSA was 1.5 percent in December representing an increase of 46,000 jobs over the year, more than double a 0.6 percent pace a year earlier in December 2016. The 1.5 percent pace of job growth was the same as that of the nation, see figure 3. Gains were largely concentrated in Professional and Business Services, Education and Health Services, up 8,800 jobs or 2.3 percent, Manufacturing, up 8,800 jobs or 4.0 percent, and Government, up 8,000 jobs or 1.9 percent, see figure 4. Construction, where over-the-year declines peaked at nearly 10,000 jobs in September 2017, has made exceptional improvement since Hurricane Harvey recovery efforts have started reporting a slight loss of only 800 jobs. Information posted the most substantial over-the-year decline, down 1,100 jobs or 3.3 percent. Additional information by super sector can be found beginning on page 5. Detailed data can be viewed on pages 11 & 12.

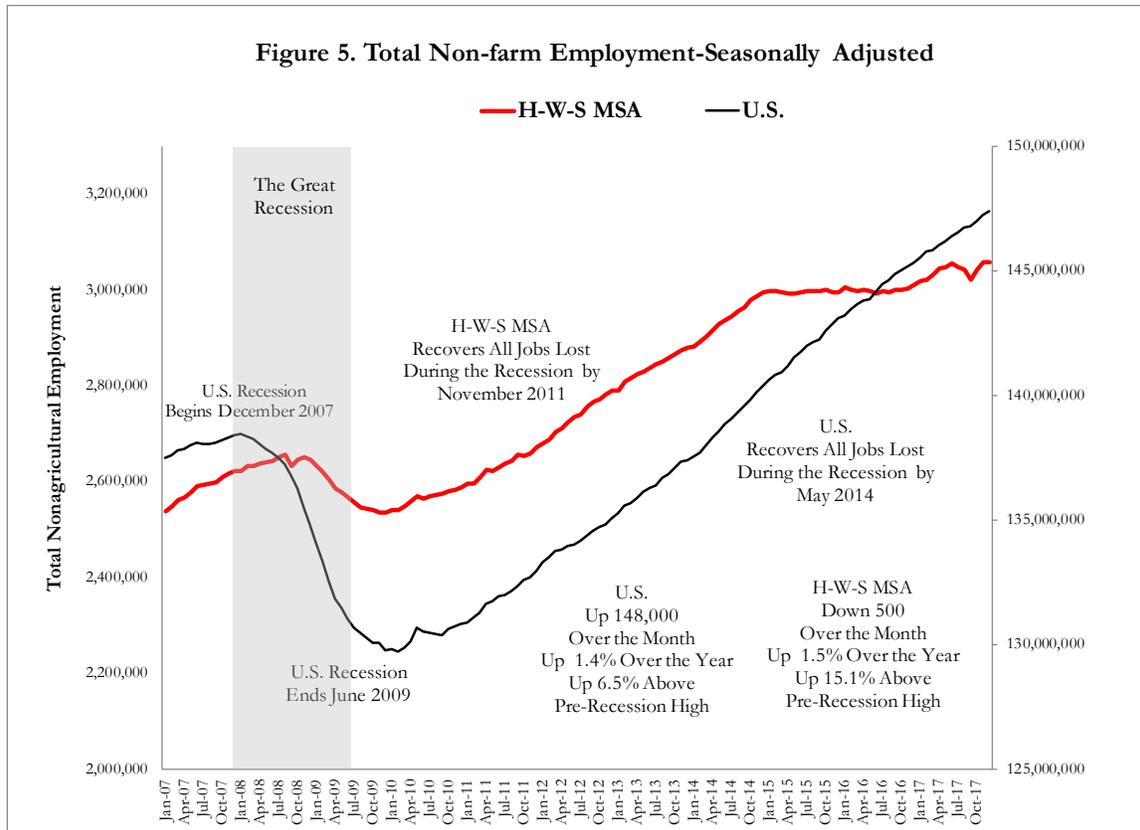
**Figure 3. Current Employment Statistics  
Actual Over-The-Year Increase/Decrease**

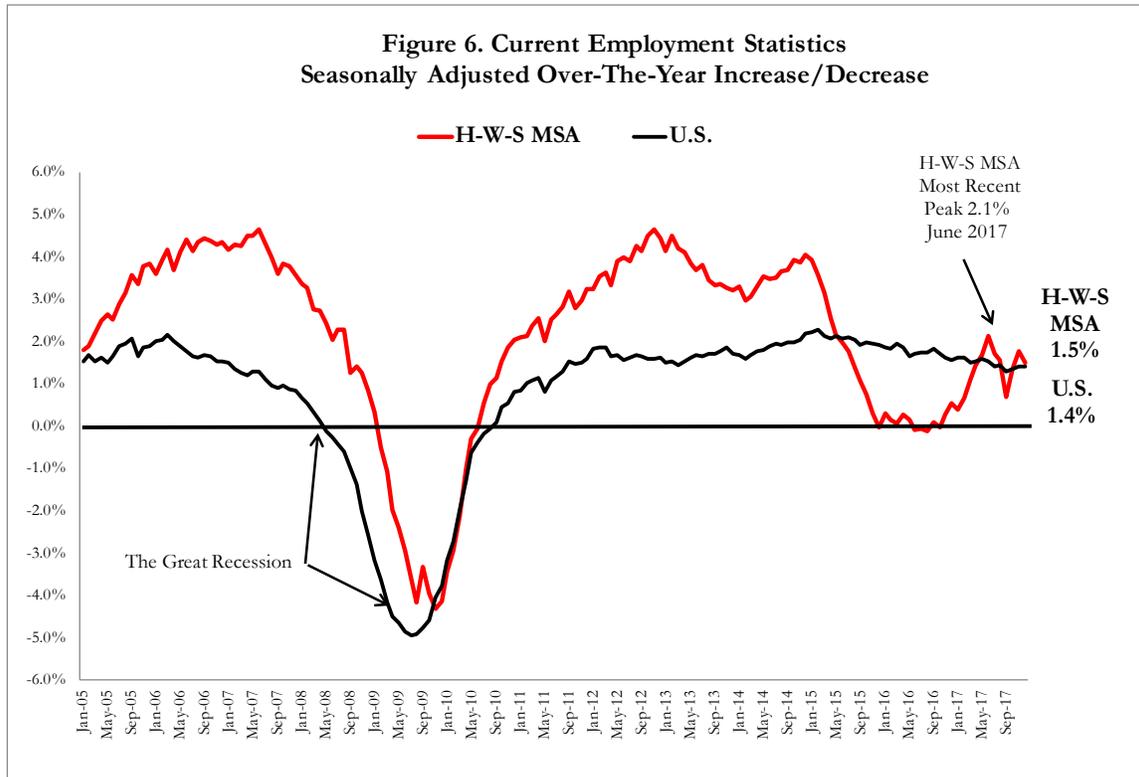


**Figure 4. Houston-The Woodlands-Sugar Land MSA  
Annual Change December 2016 to December 2017**



Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 5 and 6 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment was down 500 jobs in December. Seasonally adjusted employment was up 45,500 jobs from one year earlier with the pace of job growth at 1.5 percent, one-tenth of a percentage point higher than the nation's 1.4 percent rate. Overall growth of Total Nonfarm Employment in the H-W-S MSA has outperformed the nation over the long-term with payrolls up 15.1 percent above the prerecession high compared to the nation's 6.5 percent increase.

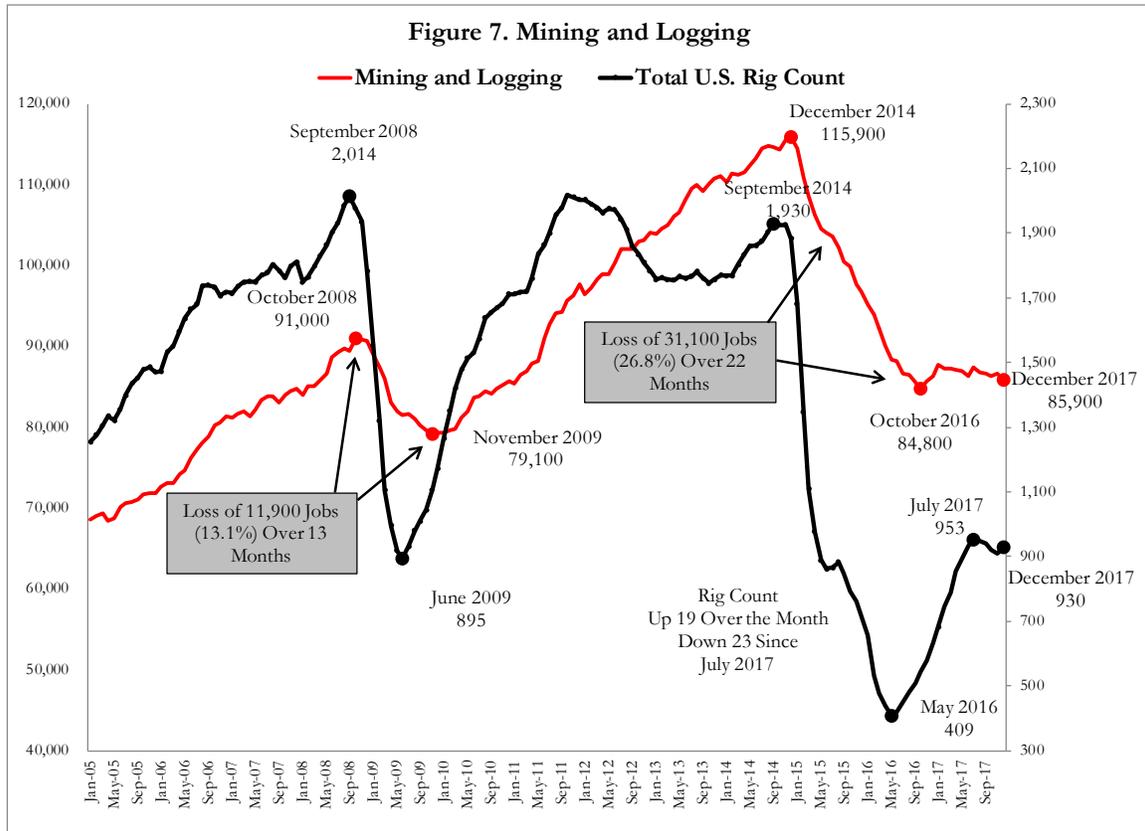




### DETAILS BY SUPER SECTOR

**Mining and Logging** was down 800 jobs in December driven by a loss of 600 jobs in Oil and Gas Extraction, where most engineering and office related services are performed to develop or operate oil and gas field properties. Support Activities for Mining, where companies perform most of the field services required in the physical extraction of oil and gas, saw payrolls increase by 300 jobs over the month. The pace of job growth in Mining and Logging fell in December with payrolls down 400 jobs or 0.5 percent over the year. This was the first year over year loss for the super sector since June 2017. Job losses in Oil and Gas Extraction were primarily responsible for the decline where payrolls were down 4,200 jobs or 8.8 percent. The remaining jobs lost are in industries that do not fit under the category of Oil and Gas Extraction or Support Activities for Mining. Gains in Support Activities for Mining helped minimize declines in the super sector with payrolls up 4,800 jobs or 13.3 percent over the year. Accrued losses in Mining and Logging since its most recent peak in December 2014 reached more than 31,000 jobs in October 2016. The 26.8 percent decline was twice as deep as a 13.1 percent loss of 11,900 jobs during the Great Recession, see figure 7. Payrolls in the super sector bottomed out October 2016 and have since stabilized.

The average U.S. rig count increased by 19 in December to 930. While the rig count was up by 350 over the year it remains much lower than a peak of 1,930 in September 2014. The average Texas rig count also rose in December, up 10 to 456, and was up 185 over the year.

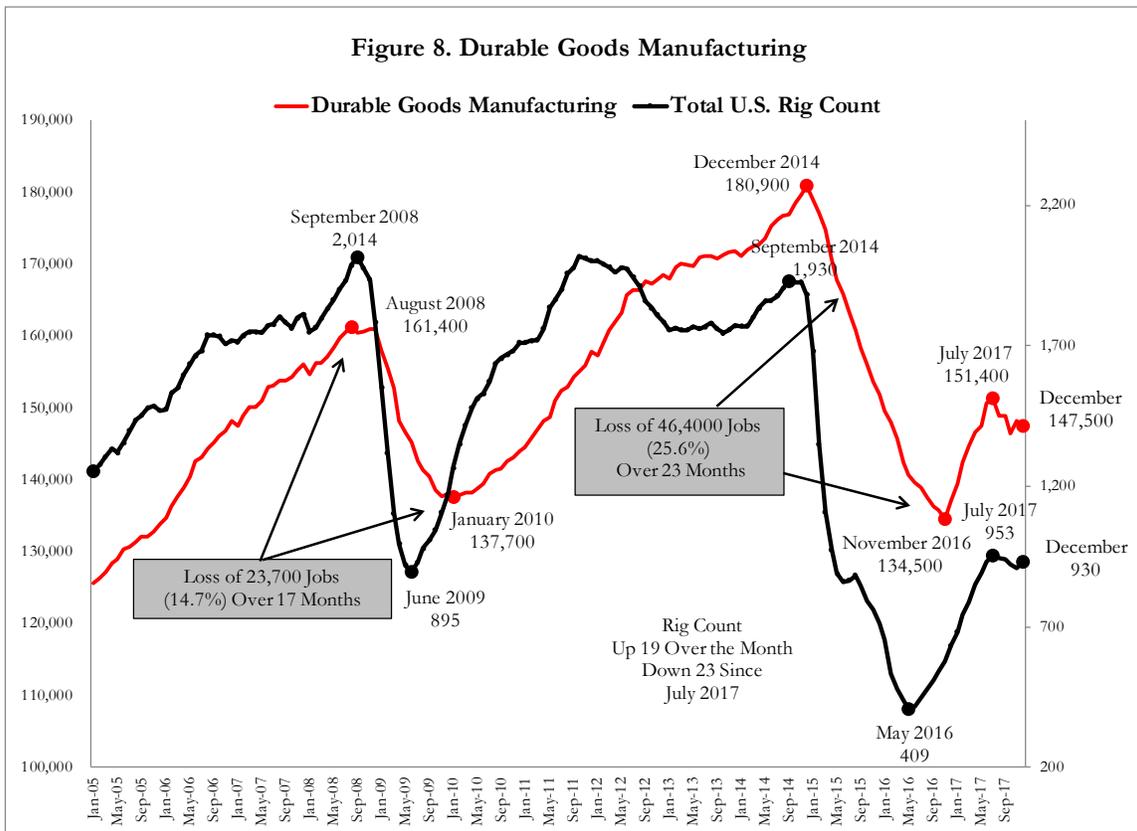


**Construction** increased for the third consecutive month with payrolls up 900 jobs or 0.4 percent. All hiring was in Construction of Buildings, up 1,800 jobs or 3.2 percent, where companies have been busy with Hurricane Harvey repairs. A loss of 800 jobs, 0.7 percent, in Specialty Trade Contractors offset gains in Construction of Buildings. Construction was no longer the largest declining super sector in the H-W-S MSA with the pace of losses down from November’s 0.9 percent to 0.4 percent representing a loss of 800 jobs. Chemical and petrochemical project completions were largely responsible for the losses that are currently being offset by increases related to Hurricane Harvey recovery. The most substantial decline was in Heavy and Civil Engineering Construction, down 1,500 jobs or 3.1 percent. Specialty Trade Contractors also suffered a loss, down 1,000 jobs or 0.9 percent. Construction of Buildings, which has added 5,400 jobs over the last three months, reported its first over-the-year increase since March 2017, up 1,700 jobs or 3.0 percent. Construction should continue to benefit from reconstruction efforts of Hurricane Harvey in the up and coming months.

**Manufacturing** was down 400 jobs or 0.2 percent in December. The loss was a result of declines in the Durable Goods Manufacturing sector where Fabricated Metal Product Manufacturing lost 800 jobs, down 1.5 percent. The Fabricated Metal Product Manufacturing sector produces metal into products, many of which are used at chemical and petrochemical plants such as architectural and structural metals, boilers, tanks, and other products. Non-durable Goods Manufacturing added 300 jobs in December. Manufacturing was the fastest growing super sector in the H-W-S MSA and tied with Education and Health Services as adding the second largest number of jobs, up 8,800 jobs or 4.0 percent. Gains in Durable Goods Manufacturing were responsible for the increase where payrolls were up

10,300 jobs or 7.5 percent over the year. Fabricated Metal Product Manufacturing contributed most of the new jobs in Durable Goods Manufacturing, up 5,400 jobs or 11.3 percent. The remainder of the increase was in other areas of Durable Goods Manufacturing that were undisclosed due to privacy concerns. Machinery Manufacturing, where much of the local employment supports oil and gas exploration, continued to report losses, down 4,100 jobs or 10.3 percent. The durable goods sector has suffered several declines in recent months but payrolls are up some 13,000 jobs since hitting a bottom in November 2016, see figure 8. Fourth quarter job gains in Non-durable Goods Manufacturing were the weakest on record since 2009 resulting in a loss of 1,500 jobs over the year, down 1.8 percent.

The Houston Purchasing Managers Index moved up 1.7 points to healthy 54.5 in December. The Houston PMI indicates likely shifts in production three or four months in advance. Readings over 50 generally indicate production expansion over the near term, while readings below 50 show coming contraction.



**Trade Transportation, Warehousing & Utilities** was the largest gaining super sector over the month of December adding 4,800 jobs. The 0.8 percent increase was, however, weaker than most years largely due to retail establishments doing the bulk of their seasonal hiring in October and November. Wholesale Trade helped make up for weak gains in Retail Trade adding 2,400 jobs. The 1.5 percent increase in Wholesale Trade was much stronger than an average increase of 0.4 percent over the last ten years. Transportation, Warehousing, and Utilities accounted for the remainder of the increase adding 1,500 jobs. The 1.1 percent December increase in Transportation, Warehousing, and Utilities was considerably weaker

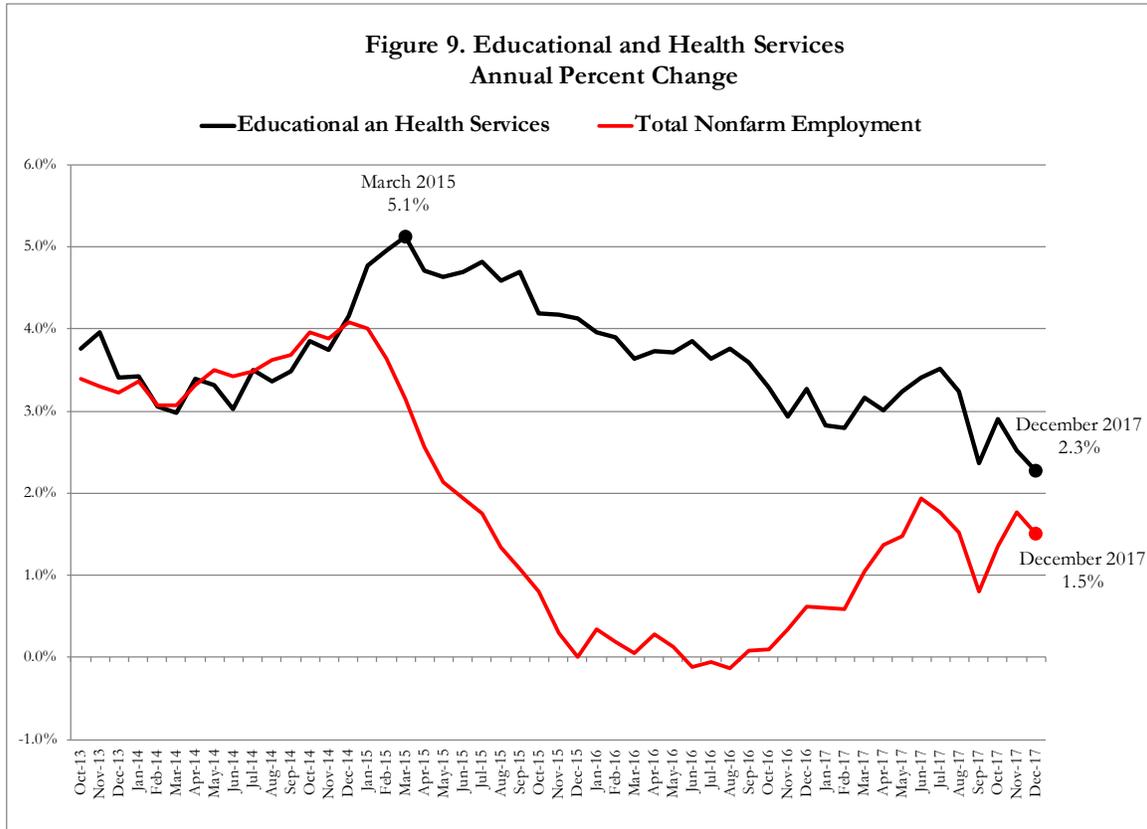
than an average 2.4 percent increase over the last ten years. Trade, Transportation, and Utilities was down 600 jobs or 0.1 percent over the year. The largest contributor to the decline was Wholesale Trade with payrolls down 2,000 jobs or 1.2 percent. Transportation, Warehousing, and Utilities was also reporting a loss, down 1,400 jobs or 1.0 percent over the year because of weak December gains. Retail Trade posted growth for the third consecutive month with payrolls up 2,800 jobs or 0.9 percent over the year. While most segments of Retail Trade were reporting increases, Clothing and Clothing Accessories Stores were down 1,200 jobs or 3.7 percent over the year.

**Information** was up 600 jobs in December but payrolls were down 1,100 jobs or 3.3 percent over the year making it the fastest declining super sector in the H-W-S MSA. About half of the MSA's employment in information resides in telecommunications where payrolls were down 400 jobs or 2.8 percent over the year. The remainder of jobs in the industry sector are found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

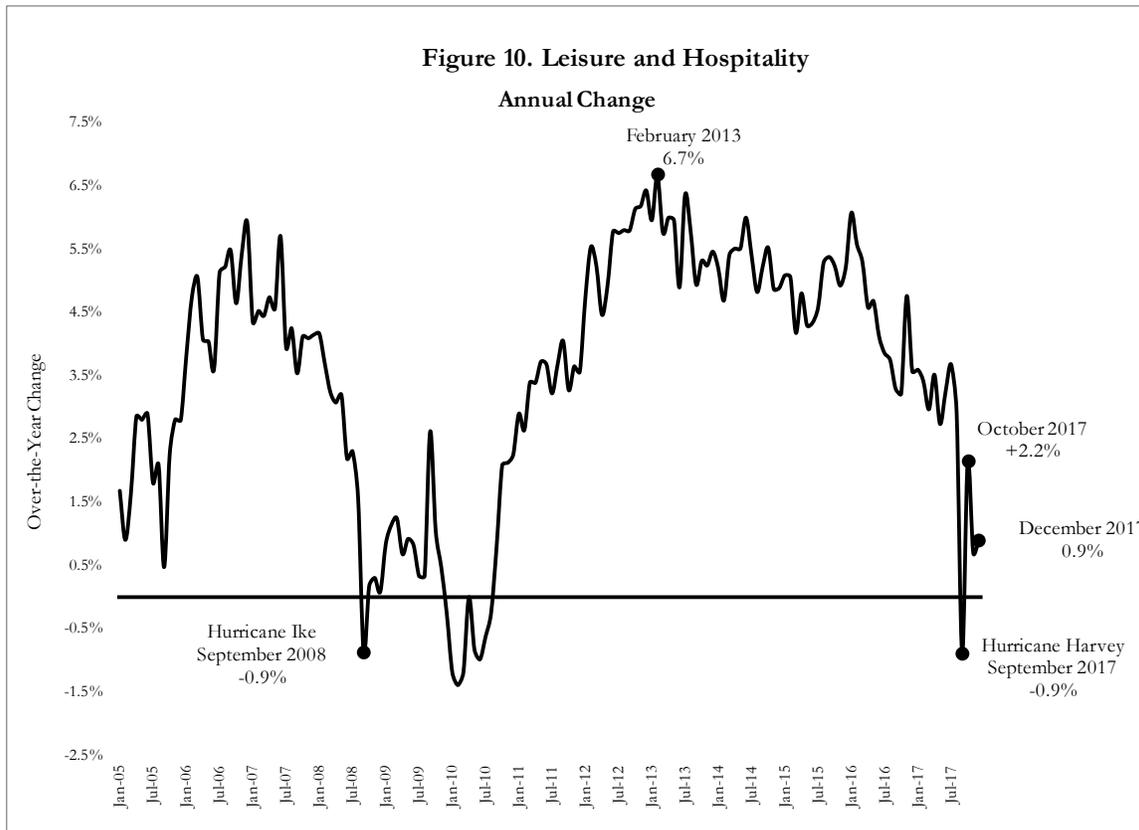
**Financial Activities** managed a slight gain of 300 jobs in December, up 0.2 percent. The increase was made possible by gains in Finance and Insurance. The super sector added 3,800 jobs over the year with the pace of job growth at 2.4 percent. More than half of the increase was in Real Estate and Rental and Leasing where payrolls were up 2,500 jobs or 4.4 percent over the year. Insurance Carriers and Related Activities also managed a substantial increase of 1,100 jobs, up 3.1 percent. Depository Credit Intermediation suffered a substantial loss of 700 jobs over the year, down 2.5 percent.

**Professional and Business Services** reported a slight loss of 200 jobs in December. The loss was an improvement from the previous year when the super sector lost 500 jobs. Declines in Administrative and Support and Waste Management and Remediation Services were responsible for the loss where payrolls were down 2,700 jobs or 1.2 percent. An area hit particularly hard was Services to Buildings and Dwellings which suffered a stronger than normal seasonal decline of 1,400 jobs or 2.8 percent. An increase of 2,400 jobs, 1.1 percent, in Professional, Scientific, and Technical Services helped offset the decline. Professional and Business Services was the largest job-producing super sector in the H-W-S MSA adding 14,900 jobs over the year with the pace of job growth at 3.2 percent. Employment Services continued to be responsible for the largest portion of the growth with payrolls up 10,700 jobs or 13.0 percent over the year. Architectural, Engineering, and Related Services reported the second largest increase with payrolls up 1,600 jobs or 2.5 percent. Services to Buildings and Dwellings suffered the only substantial decline of 2,200 jobs or 4.3 percent over the year.

**Education and Health Services** reported an increase of 900 jobs in December, up 0.2 percent. A gain of 1,400 jobs, 0.9 percent, in Ambulatory Health Care Services was responsible for the increase. Education and Health Services added 8,800 jobs over the year, up 2.3 percent. The pace of job growth remains higher than the 1.5 percent average for the entire H-W-S MSA but has fallen substantially since a peak of 5.1 percent in March 2015, see figure 9. All subsectors were reporting healthy over-the-year gains with Ambulatory Health Care Services experiencing the strongest increase as well as adding the most jobs, up 6,500 jobs or 4.2 percent. Educational Services also experienced a similar pace of growth, up 4.0 percent or 2,400 jobs.



**Leisure and Hospitality** reported a loss for the second consecutive month with payrolls down 700 jobs. Food Services and Drinking Places was responsible for the decline, down 1,000 jobs or 0.4 percent. Declines were offset by slight increases in Arts, Entertainment, and Recreation, up 200 jobs, and Accommodation, up 100 jobs. The pace of job growth in Leisure and Hospitality has been on a steady decline since early 2013 with this month's data reflecting the weakest over-the-year increase of the year (excluding Hurricane Harvey), up 2,800 jobs or 0.9 percent, see figure 10. All but 200 of the new jobs were in Food Services and Drinking Places, up 2,600 jobs or 1.0 percent.



**Other Services** experienced its largest December increase on record, up 1,300 jobs or 1.2 percent, and payrolls were up 1,800 jobs or 1.7 percent over the year. Other Services is comprised of personal care services, dry cleaning and laundry services, various repair service companies (industrial equipment, mining machinery and equipment), as well as the previously mentioned religious and social advocacy organizations and others.

**Government** added 300 jobs in December resulting from an increase in Federal Government. Government payrolls were up 8,000 jobs or 1.9 percent over the year. Much of the increase has been related to education with Local Government Educational Services up 5,400 jobs or 2.5 percent over the year and State Government Educational Services up 500 jobs or 1.0 percent over the year.

<b>NONAGRICULTURAL EMPLOYMENT</b>		<b>Month Change</b>		<b>Year Change</b>		
<b>Houston-The Woodlands-Sugar Land MSA</b>		<b>DEC 2017</b>	<b>Net</b>	<b>Percent</b>	<b>Net</b>	<b>Percent</b>
Total Nonfarm	3,082,000	7,000	0.2%	46,000	1.5%	
.Total Private	2,658,900	6,700	0.3%	38,000	1.4%	
.Goods Producing	530,900	-300	-0.1%	7,600	1.5%	
..Mining, Logging, and Construction	300,000	100	0.0%	-1,200	-0.4%	
...Mining and Logging	85,900	-800	-0.9%	-400	-0.5%	
.....Oil and Gas Extraction	43,500	-600	-1.4%	-4,200	-8.8%	
.....Support Activities for Mining	40,800	300	0.7%	4,800	13.3%	
...Construction	214,100	900	0.4%	-800	-0.4%	
.....Construction of Buildings	58,200	1,800	3.2%	1,700	3.0%	
.....Heavy and Civil Engineering Construction	46,800	-100	-0.2%	-1,500	-3.1%	
.....Specialty Trade Contractors	109,100	-800	-0.7%	-1,000	-0.9%	
..Manufacturing	230,900	-400	-0.2%	8,800	4.0%	
...Durable Goods	147,500	-700	-0.5%	10,300	7.5%	
....Fabricated Metal Product Manufacturing	53,000	-800	-1.5%	5,400	11.3%	
....Machinery Manufacturing	35,800	-300	-0.8%	-4,100	-10.3%	
.....Agriculture, Construction, and Mining Machinery Manufacturing	25,000	-100	-0.4%	-1,500	-5.7%	
....Computer and Electronic Product Manufacturing	15,000	-100	-0.7%	-100	-0.7%	
...Non-Durable Goods	83,400	300	0.4%	-1,500	-1.8%	
....Petroleum and Coal Products Manufacturing	10,100	0	0.0%	-100	-1.0%	
....Chemical Manufacturing	39,400	500	1.3%	500	1.3%	
.Service Providing	2,551,100	7,300	0.3%	38,400	1.5%	
.Private Service Providing	2,128,000	7,000	0.3%	30,400	1.4%	
..Trade, Transportation, and Utilities	626,700	4,800	0.8%	-600	-0.1%	
...Wholesale Trade	162,500	2,400	1.5%	-2,000	-1.2%	
....Merchant Wholesalers, Durable Goods	93,600	1,400	1.5%	200	0.2%	
.....Professional and Commercial Equipment and Supplies Merchant Wholesaler	14,000	100	0.7%	500	3.7%	
....Merchant Wholesalers, Nondurable Goods	45,200	600	1.3%	-1,300	-2.8%	
...Retail Trade	321,000	900	0.3%	2,800	0.9%	
....Motor Vehicle and Parts Dealers	42,500	-100	-0.2%	700	1.7%	
....Building Material and Garden Equipment and Supplies Dealers	22,400	100	0.4%	1,100	5.2%	
....Food and Beverage Stores	68,300	0	0.0%	900	1.3%	
....Health and Personal Care Stores	19,900	100	0.5%	-100	-0.5%	
....Clothing and Clothing Accessories Stores	31,000	1,000	3.3%	-1,200	-3.7%	
....General Merchandise Stores	68,400	800	1.2%	-400	-0.6%	
.....Department Stores	26,300	900	3.5%	-700	-2.6%	
.....Other General Merchandise Stores	42,100	-100	-0.2%	300	0.7%	
...Transportation, Warehousing, and Utilities	143,200	1,500	1.1%	-1,400	-1.0%	
...Utilities	15,800	-100	-0.6%	-300	-1.9%	
.....Air Transportation	21,800	200	0.9%	200	0.9%	
.....Truck Transportation	24,500	-100	-0.4%	-100	-0.4%	
.....Pipeline Transportation	11,000	0	0.0%	100	0.9%	
..Information	32,300	600	1.9%	-1,100	-3.3%	
...Telecommunications	13,700	100	0.7%	-400	-2.8%	
..Financial Activities	160,400	300	0.2%	3,800	2.4%	
...Finance and Insurance	101,600	300	0.3%	1,300	1.3%	
....Credit Intermediation and Related Activities	44,600	0	0.0%	-100	-0.2%	
.....Depository Credit Intermediation	27,800	100	0.4%	-700	-2.5%	
.....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	20,400	100	0.5%	300	1.5%	
....Insurance Carriers and Related Activities	36,600	200	0.5%	1,100	3.1%	
...Real Estate and Rental and Leasing	58,800	0	0.0%	2,500	4.4%	

NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	DEC 2017	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	487,400	-200	0.0%	14,900	3.2%
...Professional, Scientific, and Technical Services	224,500	2,400	1.1%	7,500	3.5%
....Legal Services	25,300	100	0.4%	300	1.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	26,100	700	2.8%	500	2.0%
....Architectural, Engineering, and Related Services	66,800	-500	-0.7%	1,600	2.5%
....Computer Systems Design and Related Services	33,200	200	0.6%	300	0.9%
....Management of Companies and Enterprises	36,800	100	0.3%	-400	-1.1%
...Administrative and Support and Waste Management and Remediation Services	226,100	-2,700	-1.2%	7,800	3.6%
....Administrative and Support Services	214,300	-2,900	-1.3%	7,900	3.8%
.....Employment Services	92,900	600	0.7%	10,700	13.0%
.....Services to Buildings and Dwellings	48,500	-1,400	-2.8%	-2,200	-4.3%
..Educational and Health Services	396,300	900	0.2%	8,800	2.3%
...Educational Services	61,800	-300	-0.5%	2,400	4.0%
...Health Care and Social Assistance	334,500	1,200	0.4%	6,400	2.0%
....Ambulatory Health Care Services	161,900	1,400	0.9%	6,500	4.2%
....Hospitals	89,600	100	0.1%	2,100	2.4%
..Leisure and Hospitality	315,900	-700	-0.2%	2,800	0.9%
...Arts, Entertainment, and Recreation	32,900	200	0.6%	200	0.6%
...Accommodation and Food Services	283,000	-900	-0.3%	2,600	0.9%
....Accommodation	26,000	100	0.4%	0	0.0%
....Food Services and Drinking Places	257,000	-1,000	-0.4%	2,600	1.0%
..Other Services	109,000	1,300	1.2%	1,800	1.7%
Government	423,100	300	0.1%	8,000	1.9%
.Federal Government	29,700	700	2.4%	300	1.0%
.State Government	85,700	100	0.1%	400	0.5%
..State Government Educational Services	51,000	-100	-0.2%	500	1.0%
.Local Government	307,700	-500	-0.2%	7,300	2.4%
..Local Government Educational Services	218,200	-400	-0.2%	5,400	2.5%
<b>UNEMPLOYMENT RATE</b>	<b>DEC 2017</b>	<b>NOV 2017</b>	<b>DEC 2016</b>		
H-W-S MSA	4.3	4.3	5.3		
Texas (Actual)	3.7	3.7	4.5		
United States (Actual)	3.9	3.9	4.5		

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

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