



To: Gulf Coast Workforce Board Members

From: Mike Temple
David Baggerly
Michelle Ramirez
Brenda Williams

Date: September 28, 2017

Subj: Board Meeting Materials for Tuesday, October 3, 2017

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, October 3, 2017** in H-GAC's second floor conference rooms A, B and C, 3555 Timmons Lane, Houston.

In recognition of National Disability Employment Awareness month, we have asked Michelle Howard-Herbein and Jane Borochoff to make a brief presentation on the efforts in our area to improve employment options for individuals with developmental disabilities. We will also provide an update on the Earn and Learn summer jobs efforts for young people with disabilities.

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 September review of annual trends from monitoring. Government Affairs Committee Chair Guy Jackson will have an update on the Texas Legislature's special session.

Action. We are asking for your approval to use \$10.531 million in workforce disaster recovery assistance funds provided by the U.S. Department of Labor through the Texas Workforce Commission. These funds – like those the Board received after Hurricane Ike – provide individuals who have lost jobs because of the hurricane with temporary jobs in clean-up and repair of public buildings, structures, facilities and lands. We expect to be able to provide at least 400 temporary jobs and help at least 1,000 dislocated workers with temporary work, financial aid and training.

Information. We will be providing an update on our service for individuals, businesses and communities affected by Hurricane Harvey. As usual, we will report on our performance/production and expenditures to-date and provide an update for the region's employment outlook. We also have a look-back report on the effects of Hurricane Ike on employment in the region – expecting that Harvey will have a similar affect.

We hope that you all are safe and well, and we look forward to seeing you on October 3rd. As always, please call or email us if you have questions, or if we can be of assistance.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, October 3, 2017 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 August 2017 meeting minutes**
5. **Declare Conflicts of Interest**
6. **National Disability Employment Awareness**
 - a. Presentation by Michelle Howard-Herbein of The Arc of Greater Houston and Jane Borochoff of the H.E.A.R.T Program on regional efforts to support employment for individuals with intellectual and developmental disabilities.
 - b. Briefing on Earn and Learn summer jobs for youth with disabilities.
7. **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 September meeting.
 - c. *Government Relations.* The Committee Chair will review materials on the legislative special session.
8. **Take Action**
 - a. Request approval of plan to integrate \$10.531 million of workforce disaster assistance funds in to Workforce Solutions operations.
9. **Receive Information**
 - a. *Harvey.* Update on activities related to recovery from Hurricane Harvey.
 - b. *Performance and Production.* Report on the system's performance and production.
 - c. *Budget and Expenditures.* Report on the Board's budget and expenditures.

The Gulf Coast Workforce Board Tentative Agenda

10. **Look at the Economy**

Report on current economic data and trends in the Houston-Gulf Coast region.

11. **Take Up Other Business**

12. **Adjourn**



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**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, AUGUST 1, 2017**

MEMBERS PRESENT:

Ray Aguilar	Bobbie Allen Henderson	Dale Pillow
Willie Alexander	Guy Robert Jackson	Janice Ruley
Gerald Andrews	Sarah Janes	Allene Schmitt
Betty Baitland	Birgit Kamps	Connie Smith
Peter Beard	Doug Karr	Gil Staley
Sara Bouse	Paulette King	Evelyn Timmins
Carl Bowles	Kendrick McCleskey	Kelly Violette
Mary Helen Cavazos	Steve Mechler	Shunta Williams
Cheryl Guido	Jerry Nevlud	
Mark Guthrie	Linda O'Black	

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, August 1, 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.

Prior to the adoption of the Agenda, Chair Guthrie welcomed new Board member Kelly Violette. Ms. Violette provided a brief introduction and was warmly welcomed by the Board.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM JUNE 6, 2017 MEETING

Chair Guthrie asked if there were any additions or corrections to minutes for the June 6, 2017 Board meeting and if not, for approval of the minutes as presented.

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

DECLARE CONFLICTS OF INTEREST

Chair Guthrie asked for a declaration of any conflicts of interest with items on the agenda. Conflicts of interest were declared by Guy Robert Jackson, Dale Pillow, Evelyn Timmons, and Shunta Williams regarding the Procurement Action Item 7(a) on the agenda. Chair Guthrie reminded the members that they were also welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

Chair's Report

Chair Guthrie reported that, on June 24 he was privileged, along with Doug Karr, to serve as judge on a business problem competition in the final event of a program for preparation of disabled youth for employment called Paving the Pathway to Success. He reported that this is the second year that this excellent program has been held with amazing results. It involves young people with issues like autism, visual impairment and other disabling conditions participating in an intensive program over several months to prepare them for employment. It is, apparently, the only program of its kind in the country and was conceived and implemented by our board member, Cheryl Guido, and her team at TWC Vocational Rehabilitation Services.

Chair Guthrie reported that in late June, he attended a National Association of Workforce Boards meeting in Washington, DC. There, he received a briefing on the President's budget proposal, which appears to call for cuts of approximately \$1.4 billion to Workforce and related programs. After the briefing, he had an opportunity to speak with several legislators and legislative staff about what our boards do in our area and elsewhere in Texas in terms of the numbers of residents and employers served, and the services we offer to employers. He said that they seemed to be amazed that the Gulf Coast served almost 400,000 residents and almost 22,000 employers last year, and at some of the initiatives that we have been able to develop with our employers. He said he also provided information about the Greater Houston Partnership's Upskill Houston effort for the development of middle skill jobs.

Chair Guthrie advised that he had received a report from the NAWB Executive Director several weeks after the meeting indicating that the House-issued preliminary budget contemplated cuts of almost \$1 billion to Workforce programs.

Despite these gloomy budgets, NAWB is saying that the budgets are just the starting point and they expect a continuing resolution in September to continue to fund the government at present levels for about 3 months and then another one in December to fund the government for another year without cuts to Workforce programs. Chair Guthrie reminded the members that it is important that the members talk about our efforts and successes and the value of public investments in workforce development as we go through our lives and interact with people.

Chair Guthrie reported that he is planning, along with Mike Temple, to attend the quarterly meetings of the Texas Association of Workforce Boards, which start this afternoon and continue for the next few days with the Executive Director's Retreat. A report will be provided with anything of interest at the next Board Meeting.

Chair Guthrie concluded his report and no action was taken.

Audit/Monitoring Committee Report

Committee Vice Chair Guy Robert Jackson reported that the Audit/Monitoring Committee met on Monday, July 24 in conjunction with the Procurement Committee to provide an annual summary and trends report. In a nutshell, all of the Career Offices have seen a steady "solid performance" with some even reaching a higher level of "strong performance." Vice Chair Jackson said the system as a whole has been improving, but there are always opportunities where the entire system can improve in the qualities of how we screen or refer our candidates to employers for open jobs, and how the individuals are placed in work.

Vice Chair Jackson said that every year, we identify areas of high risk, develop monitoring methods to assess results and verify compliance, conduct monitoring reviews, make recommendations and assist in follow up to ensure contractors and units address concerns as they are identified. Contractors have responded timely with adequate actions to address findings and work cooperatively with us to identify and develop strategies for improvement when weaknesses are identified.

Vice Chair Jackson observed that although there are opportunities for improvement, our system is more receptive, focused on service to employers, and more attentive to customer needs and wants. Board staff will continue oversight by providing technical assistance, guidance and implementing performance improvement and corrective action plans as warranted.

Vice Chair Jackson concluded his report and no action was taken.

Employer Services Committee Report

Committee Chair Gerald Andrews reported that the Employer Service Committee met via teleconference on Thursday, June 22, 2017. Chair Andrews led the meeting which also included Board Chair Mark Guthrie, Sara Bouse, Helen Cavazos, Joe Garcia, Cheryl

Guido, Guy Robert Jackson, Birgit Kamps, Doug Karr, and Gil Staley. The meeting focused on measuring market share.

Chair Andrews reported that, since its original strategic plan 20 years ago, the Board has used *market share* as a measure of its overall performance.

The Board's contractor operating Workforce Solutions' Employer Services has the primary responsibility for ensuring the system achieves the target for this measure.

Chair Andrews noted that over time, we have changed what "delivered a service" means to narrow the definition to a specific set of substantive actions.

He also noted that in 2015, to refine our counting for Market Share, we required the Employer Services contractor to disband a large inside sales unit that relied on telephone marketing to deliver counts of employers served. We directed our contractor to transfer the inside sales staff to Business Consultant positions in the field.

We expected the move to increase the number of Business Consultants in the field would produce higher quality service and better satisfied customers, but would probably result in reduced number of employers receiving service, at least initially.

As expected, our Market Share performance did dip and we failed to achieve one of our production measures as required by the Texas Workforce Commission.

In order to resolve this issue, and increase our Market Share Performance, Board staff will:

- Provide on-going, direct assistance to Employer Services to improve the ability of Employer Services' field staff to reach and serve employers throughout the region;
- Review target setting with the Texas Workforce Commission to better match the state's production requirements to a level of effort commensurate with our resources;
- Following the review of the production requirement, adjusting our strategic performance measure to ensure we meet production.

Following the report from Chair Andrews, Peter Beard inquired whether, given the size of our employer base, we segment it in any way so that we target a core of employers who are our "sweet spot" with higher priority versus other employers? If so, what does that look like? Mike Temple responded that we do give priority to the key industries that we identify as part of our labor market information each year (construction, health care, education, business services). We also look for and prioritize mid-size and larger employers who are more likely to use our services.

Chair Andrews concluded his report and no action was taken.

Government Relations Legislative Update

Committee Chair Guy Robert Jackson reported that On July 18, 2017 Governor Abbott opened a special session of the Texas Legislature which will end on August 16, 2017. He said that Governor Abbott stated his intention to consider a total of 20 legislative items during the special session. Chair Jackson reported on the following legislative items in the special session of potential interest to the Board:

- Sunset Legislation to extend the life of the Texas Medical Board, Texas State Board of Social Worker Examiners, Texas State Board of Examiners of Marriage and Family Therapists, Texas State Board of Examiners of Psychologists, and the Texas State Board of Examiners of Professional Counselors.
- Legislation to increase the average salary and benefits (including TRS-Care) of Texas teachers; and legislation to provide a more flexible and rewarding salary and benefit system for Texas teachers.
- Legislation establishing a statewide commission to study and recommend improvements to the current public school finance system; and other legislation relating to school finance, including Additional State Aid for Tax Reduction.
- Legislation to empower parents of children with special needs or educational disadvantages to choose an educational provider that is best for their children.
- Legislation prohibiting state or local government entities from deducting labor union or employee organization membership fees or dues from the wages of public employees.

Next, Chair Jackson reported on the following federal legislation of potential interest to the Board:

- **Carl D. Perkins Career and Technical Act:**

The 115th Congress is currently voting on the reauthorization of the Carl D. Perkins Career and Technical Education Act.

- [HR 2353](#) - **Rep. Glenn Thompson**

Strengthening Career and Technical Education for the 21st Century Act: The U.S. House Education and the Workforce Committee held a hearing on May 17th to consider HR 2353, the Strengthening Career and Technical Education for the 21st Century Act. The bill reauthorizes the Carl D. Perkins Career and Technical Education Act as well as makes changes to the program by adding more flexibility, streamlining reporting processes, encouraging innovation, and

improving transparency and accountability. HR 2353 was passed in the House. It has been received in the Senate and referred to the Committee on Health, Education, Labor, and Pensions.

Chair Jackson said that he will continue to monitor activities in the Texas Legislature and Congress.

Chair Jackson concluded his report and no action was taken.

TAKE ACTION

- a. Procurement. The Chair will present recommendations for funding Workforce Solutions operations in 2018, and ask Board consideration of contracts in an amount not to exceed in total \$229,475,000.

Committee Chair Evelyn Timmins reported that the Board's Procurement Committee met after the Audit/Monitoring Committee on Monday, July 24, 2017, with Committee Chair Evelyn Timmins, Committee Vice Chair Bobbie Henderson, Board Chair Mark Guthrie, Board Vice Chair Joe Garcia, Board Vice Chair Willie Alexander, and members Richard Shaw, Jeff Labroski, Gil Staley, Guy Jackson, Allene Schmitt, Helen Cavazos, Doug Karr, and Dale Pillow in attendance.

Chair Timmins said that the Audit/Monitoring Committee helps all of us to focus on what we are doing right and what could be done better and helps us to make better decisions when we go to procure providers for the next year.

Chair Timmins reported that we received 22 proposals from 17 organizations to operate Workforce Solutions. Those 17 bidders requested almost \$172 million.

- All current contractors except one submitted proposals.
- We received proposals from five organizations submitting for the first time and proposals from four organizations that have either bid previously or had contracts from us previously.
- We received only a single proposal for each of the Early Education Quality and Financial Aid Support Center requests.

Teams of Board staff reviewed all proposals in depth, including conducting reference checks and assessing organizations' financial integrity.

These teams then scored proposals using the criteria specified in our Request for Proposals and ranked proposals, by functional area, in order from highest to lowest score.

The Committee asked proposers to address the Committee in 3 minute segments providing what they wanted the Committee to know about them or to highlight details in their proposal. This enabled the Committee to further ask questions regarding the proposal or ask general questions about the services provided

The Committee then met to listen to the Staff summary of what they did when they reviewed the proposals and then came up with a funding recommendation.

Chair Timmons asked Mike Temple to highlight the funding recommendations of Board staff and the Procurement Committee that are to be presented for action today.

Mike Temple thanked Chair Timmons and the Audit/Monitoring and Procurement Committees for the work that they did and presented the following Board staff and Procurement Committee recommendations to the Board.

Mike Temple said that overall, we expect revenue available for Workforce Solutions operations – with the additional allocation and estimated carryover dollars – to rise from \$199 million to about \$215 million, and that the recommendations for funding we believe will:

- Ensure infrastructure is in place throughout the region to deliver service for an increasing number of employers and people.
- Substantially improve our system's ability to recruit talent for the employers that list with us and increase the number of candidates we place in jobs.
- Continue expanding and deepening our connections with community organizations throughout the region to leverage our service with their expertise.
- Provide service to more individuals who lack the basic or occupational skills necessary to get a job, keep a job, or get a better job.

Employer Services

Mike Temple reported that we received four proposals for Employer Services. For the first time, we are recommending contracts with two bidders for this function and that the Board increase the dollar investment in Employer Services.

- As our region has grown over the past 10 years, we see a need to expand and to improve the capability of Workforce Solutions to reach more employers and to provide targeted service to key regional industries.
- Employment and Training Centers and DB Grant and Associates are our top-scoring bidders, and we recommend a contract with each.

- Employment and Training Centers is a long-time contractor and Grant and Associates is new to our region.
- We would negotiate functions of each to ensure they are integrated with each other and the rest of system as a part of the contracting process.

Career Offices

Mike Temple reported that, as usual, we received more proposals to operate our offices than any other part of the system. We are recommending contracts with three bidders to operate our full-time and part-time locations.

- The number and location of our offices has been static for several years. We are recommending investing additional dollars in the career office part of our system to find new full-time and part-time locations in the region.
- We are particularly interested in gauging the need for our presence in the Pearland-northern Brazoria County area, Missouri City-Sugar Land area, the Clear Lake City-League City area, the Acres Home-northwest Houston area, and OST/South Union-Sunnyside area of Houston.
- BakerRipley, Interfaith of the Woodlands, and ResCare are the three top scoring proposers. We are recommending contracts with each.
- Interfaith is a long-time contractor, and we have had contracts with BakerRipley to operate offices since 2013.
- We contracted in previous years with ResCare and ended those contracts at the last procurement. We were impressed with the ResCare proposal for this cycle and believe it can provide an additional boost to our career office operations.
- We would negotiate locations and relationships among the three contractors as a part of the contracting process.

Financial Aid Payment Office

We received two proposals to operate the Payment Office.

- We are recommending contracting with the top-scoring bidder for this function, BakerRipley.

Financial Aid Support Center

We received only one proposal to operate the Support Center, from the current contractor, Interfaith of the Woodlands.

- We are recommending a contract with Interfaith for this function, but we believe it can best operate with less dollars and more attention to streamlined process.

- We will be recommending a targeted training and development effort focused on this unit, with the expectation that we will see significant results before the end of 2018 contract year.

Community and Youth Projects

Five bidders submitted proposals to deliver service for young people. Three of the proposers have current contracts.

- We have had positive experiences with SER-Jobs for Progress and Dynamic Educational Systems, Inc.
- Gulf Coast Trades Center has experienced a steady decrease – every year over several years – in the number of customers it serves. We believe our customers would be best served by converting our contractual relationship to a vendor relationship with Gulf Coast Trades Center so that we would be able to pay for individual eligible customers interested in the Center as those customers chose that option.
- We are recommending contracts with SER and DESI – the top two scoring proposals – although at lower dollar amounts than each proposed. We would negotiate the scope and coverage of these contracts as well as how they connect to and support the activities of the career offices.

Early Education and Care

We received one bid from Collaborative for Children, a current contractor.

- We have good experience with this contractor in current and previous years. Of note is the Collaborative's assistance in finding ever-increasing amounts of matching resources from community organizations to draw down the maximum amount of federal dollars for early education services. The Collaborative has also ensured that our region leads the state in the number of providers certified for Texas Rising Star.
- The state provides us with a set amount of dollars for early education quality improvement activities. As we did last year, we recommend adding to that amount from our financial aid pool to exceed the minimum required effort.

Staff Training and Development

We received three proposals to provide staff training and development.

- Learning Designs created our staff training and development system and has supported that system since then. LDI has been responsive to our requests for adding new courses, providing technical assistance consulting for contractors, and supporting system staff quality improvement workgroups.
- We were impressed with the proposal offered by Public Consulting Group and by the organization's experience with training in public organizations.

We would like to offer PCG a contract to focus on improving the process in the Financial Aid Support Center.

- We are recommending contracts with the top two scoring proposers, Learning Designs and Public Consulting Group.

Adult Education

We solicited proposals from interested organizations other than the current contractors with the intention of expanding the adult education consortium.

After we closed our process, we received notice from the Workforce Commission that the U.S. Department of Education – the source of the adult education funding – had noticed our actions and expressly forbid us to solicit new members to the consortium. According to the Department of Education, that role is limited to a state agency.

However, the Workforce Commission informed us that it was permissible for us to break out a provider who was in a subcontract relationship to an existing consortium contractor and then directly contract with that provider.

- We received a proposal from the Houston Center for Literacy, which has functioned in the past as a subcontractor to Houston Community College in the consortium.
- The Center for Literacy's proposal was the only one we scored sufficiently high enough to consider as a separate contract, and therefore we are recommending it as a new contract.
- We are recommending roughly level funding for the other consortium contractors, with the exception of Houston Community College.
- HCC has had difficulty in expending funds and delivering service this year and is currently working through a corrective action plan with us. We proposed reducing funding for next year, breaking out the Center for Literacy and several associated community providers, and assisting HCC with improving its service.

Overall, we are proposing an increased investment in our Service Delivery of about \$7 million dollars and in our Financial Aid, which is direct dollars that go to the benefit of our customers, an increase of about \$8 million. On the Adult Education side we are recommending slightly less on a regional basis, down from \$15.6 to \$15.5 million. Our total for all contracts will rise from \$215 to \$229 million.

Action

Request the Board authorize staff to negotiate contracts for 2018 Workforce Solutions system and adult education consortium operations with organizations up to

the proposed amounts shown in the schedules below in total not to exceed \$229,447,000.

2018 System Contracts Recommendations

Employer Service	Current	Requested	Proposed
Employment and Training Centers	\$ 6,818,260	\$ 7,598,240	\$ 6,500,000
DB Grant Associates, Inc.		6,700,000	3,350,000
SERCO of Texas		6,736,296	
Beechcrest 13 Work dba Texas Works 13		6,362,061	
Career Offices	Current	Requested	Proposed
BakerRipley	21,250,238	19,674,991	20,000,000
Interfaith of the Woodlands	13,593,098	14,142,000	13,000,000
Arbor E&T dba ResCare Workforce Services		14,759,259	6,200,000
Northwest Assistance Ministries		5,342,384	
Public Consulting Group, Inc.		44,570,950	
Career and Recovery Resources		23,032,781	
Payment Office	Current	Requested	Proposed
BakerRipley	3,146,484	3,107,739	3,107,000
Public Consulting Group, Inc.		3,599,000	
Support Office	Current	Requested	Proposed
Interfaith of the Woodlands	5,473,500	5,712,000	5,200,000
Community and Youth	Current	Requested	Proposed
SER - Jobs for Progress of the Texas Gulf Coast	936,136	1,372,614	1,000,000
Dynamic Educational Systems	1,002,766	1,376,550	500,000
Gulf Coast Trades Center	122,743	174,016	
Knowledge First Empowerment		425,000	
Employment and Training Centers		498,628	
Early Education Quality	Current	Requested	Proposed
Collaborative for Children	4,005,000	4,273,464	4,000,000
Staff Training & Development	Current	Requested	Proposed
Learning Designs, Inc.	831,212	1,152,070	800,000
Public Consulting Group, Inc.		1,273,455	350,000
Inspiring Innovations, Inc.		24,000	
Subtotal, Operations	57,179,437	171,907,498	64,007,000
Financial Aid	142,462,407		150,000,000
Total, Workforce Solutions	\$ 199,641,844		\$ 214,007,000

2018 System Contracts Recommendations

Adult Education	Current	Proposed
Brazosport College	754,520	765,000
College of the Mainland	1,026,927	1,040,000
Harris County Department of Education	4,115,264	4,200,000
Houston Center for Literacy	-	2,000,000
Houston Community College	6,506,735	4,200,000
Lone Star College	1,261,100	1,250,000
Region 6 Education Service Center	672,800	673,000
San Jacinto College	661,780	675,000
Wharton County Junior College	652,900	665,000
Subtotal, Adult Education	\$ 15,652,026	\$ 15,468,000
TOTAL, ALL CONTRACTS	\$ 215,293,870	\$ 229,475,000

Board Member Peter Beard raised a question regarding earlier comments concerning areas for improvement. He inquired as to how those issues are being integrated into our relationships. For example, on the Employer side we did not hit target.

Mike Temple responded that expanding our investment in Employer Service is designed to put more resources and more “boots on the ground” to make sure that we are doing a better job of screening and placing individuals for employment with employers that list with us. In terms of expanding our presence and investing more dollars in our Career Offices, that is primarily intended to get us out more so that we are able to find more people and do a better job of putting them into open jobs. Expanding our Adult Education consortium means that we are putting in place enough of that service throughout the region and making sure it is integrated with the rest of our services to make sure our customers are able to get and keep the jobs that they need.

A motion was made and seconded to approve the Procurement Committee’s recommendations for 2018 System Contracts with the parties and in the amounts not to exceed the amounts identified in the Schedules above, Sarah Janes also declared a conflict of interest with this action item. Dr. Janes, Guy Robert Jackson, Dale Pillow, Evelyn Timmons, and Shunta Williams abstained from the vote. The motion carried.

Chair Mark Guthrie remarked that the Staff as well as members of the Procurement Committee worked very hard on these recommendations and he commended everyone involved. He also noted that, in addition to advertising this procurement locally, it was also advertised in the NAWB monthly newsletter. The Staff also is to be commended for casting a national net in soliciting bidders for these proposals.

Chair Guthrie also noted that the procurement process set out in the solicitation for the proposals, was followed. Staff scored and ranked the proposals. The Procurement Committee was given the opportunity to accept the Staff's ranking and scoring or to re-rank and re-score the proposals. The Committee elected to accept the Staff ranking and scoring. The Committee was also given the opportunity to reject or modify Staff funding proposals following the ranking and scoring and, again, elected to accept the Staff recommendations for funding.

Chair Timmons concluded her report and no further action was taken

RECEIVE INFORMATION

- a. Performance and Production. Report on the system's performance and production.

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

Board Measures for Workforce Solutions

For the measure of More Competitive Employers, we are seeing an improvement in the number of employers up to this point this year. We anticipate being close to the goal by the end of the year. The same with Employer Loyalty.

More and Better Jobs

We are static right now with the number of new jobs that are created as a result of our partnering with economic development organizations. This is based on a two year average. For customers employed by the 1st quarter after exit, we are exceeding the target.

Higher Real Incomes

We are not near the target or near where we were last year at this time. We expect new data in the next quarter but these are individuals who exited in 2015 and the wages were not where they need to be. We are taking steps with our contractors to help improve the wages for customers.

A Better Educated Workforce

We are a little behind but we are looking for new data to come in later this month.

Production

We have 18 state measures and there are 4 that we are not meeting at the moment.

- Number of Employers Receiving Workforce Assistance: The annual target for this measure is 26,235. We provided services to 14,505 employers from October 2016 through June 2017.
- Median Earnings Q2 Post Exit – Adult: The target for this measure is \$3,910. Our performance for customers who exited from July 2015 through March 2016 was \$3,680.

- **Median Earnings Q2 Post Exit – Dislocated Worker:** The target for this measure is \$6,980. Our performance for customers who exited from July 2015 through March 2016 was \$6,319.
- **Credential Rate – Dislocated Worker:** The target for this measure is 66.6%. Our performance for customers who exited from January 2015 through September 2015 was 62.7%.

All of the data is not in on some of these measures and we expect to be close to the targets by the end of the year.

Adult education measures for the period July 2016 through June 2017

Almost all measures were exceeded. The measure we are having the most difficulty with is “Integrated English Language and Civics Education”. We are working with our contractors to improve our results.

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report representing expenses for the six months ending in June. We are on target on a straight line basis for meeting the budget for the year. We are running a “little hot” in financial aid. This is the result of two things, demand for our scholarship assistance and the demand for financial assistance for child care expenses.

Mr. Temple also reported that we are supporting close to 30,000 children per day with our financial aid assistance. We anticipate being able to make the budget by the end of the year and not overspend.

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

LOOK AT THE ECONOMY

Mr. Ron Borski presented a look at the current economy. June data, the latest data available, was released last Friday. We saw an uptick in local rate of unemployment by 0.2%. We see this every June when we get new entrants into the job market as students leave the education sector and people look for summer jobs. One thing to note is that this is the first time we have had a year-over-year decline in the number of unemployed since September 2015. The state and national rates increased as well, but we are slightly above those.

Our pace of job growth has jumped since 2017 began. We have had some growth in payrolls which are up 1.9% over the year, surpassing the national rate of 1.5%. On a seasonally adjusted basis, we are up 2.1% over the year.

While our over-the-month increase of approximately 10,700 jobs was on par with most years, what is different is where the jobs come from. We had a very strong increase in Professional Business Services in June. That increase helped offset a weak month in Retail. Construction continues to see some declines as we have seen a lot of plant work that has been wrapping up this year. The decrease in Government is seasonal in nature related to educational institutions that are out for the summer.

The highest percentage of growth comes from Professional Business Services. This is much different than it was a year ago, when we saw a lot of the growth from Educational Services and Leisure and Hospitality. We have seen slight loses in Construction and Trade, Transportation and Utilities and are currently up approximately 56,000 jobs over the year.

The number of jobs in Mining and Logging has declined on a year-over-year basis. The fastest growing sector has been Manufacturing in the Durable Goods sector. The Trade, Transportation, Warehouse and Utility sector has been weak according to current estimates. Within the Professional Business Services, most of the growth is in Employment Services with that sector up 20.8% over the year. This may be revised, but it does often coincide with Drilling Activity.

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

OTHER BUSINESS

Ray Aguilar shared a brief update with the Board regarding service provided by the Bay City Career Office. The staff collaborated with Tenaris, a pipe fitting company in Bay City, and the Bay City Chamber of Commerce to fill approximately 240 open positions. Over 800 applicants were brought in and virtually all of the positions were filled in about one week. Ms. Carolyn Thames and the rest of the staff accommodated the large number of applicants during rainy, windy weather conditions and each of the applicants was seen. Mr. Aguilar commended the Career Office staff for their efforts.

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

ADJOURN

Chair Guthrie adjourned the meeting at approximately 10:55 a.m.

GULF COAST WORKFORCE BOARD

Board Member	10/04/16	12/06/16	02/07/17	04/04/17	06/06/17	08/01/17
Aguilar, Ray	X	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	X	X
Beard, Peter	X	X	X	X	X	X
Bhargava, Narayan						
Bouse, Sara	X	X	X	X	X	X
Bowles, Carl		X	X		X	X
Cavazos, Mary Helen					X	X
Garcia, Joe		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		
Honold, Eduardo	X	X		X		
Jackson, Guy Robert	X	X	X	X	X	X
Janes, Sarah		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	X
King, Paulette	X	X	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
Nevlud, Jerry	X		X			X
O'Black, Linda	X	X	X	X	X	X
Pillow, Dale	X	X		X	X	X
Ruley, Janice			X		X	X
Schmitt, Allene	X	X	X	X	X	X
Segovia, Valerie						
Shaw, Richard	X	X	X	X	X	
Smith, Connie	X	X	X			X
Staley, Gil	X		X	X	X	X
Timmins, Evelyn	X	X	X	X	X	X
Violette, Kelly						X
Welch, Fred					X	
Williams, Shunta			X	X	X	X
Wroblewski, Sarah		X	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

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

Term: January 1, 2015 thru December 31, 2016

ALLEN, KARLOS

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

Category: Business

County: City of Houston

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

Term: January 1, 2015 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

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

Term: May 1, 2015 thru December 31, 2016

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

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

Term: January 1, 2015 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
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
mhcavazosassoc@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
Term: January 1, 2015 thru December 31, 2018

GUIDO, CHERYL

Department of Assistive and
Rehabilitation Services
427 W. 20th, Suite 407
Houston, TX 77008
(713) 802-3101
Fax: (713) 802-3143
Category: State Agency
cheryl.guido@twc.state.tx.us
Term: January 1, 2016 thru December 31, 2017

GUTHRIE, MARK

Winstead PC
1100 JPMorgan Chase Tower
600 Travis Street
Houston, TX 77002
(713) 650-2730
Fax: (713) 650-2400
Category: Business
County: City of Houston
mguthrie@winstead.com
Term: January 1, 2015 thru December 31, 2016

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
Term: January 1, 2015 thru December 31, 2016

HESKAMP, ALAN

Heskamp & Associates LLC
311 Hoskins Broadway
El Campo, TX 77437
(979) 758-4521
Category: Business
County: Wharton
aheskamp@sbcglobal.net
Term: January 1, 2016 thru December 31, 2017

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
Term: January 1, 2016 thru December 31, 2017

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
Term: January 1, 2015 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
Term: January 1, 2016 thru December 31, 2017

JORDAN, FRANK M.

Nutrition Supply Corporation
317 Industrial Circle
Liberty, TX 77575
936-334-5778
Fax: (936) 334-0214
Category: Business
County: Liberty
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
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
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
Term: January 1, 2016 thru December 31, 2017

KING, PAULETTE

Health and Human Services
1332 E. 40th 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
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
Term: January 1, 2015 thru December 31, 2016

MARSHALL, SCOTT

Jacobs
5995 Rogerdale Road
Houston, TX 77072
(832) 351-6655
Category: Business
County: Harris
scott.marshall@jacobs.com
Term: November 30, 2015 thru December 3, 2017

McCLESKEY, KENDRICK

PricewaterhouseCoopers-
1903 Crockett St.
Houston, TX 77007
(281) 788-6046
Category: Business
County: City of Houston
klmccleskey@gmail.com
Term: January 1, 2015 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
Term: January 1, 2016 thru December 31, 2017

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
Term: January 1, 2016 thru December 21, 2017

O'BLACK, LINDA

United Way of the Texas Gulf Coast
50 Waugh Drive
Houston, TX 77007
(713) 685-2416
Fax: (713) 685-5555
Category: CBO
County: City of Houston
LO'Black@unitedwayhouston.org
Term: January 1, 2016 thru December 31, 2017

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
Term: January 1, 2016 thru December 31, 2017

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@houston.tx.gov
Term: January 1, 2015 thru December 31, 2016

SCHMITT, ALLENE

Blinn College - Sealy
3701 Outlet Center Drive, #250
Sealy, TX 77474
(979) 865-8461
Category: Education
County: Austin
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
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) 461-0051/(713) 240-2472
Category: Labor
County: City of Houston
shawtrek@aol.com
Term: January 1, 2015 thru December 31, 2016

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
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
Term: January 1, 2016 thru December 31, 2017

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
Term: January 1, 2015 thru December 31, 2016

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
Term: January 1, 2017 thru December 31, 2018

WELCH, FRED

Greater Conroe Economic
Development Council
505 West Davis
Conroe, TX 77301
(936) 522-3014
Fax: (936) 756-6162
Category: Econ. Develop
County: Montgomery
welch@gcedc.org
Term: November 30, 2015 thru December 31, 2017

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
Term: January 1, 2017 thru December 31, 2018

WROBLESKI, SARAH

Pasadena Independent School District

CTE Department

1348 Genoa-Red Bluff

Houston, TX 77034

(713) 740-0802

Fax: (713) 740-4082

Category: Education

County: Harris

swrobleski@pasadenaisd.org

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
- 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
- Sarah Janes
- Jerry Nevlud

By-Laws

- – Chair
- – Vice Chair
- Betty Baitland
- Fred Welch

Career Office

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

Early Education and Care

- Bobbie Henderson – Chair
- Linda O’Black – 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
- Scott Marshall
- Jerry Nevlud
- Richard Shaw
- Fred Welch

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
- 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
- Linda O'Black – Vice Chair

Strategic Planning

- Carl Bowles – Chair
- – Vice Chair
- Betty Baitland
- Sarah Janes
- Doug Karr
- Kendrick McCleskey
- Linda O'Black
- 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
- Richard Shaw
- Sarah Wroblewski

Employment Options for Persons with IDD The Employment Roundtable

Michelle Howard-Herbein, The Arc of Greater Houston
Jane Borochoff, The H.E.A.R.T. Program

Background

Although a significant amount of evidence indicates that integrated employment options such as supported employment and customized employment can improve employment outcomes for persons with disabilities, cost less than other adult day programs, and generate savings for taxpayers, individuals with disabilities continue to experience numerous challenges associated with participation in the labor force. Their unemployment rate is higher; they are more likely to work part time; and, on average, they earn less than individuals without disabilities (Texas Workforce Investment Council 2016).

Most Texas dollars to support individuals with disabilities are tied up in 13 state supported institutions that only serve 3,000 people -- leaving tens of thousands of people on waiting lists for community-based services. The cost of maintaining an individual in an institution is \$250,000 annually; but providing more integrated in the community can cost a fraction of that amount.

One of the greatest concerns of students in special education in Texas leaving school and their families is the lack of integrated, community-based employment options. Most students: 1) receive no services after graduation because of lengthy waiting lists for waivers and other funding; 2) are offered only segregated sheltered work at below minimum wage; or 3) are offered segregated group "day habilitation" programs that do not promote employment or community integration. There are nearly 10,000 individuals in Texas sheltered workshops being paid subminimum wages according to the latest U.S. Department of Labor figures.

Texas had made initial progress passing Senate Bill 1226 in 2013. The law established that employment is the first and preferred option for working-age Texans with disabilities and should be the expected outcome of education and publicly funded services for working-age youth and adults. Recommendations include that Texas should: 1) Phase out of the subminimum wage and sheltered work system, and move toward fully competitive integrated employment; 2) Provide more job training and development in state-funded programs; 3) Overhaul day habilitation services; and 4) Remove barriers to hiring individuals with disabilities in state agencies.

Current Situation

The Arc has formed an employment roundtable of organizations, agencies and providers to help address the need for employment-first options for individuals with disabilities, particularly those with intellectual and development disabilities.

Current membership of the roundtable includes:

Robert Stakem, Lily Pan, and Eddie Jessie, The Harris Center (formally MHMRA)
Kevin Kern, The Center
Laura Alter, Jewish Family Services
Robert Williams, Easter Seals
Mary Jane Williams, Family to Family Network
Stephanie Jenkins, VR/TWC
Mike Temple, Gulf Coast Workforce Board-Workforce Solutions
Norine Gill, Imagine Enterprises
Bianca Williams, Volunteers of America
Steve Vetrano, Avondale House
Athena Thomas, Thomas & Lewin Associates
Marcus Denman, The Village Learning Center
Monty Chamberlain, HHSC
Donna Fruge, The Summerhouse
Jourdan Ellis, Pursuit
Sue Moraska, HCC/VAST
John Stephen, The Stephen Group (MCO consultant)
Michelle Howard-Herbein, The Arc of Greater Houston
Jane Borochoff, The H.E.A.R.T. Program

The roundtable members will work together to expand the availability of services for individuals with IDD to enter employment. The roundtable has identified several major issues:

- In the Greater Houston area, there are not enough supported employment providers or agencies with experience and expertise in supported employment to address the demand.
- Texas has no local, county, or state dollars to fund ongoing supports
- Although the Medicaid waiver can fund supported employment services at a reasonable rate, only 3% of persons on the waiver even have employment as part of their plan.
- There is a great deal of confusion about how VR and Medicaid waiver should blend together to support an individual with IDD in employment.
- The VR benchmark system for supported employment (like other outcome-based systems across the country) does not promote the employment of persons with IDD or with higher support needs.
- There appears to be a lack of quality providers for supported employment/community rehab programs in the Houston area.
- With Texas moving to managed care for long-term services for adults with disabilities, it is still a great unknown about how this may (positively or negatively) impact the system. It will be critical to ensure that supported employment is an optional service allowed by every Managed Care Organization.

Next Steps

Working with the roundtable, improve the level of service and increase the options for employment for individuals with IDD by:

- Ensuring Workforce Solutions staff know how to assist customers with IDD;
- Partnering with Workforce Solutions Vocational Rehabilitation staff to offer higher quality service;
- Partnering with the roundtable to find and develop high-quality supported employment providers and adding those providers to Workforce Solutions vendor networks;
- Expand the service reach to include all parts of the region; and
- Support the on-going work of the roundtable.

Audit/Monitoring Committee

Update for October 2017

Background

The Audit/Monitoring Committee met Monday, September 25, 2017 at the H-GAC office. Committee Chair Joe Garcia, members Kendrick McCleskey, Carl Bowles, Cheryl Guido, and Doug Karr attended the meeting. Committee Vice Chair Guy Jackson, Dale Pillow and Carlos Allen participated by phone. Board Chair Mark Guthrie also attended.

Current Situation

Committee members reviewed data from quality assurance monitoring and financial monitoring completed since April 2017.

- **Employer Service.** The team recommended improvements to communication and sharing of information among Employer Service and the rest of the system. During review, the team also noted a potential conflict of interest with the contractor, Employment and Training Centers, Inc., operating a private staffing business. ETC has agreed to ensure that (1) staff funded by the Board do not work on or support the private business, (2) staff funded by the Board are physically separated from the private business, (3) funds provided by the Board do not support in any way the operation of the private business, (4) overhead costs for Employment and Training Centers are appropriately and accurately allocated between the Employer Service contract and the private business. We will continue to check on this throughout the year. Financial monitoring disclosed concerns with cost allocation, expenditure disbursements and financial reporting, as well as less than \$2,500 in questioned costs. ETC has addressed our concerns and repaid questioned costs.
- **Career Offices.** The regional monitoring team found general improvement in office operations this past year. The team also identified opportunities to increase the number of direct hires and better achieve performance targets. The team noted a need to improve documentation for financial aid and complaints and recommended that the Wharton office expand its community presence and the Northeast, Southeast and Southwest offices improve customer service.
- **Financial Aid.** The team recommended the Payment Office move vendor records/files from paper to electronic files and improve the payment process to ensure vendors are paid within 30 days of invoice.
- **Youth and young adults.** In general, the team noted a need for the career offices to improve their efforts to attract and serve young people, and a need for the offices and the special project contractors to ensure employment plans were complete and updated regularly and to ensure follow-up was available to customers.

- **Early Education.** Our early education quality providers continue to provide a valuable service to providers and support them with training offerings, enrollment in education and equipment grants to support quality. Collaborative for Children is instrumental in our region's ability to identify local matching resources that bring the maximum amount of federal dollars to our area for early education.
- **Adult Education.** Production for the adult education consortium has improved over the year. We noted fewer errors in eligibility and assessment. Brazosport College is close to meeting all performance targets and Harris County Department of Education is rated as 'Strong Performance'. Both Lone Star College and Wharton County Junior College showed improvement and Region 6 is embracing its role as lead for the consortium. Region 6's financial review found two minor issues, both of which Region 6 addressed.

Following is a chart showing ratings for most recently completed quality assurance reviews:

Career Offices		
Cypress Station	Interfaith	Strong Performance
Conroe	Interfaith	Solid Performance
Willowbrook	Interfaith	Solid Performance
Liberty	Interfaith	Solid Performance
Huntsville	Interfaith	Solid Performance
Sealy	Interfaith	Strong Performance
Waller	Interfaith	Solid Performance
Wharton	Interfaith	Solid Performance
Columbus	Interfaith	Solid Performance
Katy Mills	Interfaith	Solid Performance
Houston Ring Public Library	Interfaith	Solid Performance
Northshore	BakerRipley	Solid Performance
East End	BakerRipley	Solid Performance
Astrodome	BakerRipley	Solid Performance
Northeast	Baker Ripley	Solid Performance
Southeast	BakerRipley	Solid Performance
Baytown	BakerRipley	Strong Performance
Northline	BakerRipley	Strong Performance
Lake Jackson	BakerRipley	Solid Performance
Rosenberg	BakerRipley	Solid Performance
Southwest	BakerRipley	Solid Performance
Houston Public Library Central Branch	BakerRipley	Solid Performance
Payment Office		
Financial Aid Payment Office	BakerRipley	Solid Performance
Community and Youth Projects		
Dynamic Educational Systems, Inc		Solid Performance
SER - Jobs for Progress		Solid Performance
Gulf Coast Trades Center		Solid Performance
Early Education		
Texas Association for the Education of Young Children		Solid Performance
Collaborative for Children		Strong Performance
Adult Education		
Wharton County Junior College		Solid Performance
Lone Star College		Solid Performance
Region 6 Education Service Center		Solid Performance
Brazosport College		Solid Performance
Harris County Department of Education		Strong Performance

Government Relations

Legislative Update

Current Situation

Texas Legislature

On July 18, 2017 Governor Abbot opened a special session of the Texas Legislature. The session lasted for 30 days and ended on August 16, 2017. Governor Abbot stated his intention to consider a total of 20 legislative items during the special session. Of those 20 legislative items, 11 passed and became bills.

Legislation of interest to the Board:

- Legislation (Sunset) to extend the life of the Texas Medical Board, Texas State Board of Social Worker Examiners, Texas State Board of Examiners of Marriage and Family Therapists, Texas State Board of Examiners of Psychologists, and the Texas State Board of examiners of Professional Counselors.

Update: Bills Passed:

- [SB 20](#) and [SB 60](#) extended the life of all 5 state agencies.
- Legislation to increase the average salary and benefits (including TRS-Care) of Texas teachers; and legislation to provide a more flexible and rewarding salary and benefit system for Texas teachers.

Update: Bills Passed:

- [HB 21](#) and [HB 30](#) put \$212 million into the Teacher Retirement System to make the TRS-CARE health insurance program more affordable for retired teachers over the next two years. Texas teachers did not receive a mandated pay raise.
- Legislation establishing a statewide commission to study and recommend improvements to the current public school finance system; and other legislation relating to school finance, including Additional State Aid for Tax Reduction.

Update: Bills Passed:

- [HB 21](#) and [HB 30](#) put \$351 million into public schools including \$120 million for charter schools and traditional schools to pay for new facilities. It also helps small, rural districts with a \$150 million transitional grant to offset the upcoming loss of a state aid program and \$41 million to remove an existing financial penalty for small districts.

- Legislation to empower parents of children with special needs or educational disadvantages to choose an educational provider that is best for their children.

Update: Bills Passed:

- [HB 21](#) includes grants for autism and dyslexia, but no standalone bill was passed.
- Legislation prohibiting state or local government entities from deducting labor union or employee organization membership fees or dues from the wages of public employees.

Update: No Bills Passed

Workforce Disaster Recovery Assistance National Dislocated Worker Funds

Background

The U.S. Department of Labor made Workforce Innovation & Opportunity National Dislocated Worker funds available to Texas immediately following Hurricane Harvey's landfall in late August. These dollars provide temporary jobs, financial aid, and limited training for individuals who lost jobs or were out of work because of the hurricane.

The Board has previously used national workforce disaster recovery funds following Tropical Storm Allison in 2001 and Hurricane Ike in 2008.

Current Situation

The Texas Workforce Commission has made an initial allocation of \$10,531,000 to our region. This represents about 30% of the total allotment to the state. We can request additional funds if demand warrants.

To be eligible for assistance with these dollars, an individual must have lost a job because of the hurricane, or in some instances, be long-term unemployed.

Temporary workers can be employed in clean-up and recovery jobs that include: (1) clean-up, demolition, repair, renovation and reconstruction of public structures, buildings, facilities and lands; (2) clean-up and repair of public roads; (3) any clean-up or repair work normally carried out by local government employees; and (4) in some instances, the direct delivery of humanitarian assistance to individuals affected by the hurricane.

These funds cannot be used to fund temporary jobs involved in the clean-up or repair of private homes or businesses.

We propose using funds as follows:

1. Contact local governments in the 13-county region to solicit need and identify projects for temporary workers.
2. Identify individuals interested in temporary jobs, determine them eligible, and refer them to projects through the Workforce Solutions career offices.
3. Employ temporary workers at project sites through staffing firms available on the list compiled by H-GAC's Cooperative Purchasing program.
4. Provide OSHA-rated safety training for temporary workers involved in clean-up, repair, and rebuild activities prior to their beginning work.
5. Offer financial assistance and training as needed for individuals in temporary jobs and other dislocated workers as appropriate.

We expect to identify at least 400 temporary jobs and plan to serve at least 1,000 dislocated workers with these funds. We plan to use 85% or \$8.9 million of funds for wages, benefits, and assistance to temporary workers. Balance of funds will be used for financial aid and training.

Action

Authorize Board staff to use national dislocated worker recovery assistance funds as described above.

Gulf Coast Workforce Board System Performance October 2016 to August 2017

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services (Market Share)</u> We expect to provide services to 22,000 employers this year. We provided services to 19,124 employers in the period October 2016 through August 2017	22,000	19,124	23,591
<u>Employer Loyalty</u> Of a possible 20,722 employers, 10,470 returned to Workforce Solutions for additional services in the period October 2016 through August 2017	60.0%	50.5%	56.0%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<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 June 2017.	3,200	2,485	928
<u>Customers employed by the 1st Qtr. after exit</u> 231,311 of the 299,107 customers who exited service in the period October 2015 through September 2016 were employed by the quarter after exit.	76.0%	77.3%	80.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Earnings Gains of at least 20%</u> 86,854 of the 306,008 customers who exited in the period April 2015 through March 2016 had earnings gains of at least 20%.	36.0%	28.4%	33.4%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> 1,027 of 1,580 customers who pursued an education diploma, degree or certificate and exited from July 2016 through June 2017, attained a diploma, degree or certificate by the end of the quarter after exit.	74.0%	65.0%	74.2%

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, 2016, we are meeting or exceeding the target for fifteen of eighteen state measures. These are the measures we are not achieving:

- Number of Employers Receiving Workforce Assistance: The annual target for this measure is 26,235. We provided services to 19,124 employers from October 2016 through August 2017.
- Median Earnings Q2 Post Exit – Dislocated Worker: The target for this measure is \$6,980. Our performance for customers who exited from July 2015 through June 2016 was \$6,573.
- Credential Rate – Dislocated Worker: The target for this measure is 66.6%. Our performance for customers who exited from January 2015 through December 2015 was 61.9%.

Adult education measures for the period July 2016 through June 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.

	Target	Year to Date
Total Enrollments	20,865	23,625
<i>12+ Hour Enrollments</i>	19,500	21,983
<i>Transitions</i>	883	1,493
<i>Career Pathways</i>	842	787
<i>Integrated English Language & Civics Ed.</i>	655	285
<i>Accelerate Texas</i>	220	396

**GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the eight Months Ended August 31, 2017**

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	214,944,634	143,296,423	145,840,080	(2,543,657)
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	5,907,699	3,938,466	3,466,534	471,932
SYSTEM IT	385,000	256,667	152,862	103,804
EMPLOYER SERVICES	8,300,000	5,533,333	4,360,300	1,173,033
RESIDENT SERVICES	200,351,935	133,567,957	137,860,384	-4,292,427
OFFICE OPERATIONS	40,237,593	26,825,062	22,621,610	4,203,452
FINANCIAL AID	142,679,997	95,119,998	105,661,110	(10,541,112)
ADULT EDUCATION	17,434,345	11,622,897	9,577,664	2,045,233
<i>TOTAL WORKFORCE EXPENDITURES</i>	214,944,634	143,296,423	145,840,080	-2,543,657

VARIANCE ANALYSIS

Note: Except for Special Projects that are currently funded through September 30, 2017, 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
AUGUST 2017 Employment Data

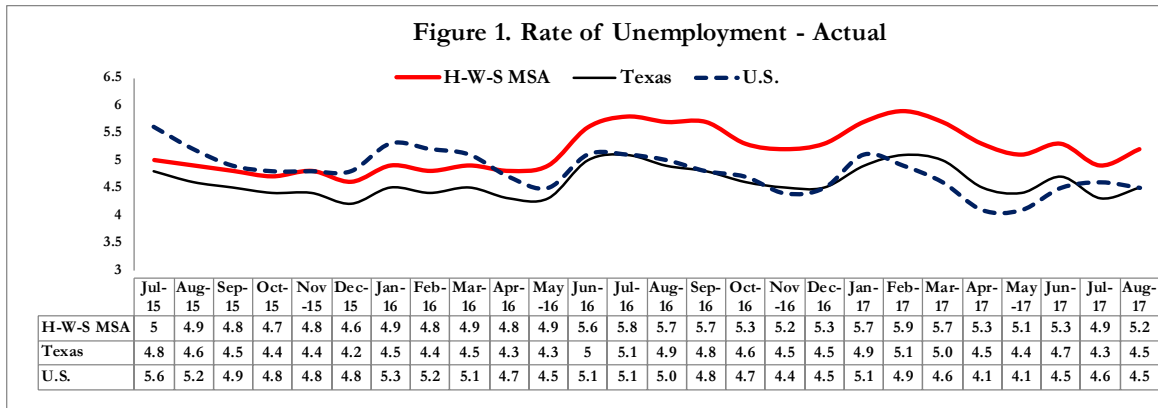
HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA

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The rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) rose three-tenths of a percentage point in August to 5.2 percent. During most years the rate of unemployment declines in August. While the rate of unemployment was higher than 4.5 percent at the state and the national level, it was down one-half of a percentage point lower than one year earlier.

Unemployment Rate (Actual)

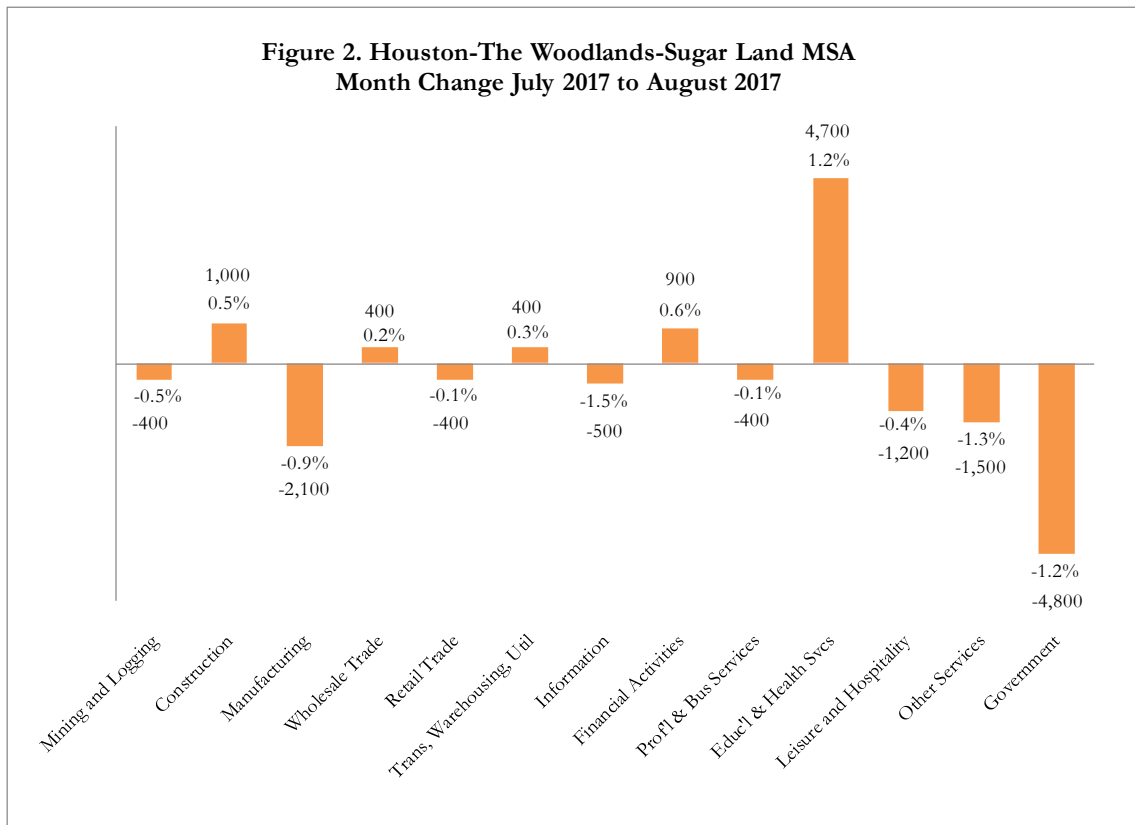
	AUG 2017	JUL 2017	AUG 2016
Civilian Labor Force	3,307,745	3,319,707	3,286,912
Total Employed	3,137,157	3,157,015	3,099,024
Unemployed	170,588	162,692	187,888
Unemployment Rate	5.2%	4.9%	5.7%

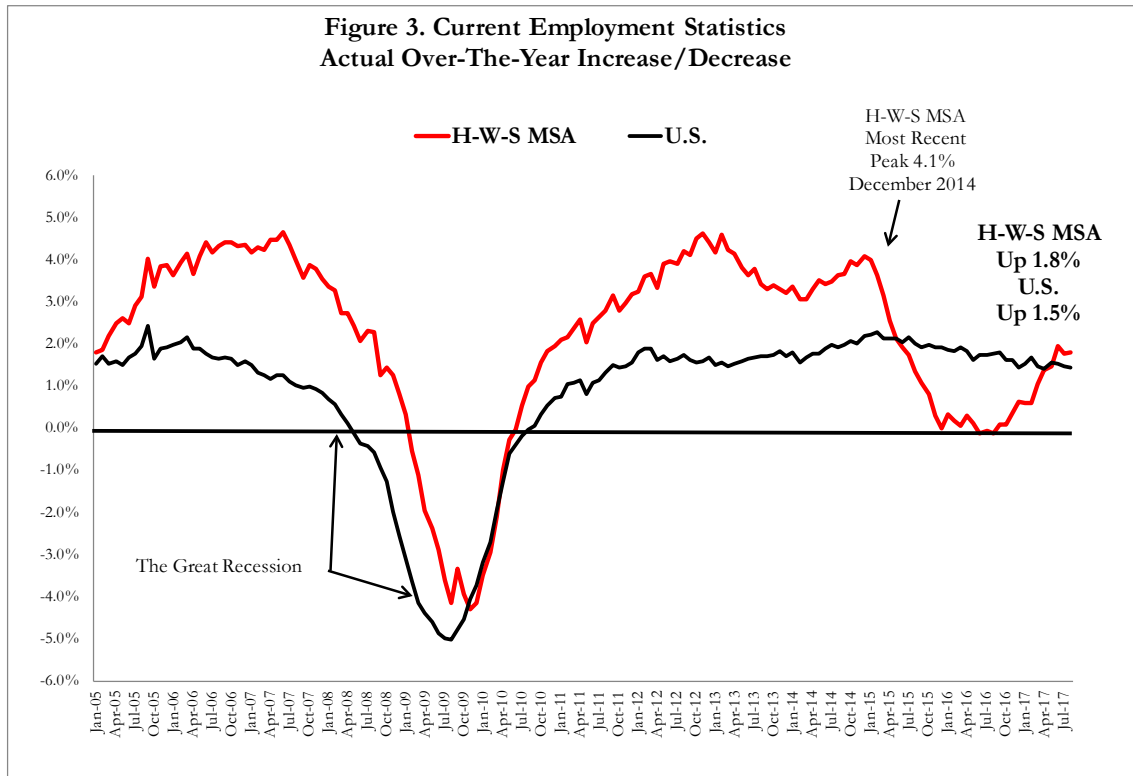


Total Nonfarm Employment in the H-W-S MSA experienced a loss 3,900 jobs in August, down 0.1 percent. During most years the MSA adds jobs in August. Current losses were most notably due to declines in Manufacturing, Retail Trade, Leisure & Hospitality, and Employment Services compounded with seasonal declines in Government and Other Services. The H-W-S MSA has added 1,800 jobs so far year to date, however, a major improvement compared to losses of 33,000 jobs year-to-date in August 2016 and 29,000 jobs year-to-date in August 2015.

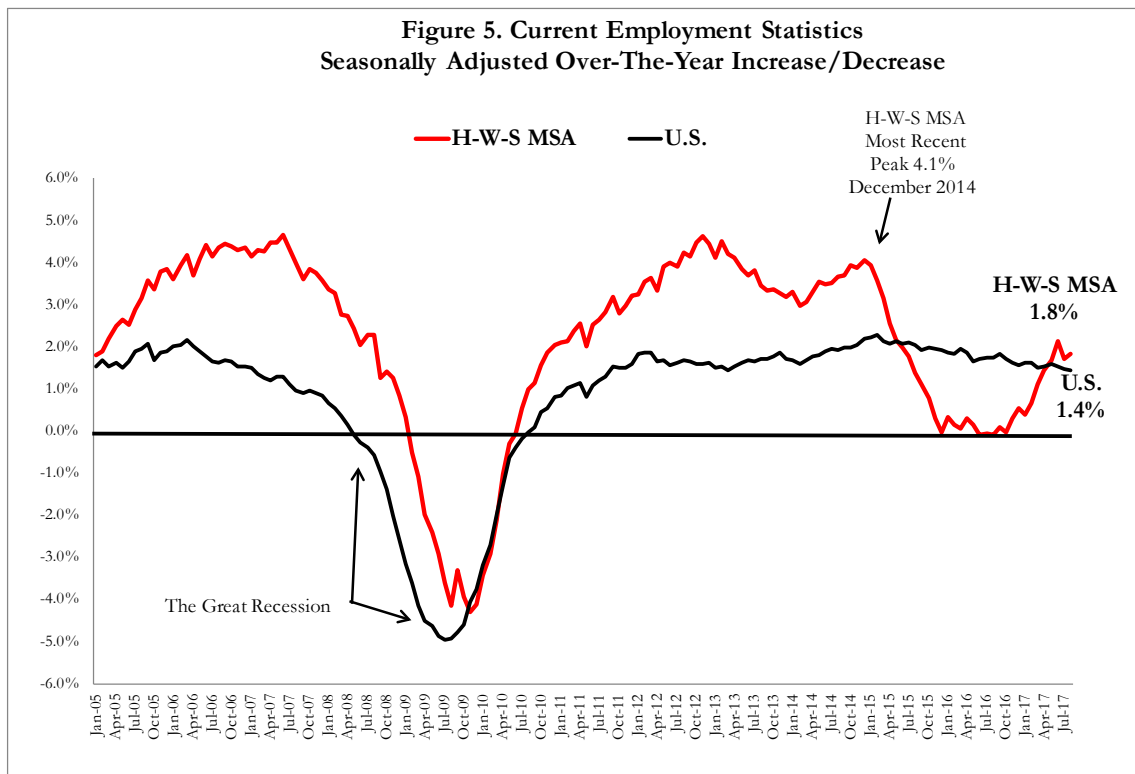
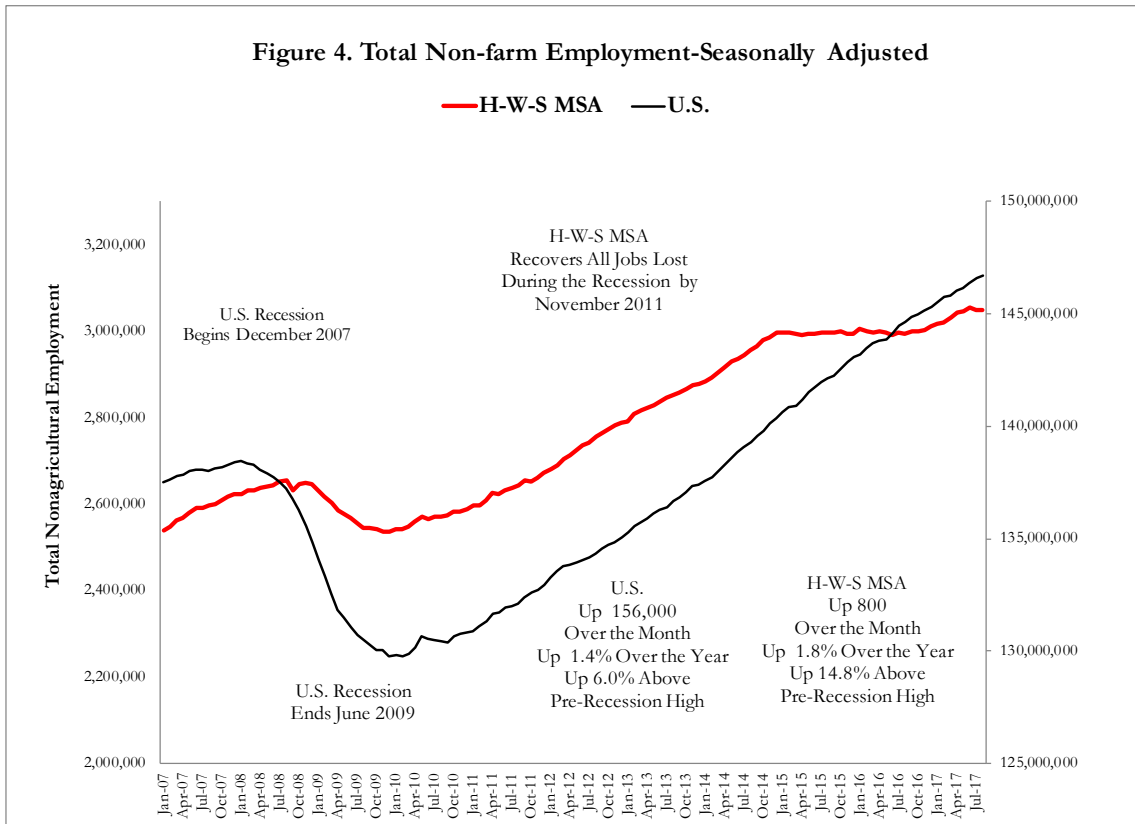
The H-W-S MSA added some 53,500 jobs to payrolls over the year. The 1.8 percent pace of job growth was higher than the nation's 1.5 percent rate, see figure 3. Manufacturing was the strongest growing super sector with payrolls up 5.8 percent over the year. Professional and Business Services, Education and Health Services, and Leisure and Hospitality were also reporting strong growth of greater than three percent. Mining &

Logging employment has been much more stable throughout 2017 than it was in 2016 reporting its second consecutive year over year increase, up 600 jobs or 0.7 percent. Construction was reporting the most significant decline as many chemical and petrochemical projects reach completion, down 4,500 jobs or 2.1 percent. Trade, Transportation, and Utilities was also reporting job losses but not as deep as in Construction, down 5,100 jobs or 0.8 percent. Additional information by super sector can be found beginning on page 5. Detailed data can be viewed on pages 9 & 10.





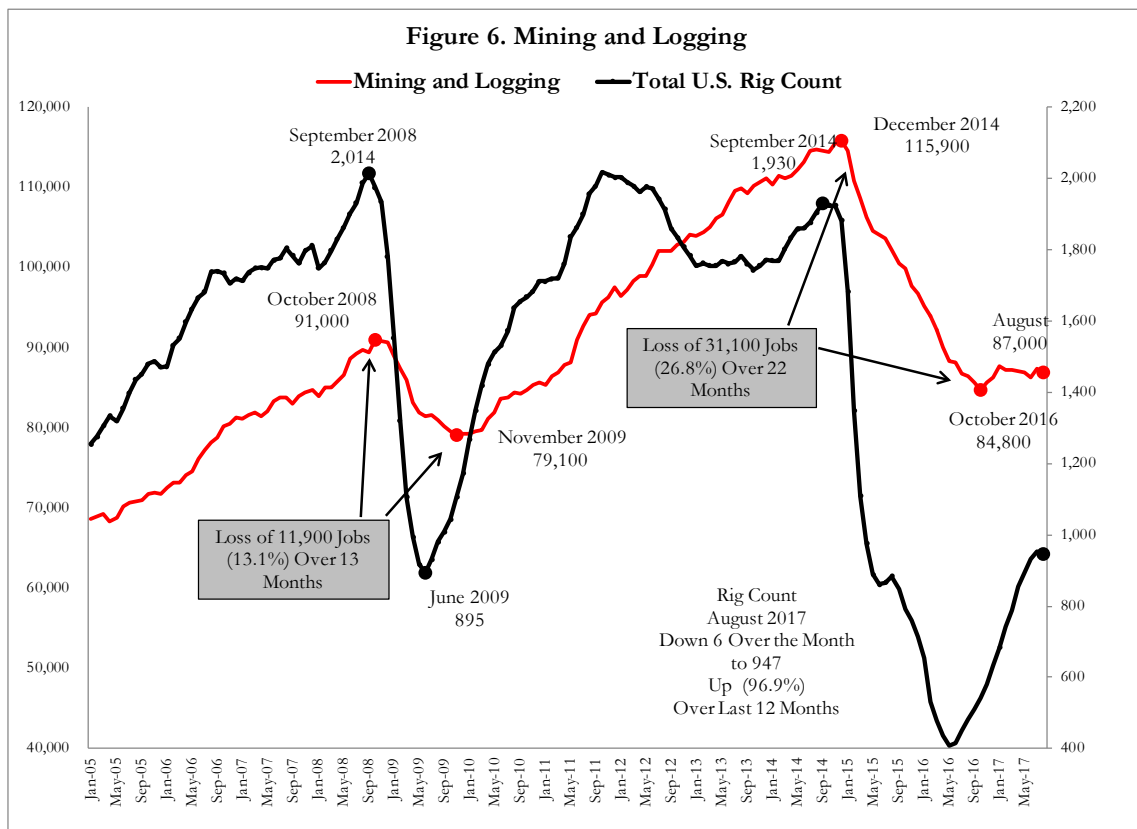
Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 4 and 5 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment was up 800 jobs in August, and 54,800 jobs over the year with the pace of job growth at 1.8 percent, four-tenths 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 14.8 percent above the prerecession high compared to 6.0 percent at the national level.



DETAILS BY SUPER SECTOR

Mining and Logging incurred loss of 400 jobs in August, down one-half of a percentage point. Despite the overall decline, Support Activities for Mining reported an increase of 900 jobs over the month, up 2.3 percent. 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 6. Payrolls in the super sector bottomed out October 2016 and have since stabilized to a level of around 87,000 jobs. The pace of job growth in Mining and Logging was positive for the second consecutive month in August, up 600 jobs or 0.7 percent. Job gains in Support Activities for Mining were responsible for the increase, up 4,700 jobs or 13.4 percent. Oil and Gas Extraction continues to report significant declines, down 4,900 jobs or 9.8 percent.

The average U.S. rig count fell slightly in August at 947, down 6 from July. While the rig count was up by 466 over the year it remains much lower than a peak of 1,930 in September 2014. The average Texas rig count also fell in August, down 4 to 229 over the year.

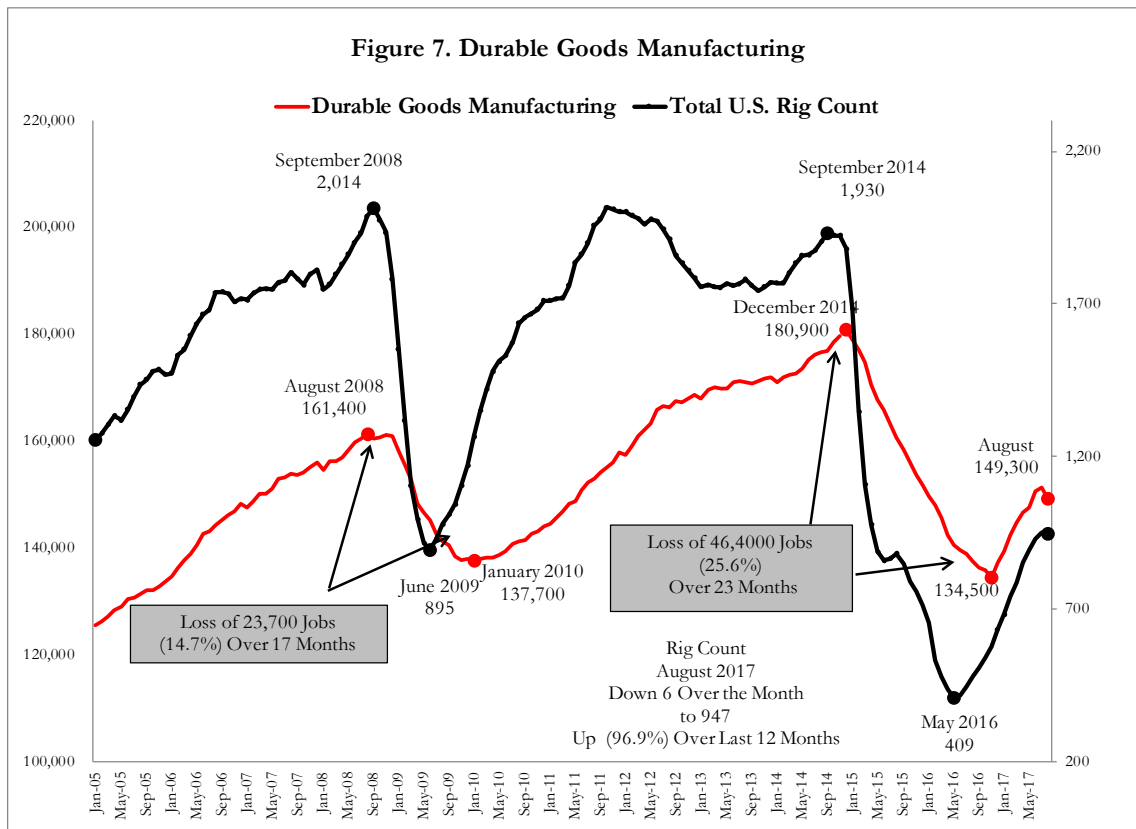


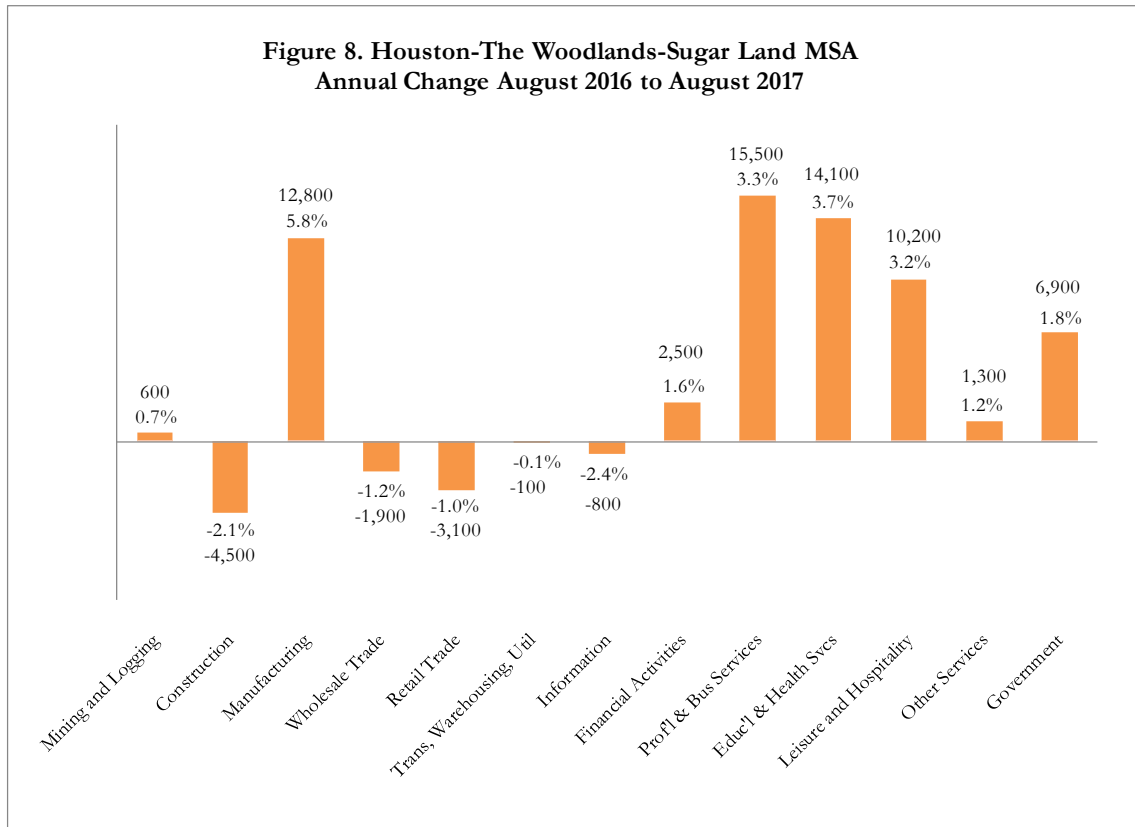
Construction reported its first increase since May with payrolls up 1,000 jobs over the month. The 0.5 percent increase was made possible by an addition of 1,100 jobs in Construction of Buildings. The super sector was down 4,500 jobs or 2.1 percent over the year. Losses were across the entire super sector with strongest declines in Construction of

Buildings, down 1,700 jobs or 3.0 percent, and Heavy and Civil Engineering Construction, down 2,400 jobs or 2.1 percent.

Manufacturing reported its first over-the-month decline of 2017, down 2,100 jobs or 0.9 percent. Losses in Durable Goods Manufacturing were responsible for the decline. Payrolls in the super sector are up some 15,200 jobs since hitting a bottom in November 2016 with 14,800 of the new jobs being created in Durable Goods Manufacturing, see figure 7. Manufacturing was up 12,800 jobs or 5.8 percent over the year in August making it the fastest growing super sector in the H-W-S MSA. Most of the increase was in Durable Goods Manufacturing which reported an over-the-year increase of 11,700 jobs or 8.5 percent. While Fabricated Metal Product Manufacturing was up 6,600 jobs or 14.3 percent, Machinery Manufacturing continues to report losses, down 4,700 jobs or 11.2 percent. Non-durable Goods Manufacturing was up 1,100 jobs or 1.3 percent over the year.

The Houston Purchasing Managers Index fell to 46.5 in August, down from 51.8 in July. This was the first time in eleven months the index fell below 50. 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 & Utilities added 400 jobs in August. The 0.1 percent increase was much weaker than a twenty-year average increase of 0.6 percent. Retail Trade was responsible shedding some 400 jobs in August when it normally adds more than 2,000 jobs. Trade, Transportation, and Utilities continued to report an over-the-year loss, down 5,100 jobs or 0.8 percent over the year. Declines were found primarily in trade with Wholesale Trade down 1,900 jobs or 1.2 percent and Retail Trade down 3,100 jobs or 1.0 percent.

Information was down 500 jobs in August with payrolls down 800 jobs or 2.4 percent over the year. About half of the MSA's employment in information resides in telecommunications where payrolls were down 600 jobs or 4.2 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 added 900 jobs in August with gains found across most of the super sector. More than half of the increase was due to an addition of 500 jobs in Insurance Carriers and Related Activities. The super sector experienced a net increase of 2,500 jobs over the year, up 1.6 percent. Most of the increase was due to gains at Insurance Carriers and Related Activities, up 1,900 jobs or 5.4 percent. Depository Credit Intermediation suffered a substantial loss of 1,200 jobs over the year, down 4.1 percent. Real Estate and Rental and Leasing also suffered a loss, down 400 jobs or 0.7 percent.

Professional and Business Services was down 400 jobs over the month. The 0.1 percent decline was the first for the month of August since 2009. Employment Services, which had been adding jobs at a strong pace until recently, was responsible for the loss after cutting payrolls by 2,200 jobs, down 2.3 percent over the month. Professional and Business Services was the largest job-producing super sector over the year with payrolls up 15,500 jobs. The 3.3 percent increase made it the third fastest growing super sector in the H-W-S MSA. While job gains were widespread, Employment Services was responsible for most of the growth with payrolls up 13,000 jobs or 16.4 percent over the year. Architectural, Engineering, and Related Services was the only subsector reporting a loss, down 700 jobs or 1.1 percent over the year.

Education and Health Services added 4,700 jobs over the month. The 1.2 percent increase in line with those of the last several years. Education and Health Services was the second largest job-producing super sector in the H-W-S MSA with payrolls up 14,100 jobs over the year. All subsectors were reporting healthy over-the-year gains with Ambulatory Health Care Services adding jobs at fastest pace of 4.8 percent, up 7,300 jobs.

Leisure and Hospitality experienced a loss of 1,200 jobs in August, down 0.4 percent. Most of the decline was in Arts, Entertainment, and Recreation where payrolls were down 1,200 jobs. Food Services and Drinking Places provided the only gains in August, up 400 jobs. The super sector added 10,200 jobs over the year with the pace of job growth at 3.2 percent. Most of the new jobs are found at eating establishments with Food Services and Drinking Places up 8,900 jobs or 3.5 percent over the year. Arts, Entertainment, and Recreation was up 900 jobs or 2.5 percent over the year and Accommodation was up 400 jobs or 1.5 percent over the year.

Other Services reported a seasonal decline of 1,500 jobs in August, down 1.3 percent. The pace of growth in Other Services was 1.2 percent representing an increase of 1,300 jobs over the year. Other Services is comprised of personal care services, dry cleaning and laundry services, various repair service companies (industrial equipment, mining machinery and equipment), as well as the previously mentioned religious and social advocacy organizations and others.

Government payrolls were down 4,800 jobs or 1.2 percent in August as local government educational institutions continued to reduce staff for the summer months. Government payrolls were up 6,900 jobs or 1.8 percent over the year. Most of the increase has been related to education with Local Government Educational Services up 5,100 jobs or 2.8 percent over the year.

NONAGRICULTURAL EMPLOYMENT
Houston-The Woodlands-Sugar Land MSA

	AUG 2017	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	3,037,800	-3,900	-0.1%	53,500	1.8%
.Total Private	2,648,400	900	0.0%	46,600	1.8%
.Goods Producing	531,800	-1,500	-0.3%	8,900	1.7%
...Mining, Logging, and Construction	298,700	600	0.2%	-3,900	-1.3%
...Mining and Logging	87,000	-400	-0.5%	600	0.7%
....Oil and Gas Extraction	45,100	-300	-0.7%	-4,900	-9.8%
....Support Activities for Mining	39,800	900	2.3%	4,700	13.4%
...Construction	211,700	1,000	0.5%	-4,500	-2.1%
....Construction of Buildings	54,400	1,100	2.1%	-1,700	-3.0%
....Heavy and Civil Engineering Construction	46,800	100	0.2%	-400	-0.8%
....Specialty Trade Contractors	110,500	-200	-0.2%	-2,400	-2.1%
..Manufacturing	233,100	-2,100	-0.9%	12,800	5.8%
...Durable Goods	149,300	-2,100	-1.4%	11,700	8.5%
....Fabricated Metal Product Manufacturing	52,800	-100	-0.2%	6,600	14.3%
....Machinery Manufacturing	37,400	-500	-1.3%	-4,700	-11.2%
....Agriculture, Construction, and Mining Machinery Manufacturing	25,300	-600	-2.3%	-2,900	-10.3%
....Computer and Electronic Product Manufacturing	15,600	100	0.6%	300	2.0%
...Non-Durable Goods	83,800	0	0.0%	1,100	1.3%
....Petroleum and Coal Products Manufacturing	10,200	100	1.0%	100	1.0%
....Chemical Manufacturing	39,200	100	0.3%	400	1.0%
.Service Providing	2,506,000	-2,400	-0.1%	44,600	1.8%
.Private Service Providing	2,116,600	2,400	0.1%	37,700	1.8%
..Trade, Transportation, and Utilities	604,100	400	0.1%	-5,100	-0.8%
...Wholesale Trade	160,900	400	0.2%	-1,900	-1.2%
....Merchant Wholesalers, Durable Goods	91,300	-300	-0.3%	-2,300	-2.5%
.....Professional and Commercial Equipment and Supplies Merchant Wholesalers	13,700	100	0.7%	300	2.2%
....Merchant Wholesalers, Nondurable Goods	44,400	-100	-0.2%	-1,200	-2.6%
...Retail Trade	304,500	-400	-0.1%	-3,100	-1.0%
....Motor Vehicle and Parts Dealers	42,700	100	0.2%	1,000	2.4%
....Building Material and Garden Equipment and Supplies Dealers	21,100	-200	-0.9%	-700	-3.2%
....Food and Beverage Stores	67,600	-100	-0.1%	400	0.6%
....Health and Personal Care Stores	19,300	0	0.0%	200	1.0%
....Clothing and Clothing Accessories Stores	28,000	700	2.6%	-1,500	-5.1%
....General Merchandise Stores	63,600	600	1.0%	600	1.0%
.....Department Stores	23,600	400	1.7%	0	0.0%
.....Other General Merchandise Stores	40,000	200	0.5%	600	1.5%
...Transportation, Warehousing, and Utilities	138,700	400	0.3%	-100	-0.1%
....Utilities	16,000	0	0.0%	-200	-1.2%
.....Air Transportation	21,800	0	0.0%	200	0.9%
.....Truck Transportation	24,700	0	0.0%	-100	-0.4%
.....Pipeline Transportation	10,800	-100	-0.9%	-500	-4.4%
..Information	31,900	-500	-1.5%	-800	-2.4%
....Telecommunications	13,600	-100	-0.7%	-600	-4.2%
..Financial Activities	158,700	900	0.6%	2,500	1.6%
...Finance and Insurance	102,600	700	0.7%	2,900	2.9%
....Credit Intermediation and Related Activities	45,200	200	0.4%	600	1.3%
.....Depository Credit Intermediation	27,900	-200	-0.7%	-1,200	-4.1%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	20,300	0	0.0%	400	2.0%
....Insurance Carriers and Related Activities	37,100	500	1.4%	1,900	5.4%
...Real Estate and Rental and Leasing	56,100	200	0.4%	-400	-0.7%

NONAGRICULTURAL EMPLOYMENT
Houston-The Woodlands-Sugar Land MSA

	AUG 2017	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	486,300	-400	-0.1%	15,500	3.3%
...Professional, Scientific, and Technical Services	219,400	400	0.2%	1,600	0.7%
....Legal Services	25,200	-100	-0.4%	300	1.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	25,400	0	0.0%	800	3.3%
....Architectural, Engineering, and Related Services	65,600	-700	-1.1%	-700	-1.1%
....Computer Systems Design and Related Services	32,900	0	0.0%	700	2.2%
....Management of Companies and Enterprises	36,900	-500	-1.3%	100	0.3%
...Administrative and Support and Waste Management and Remediation Services	230,000	-300	-0.1%	13,800	6.4%
....Administrative and Support Services	218,300	-500	-0.2%	13,600	6.6%
....Employment Services	92,400	-2,200	-2.3%	13,000	16.4%
....Services to Buildings and Dwellings	52,300	600	1.2%	-100	-0.2%
..Educational and Health Services	396,900	4,700	1.2%	14,100	3.7%
...Educational Services	60,000	1,600	2.7%	1,900	3.3%
...Health Care and Social Assistance	336,900	3,100	0.9%	12,200	3.8%
....Ambulatory Health Care Services	160,900	0	0.0%	7,300	4.8%
....Hospitals	89,000	300	0.3%	2,500	2.9%
..Leisure and Hospitality	328,000	-1,200	-0.4%	10,200	3.2%
...Arts, Entertainment, and Recreation	37,100	-1,200	-3.1%	900	2.5%
...Accommodation and Food Services	290,900	0	0.0%	9,300	3.3%
....Accommodation	26,800	-400	-1.5%	400	1.5%
....Food Services and Drinking Places	264,100	400	0.2%	8,900	3.5%
..Other Services	110,700	-1,500	-1.3%	1,300	1.2%
Government	389,400	-4,800	-1.2%	6,900	1.8%
..Federal Government	28,600	-200	-0.7%	300	1.1%
..State Government	83,200	300	0.4%	200	0.2%
...State Government Educational Services	48,100	200	0.4%	-100	-0.2%
..Local Government	277,600	-4,900	-1.7%	6,400	2.4%
...Local Government Educational Services	188,100	-4,000	-2.1%	5,100	2.8%

UNEMPLOYMENT RATE

	AUG 2017	JUL 2017	AUG 2016
H-W-S MSA	5.2	4.9	5.7
Texas (Actual)	4.5	4.3	4.9
United States (Actual)	4.5	4.6	5.0

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.



Hurricane Harvey Special Report: *A Look Back at the Impacts of Hurricane Ike on the Gulf Coast Labor Market*

Workforce Solutions is an affiliate of the Gulf Coast Workforce Board, which manages a regional system that helps employers solve their workforce problems and residents build careers so both can compete in the global economy. The workforce system serves the City of Houston and the surrounding 13 Texas Gulf Coast counties including: Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.

Introduction

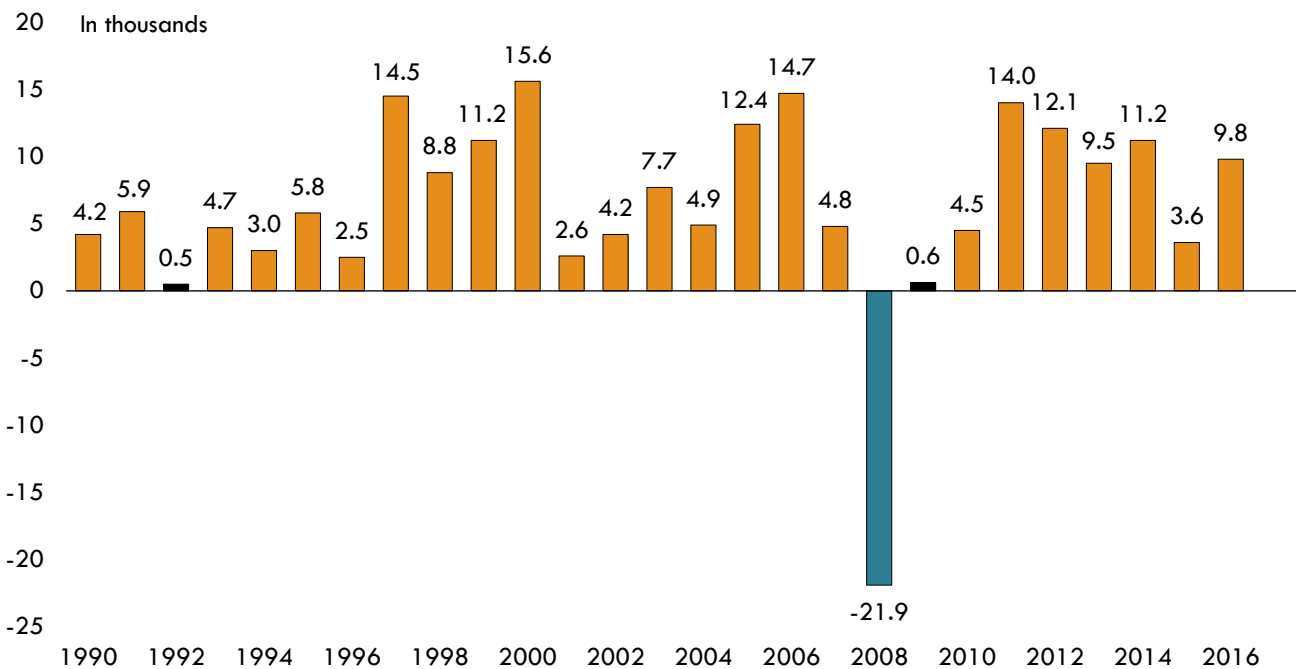
On August 17th, 2017, the earliest signs of what would become Hurricane Harvey appeared in the Atlantic Ocean reaching tropical storm status. By August 25th, Hurricane Harvey, a category 4 storm, and the third hurricane of the 2017 hurricane season, made landfall near Rockport, TX. Over the next several days Harvey proceeded to devastate much of Southeast Texas and portions of Louisiana with record rainfall resulting in widespread flooding but relatively little wind damage. Recent reports suggest that the highest amounts of rainfall in the region occurred along the border of Harris and Liberty Counties with as much as 55 inches.ⁱ The full extent of damage and disruption continues to evolve however experts have already declared Hurricane Harvey one of the most expensive disasters in U.S. history. Estimates of \$180 billion as a result of damage to 250,000 vehicles and at least as many dwellings have been frequently cited yet these figures pale in comparison to the 75 lives lost in Texas alone.ⁱⁱ

One aspect of the storm that until now has not been fully analyzed is the job market. Due to Hurricane Harvey making landfall in late-August 2017, any initial negative impacts on employment will remain unknown until September Current Employment Statistics (CES) estimates are released in late-October. Furthermore, any rebound will not become apparent until October's data are released in November. Until such time, it is instructive to examine labor market dynamics in the wake of the last major storm to hit the region: Hurricane Ike, which occurred in September 2008. Other relatively recent storms such as Tropical Storm Allison (2001) and Hurricane Rita (2005) displayed varying degrees of impact on the Gulf Coast labor market. However, by comparison the effects of Hurricane Ike were more clearly identifiable. Furthermore, the size of the Gulf Coast labor market in 2017 is more comparable to 2008 than either 2005 or 2001, and thus examination of trends due to Hurricane Ike are likely to provide the most useful insights into what we can expect from Hurricane Harvey.

Historical Total Nonfarm Job Growth in the Month of September

In September 2008, the Houston metropolitan area that comprises the majority of the 13-county Gulf Coast Region shed -21,900 jobs over the month. Prior to that, the Houston area averaged a gain of 7,100 jobs each September, highlighting the disruption that Hurricane Ike had on local employment. Furthermore, September 2008's decline was the only over-the-month loss of jobs in the month of September since records began in 1990. Even national economic downturns impacting Houston in 1992 and 2009 did not result in over the month declines in employment though job growth was especially low with only 500 and 600 jobs added, respectively. (See Chart 1.)ⁱⁱⁱ

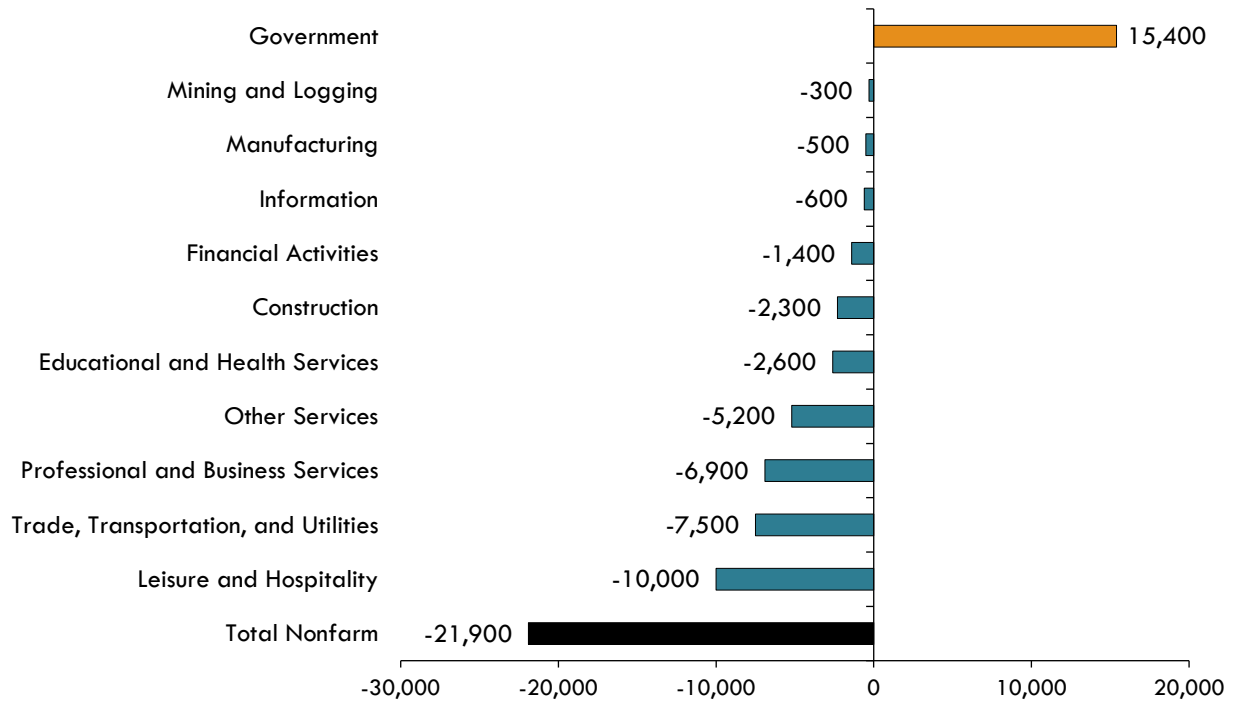
Chart 1. Over-the-month Net Change in Total Nonfarm Employment, All Septembers: 1990 – 2016



The Impact on Individual Sectors – September 2008

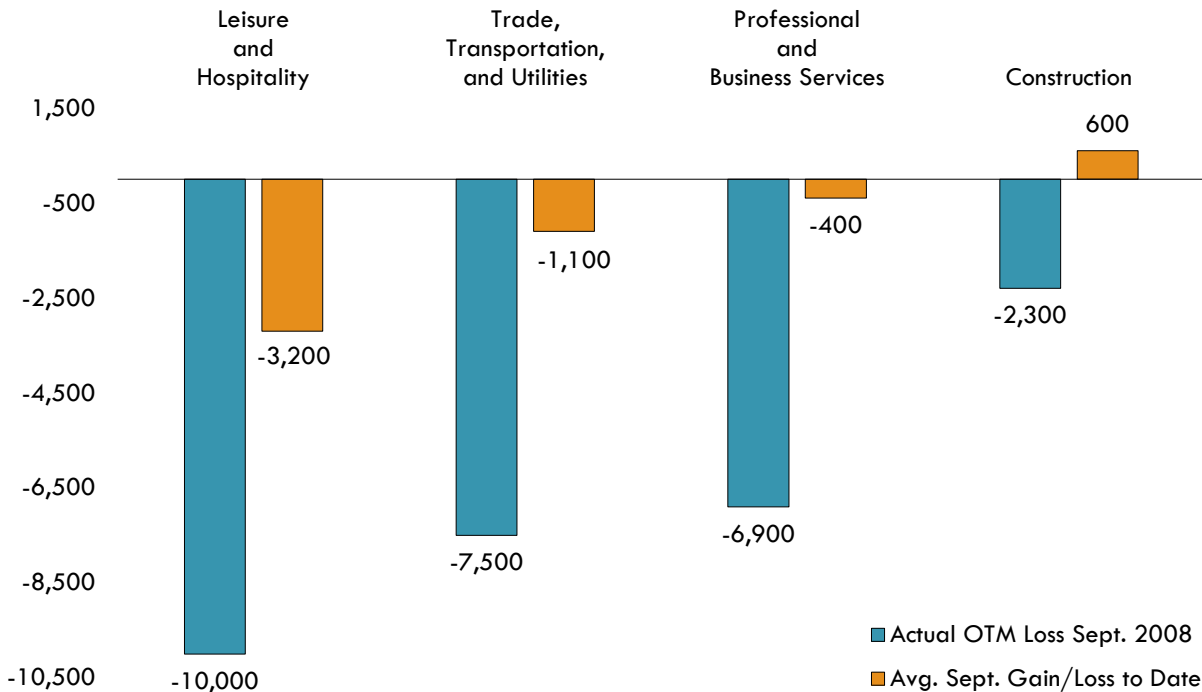
All sectors except Government, which for the Gulf Coast Region mainly refers to publicly-funded primary, secondary, and postsecondary educational institutions, lost jobs in September 2008. This is the only instance where this has occurred in the month of September since records began in 1990. It is likely that the 15,400 jobs added to Government payrolls was the result of the school year having already begun roughly one to two weeks prior to Hurricane Ike making landfall on September 13th. Hurricane Harvey struck just prior to the start of the 2017/2018 school year and in some cases delayed the start of the academic year until the middle of September 2017. This could result in relatively muted job growth in Government employment for September. Even if this proves to be the case, we can expect a complete return of public school payrolls when October employment estimates are released in November. As for the sectors that saw declines in September 2008, job losses were concentrated among three of the largest service sectors in the region: Leisure and Hospitality, Trade Transportation and Utilities, and Professional and Business Services. At the time, these sectors combined accounted 44 percent of jobs in the region however they comprised two-thirds of losses indicating a disproportionate impact due to the storm. (See Chart 2.)

Chart 2. Over-the-month Net Change in Employment by Sector, September 2008



It is important to note that all employment data contained in this report are not seasonally adjusted unless explicitly stated otherwise. Several sectors that saw job losses in September 2008 typically experience seasonal declines each September. Therefore, one might question whether the losses that appear to coincide with Hurricane Ike were simply the result of normal seasonal trends. In short, the answer is no. The three service sectors previously highlighted all experienced declines in employment in excess of their respective historical trends up that point. Leisure and Hospitality shed -10,000 jobs that month compared to an average of -3,200; Trade, Transportation, and Utilities lost -7,500 jobs versus a more typical -1,100; and Professional and Business Services declined by -6,900 whereas the average loss prior to September 2008 was -400 jobs. For all three sectors, these declines were also the largest on record for the month of September and in the case of Leisure and Hospitality, the single-largest decline of all time regardless of month. Lastly, given that Construction becomes an integral part of future recovery efforts after any natural disaster, it is worth noting that it too was impacted more than expected by the hurricane given its loss of -2,300 jobs. This remains Construction's largest September decline on record compared to an average gain of 600 jobs in the month of September. (See Chart 3.)

Chart 3. Over-the-month Net Decline in Employment for Selected Sectors, September 2008 Compared to September Historical Averages (1990-2007)



As noted, Leisure and Hospitality, Trade Transportation and Utilities, and Professional and Business Services were disproportionately impacted by Hurricane Ike’s disruptive effects. Naturally these impacts extended to key subsectors that employ hundreds of thousands of residents in the region such as Accommodation and Food Services, which lost 7,400 jobs, Retail Trade (-5,500), and Administrative and Waste Services (-4,300). Combined, these losses equated to 78 percent of total losses recorded in September 2008. In terms of compensation, these subsectors tend to provide below average hourly pay rather than annual salaries. In the third quarter of 2008 based on data from the Quarterly Census of Employment and Wages (QCEW), average hourly wages across all industries stood at \$25.08. Accommodation and Food Services paid \$7.90 an hour, which was nearly 69 percent below the average while Retail Trade paid \$12.88 an hour and Administrative and Waste Services provided the highest hourly rate of the three subsectors at \$18.00 an hour. In other words, workers in industries with some of the lowest wages and variable work schedules were more likely to be laid-off due to the storm than workers in other industries. (See Table 1.)

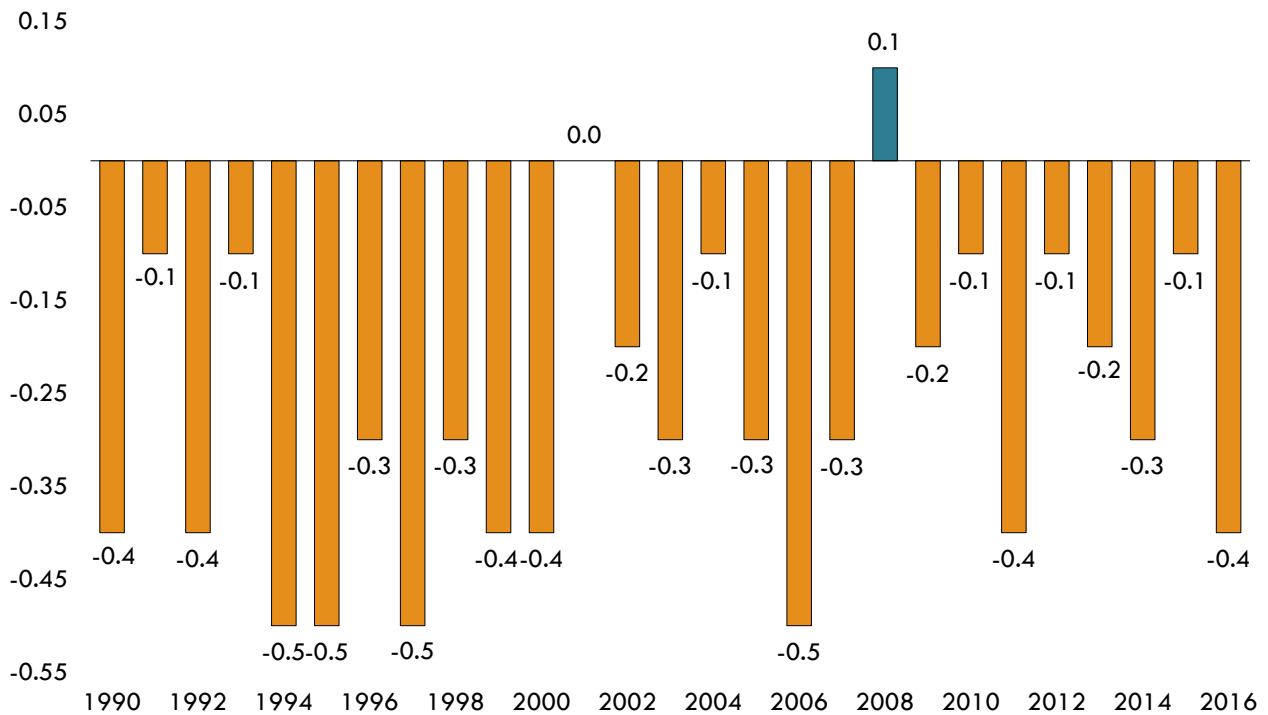
Table 1. Over-the-month Net Declines in Employment and Wages of Key Subsectors Impacted Most by Hurricane Ike, September/Q3 2008

Industry	Jobs Lost	Avg. Hourly Wage Q3 2008
Accommodation and Food Services	-7,400	\$7.90
Retail Trade	-5,500	\$12.88
Administrative and Waste Services	-4,300	\$18.00
Total/Average All Industries	-17,200	\$25.08

The Impact on the Unemployment Rate – October 2008

In contrast to the sector employment impacts observed in September 2008, the effects of Hurricane Ike on the unemployment rate did not manifest themselves until October. This was likely due the timing of the Local Area Unemployment Statistics (LAUS) survey, which requires an assessment of a person’s unemployment status and their efforts to re-secure employment in the four weeks *after* they initially become unemployed. In October 2008, the not-seasonally-adjusted unemployment rose 0.1-percentage point over the month. In a mirror image of the isolated September over-the-month declines in employment mentioned earlier, this was the only instance of an over-the-month *increase* in the unemployment rate in October since records began in 1990. Prior to that, the unemployment could be expected to decline on average by 0.3-percentage points. Unfortunately, the unemployment rate continued to climb throughout the remainder of 2008 and the beginning of 2009 due to Great Recession. (See Chart 4.)

**Chart 4. Over-the-month Net Change in Unemployment Rate (Not Seasonally Adjusted)
All Octobers 1990 – 2016**



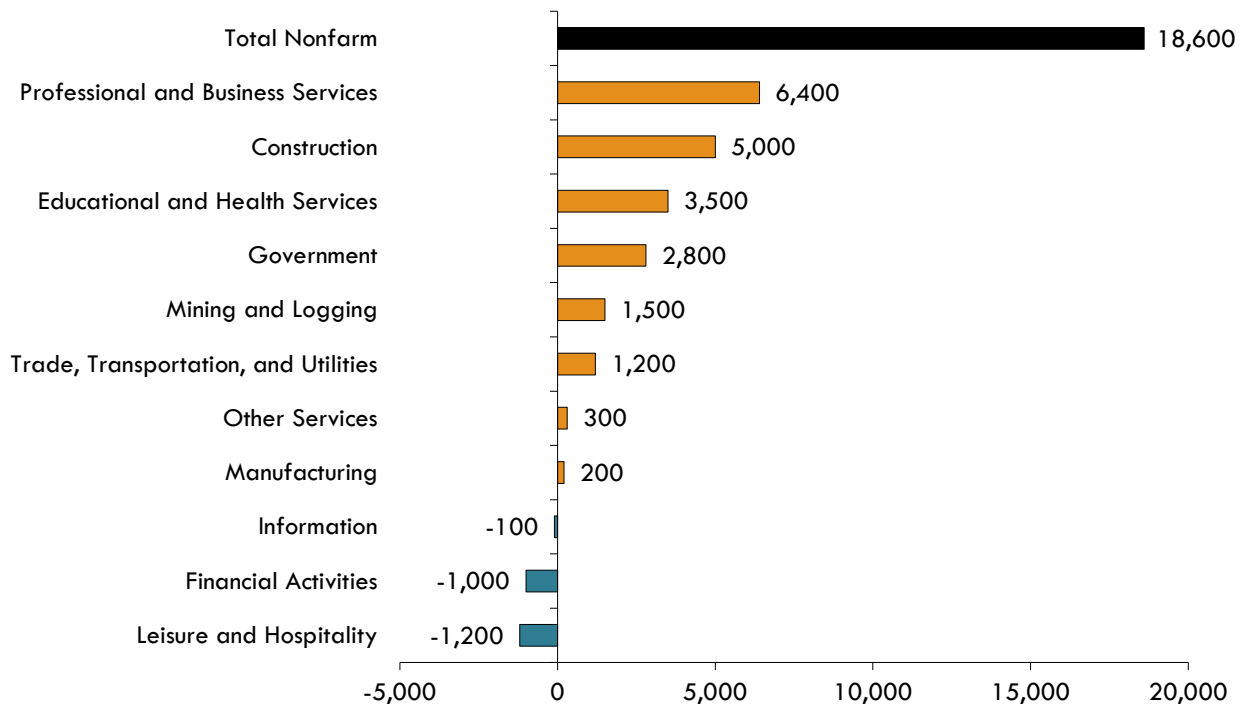
The October 2008 Rebound in Employment

October 2008 saw a rebound in overall Total Nonfarm Employment, up 18,600 jobs from September, which equated to a recovery of 85 percent of the jobs lost the previous month. Prior to 2007, gains of 5,000 jobs were common thanks to four consecutive October declines between 2000 and 2004. However, from 2007 onward, average gains were approximately 15,000. In this context October 2008's increase was not particularly noteworthy and regardless it fell short of the pre- and post-2007 records of 22,900 jobs added in October 1996 and 26,600 jobs added in October 2014.

Continued Losses in Leisure and Hospitality

While overall employment rose in October 2008, three sectors continued to jobs, most notably Leisure and Hospitality.^{iv} This sector experiences seasonal job losses each October in a continuation from September. In 2008 Leisure and Hospitality lost -1,200 over the month. The average decrease in October prior to that year was -2,600, which implies that losses were somewhat less than expected. At first glance, one might assume that a portion of Leisure and Hospitality's typical October losses were simply pulled forward into September's figure. Yet cumulative seasonal losses of -11,200 across September and October were the largest on record reconfirming that this sector saw unusually large losses related to Hurricane Ike. In a reversal of seasonal losses, November and December 2008 posted gains of 1,700 and 1,600, respectively. Technically these gains were well above their long-term averages at the time. However, increases of these magnitudes have become typical in recent years. As a result, there is no clear evidence of a recovery in this sector prior to the onset of the Great Recession that began affecting Houston's labor market in early 2009. (See Chart 5.)

Chart 5. Over-the-month Net in Unemployment Rate (Not Seasonally Adjusted) All Octobers 1990 – 2016



Sharp Recoveries in Professional and Business Services and Construction

The most notable rebounds in October 2008 were in Professional and Business Services and Construction. Employment in Professional and Business Services rose by 6,400 jobs making that October its best on record and nearly offsetting all losses from the previous month. Unfortunately, this recovery was short-lived as it appears that the Great Recession started to affect this sector even earlier than the overall job market. Professional and Business Services went on to suffer its worst November (-2,600) and December (-3,100) on record at the end of 2008.

As part of post-Hurricane Ike recovery efforts, Construction rallied strongly in October 2008, up 5,000 jobs over the month and nearly double the number of jobs lost in September. At the time, this was the largest increase on record in the month of October compared to an average of 1,600 jobs. Construction experiences seasonal declines each November and December and in 2008 it posted losses of -1,500 jobs and -4,000 jobs respectively. November's losses were in line with the long-term average however December's losses were the second-worst in the month of December on record. The cause of December's unusually large decline remains unclear although the growing momentum of the Great Recession was likely a contributing factor. (See Chart 6.)

Chart 6. Over-the-month Net Change in Employment for Selected Sectors, October 2008 Compared to October Historical Averages (1990-2007)



The Impact on Population Growth

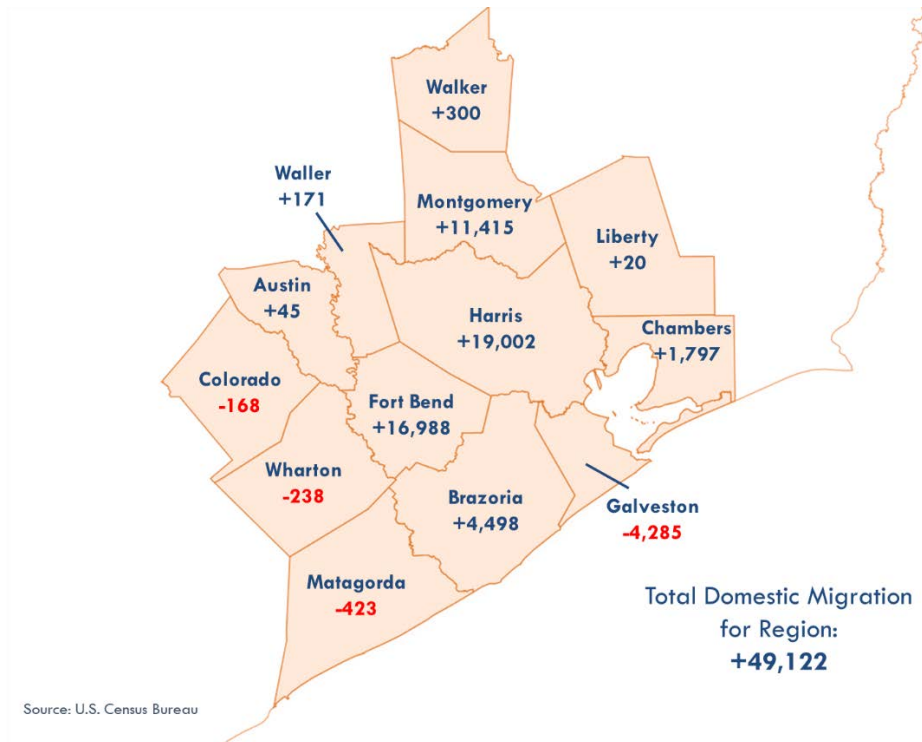
As a reminder, annual population estimates from the U.S. Census Bureau are produced on a July-to-July basis. Since Hurricane Ike occurred in September 2008, it is necessary to examine estimates for 2009 compared to 2008 in order to discern any impact on population growth. Further complicating analysis is the fact that roughly three-quarters of a year had elapsed between the occurrence of the hurricane and the reporting of new data and 2009 was arguably the most severe period during the Great Recession. Consequently, there may have been a drop in population immediately after the hurricane followed by a quick recovery, which would not be perceptible from the data. Data for July 2017 will not be released until 2018. Given that Hurricane Harvey made landfall in late-August early-September, the effects on the Gulf Coast population will not be apparent until 2018 figures are released in 2019.

Domestic Net Migration in 2008 for the entire 13-County Gulf Coast Region was 36,377, which rose to 49,122 in 2009. Given this increase, there was no evidence of a population drop as a result of the hurricane and in fact more people moved into the region, perhaps in support of recovery efforts or other pull-factors. This over-the-year population gain was echoed by the region's largest county, Harris. In 2008 domestic migration was -980 (i.e. on net 980 people left Harris County) while in 2009 it was +19,002. Again, there was no apparent out migration from Harris County due to Hurricane Ike.

Other large population counties in the region such Brazoria, Fort Bend, Montgomery also failed to show any net domestic out migration with the exception of Galveston, which in 2009 saw a net loss of -4,285 residents. This is consistent with a report from the National Oceanic Atmospheric Agency (NOAA) report titled *Texas Hurricane History* that "the worst damage was seen in Galveston and Chambers counties." Chambers may have experienced extensive property damage but no significant loss of population per Census data. Besides a statistical anomaly of net out migration of -53 residents in the year 2000, likely an artifact of the estimation process used by Census, Galveston County has never seen net domestic out migration going back to the year 2000.

With regard to births, deaths, and international net migration between 2008 and 2009, there were minimal impacts from Hurricane Ike. The number of births across the 13-county region remained virtually unchanged from 2008 to 2009 with 98,267 and 98,299 respectively. The number of deaths rose slightly from 33,513 to 34,383 for an increase of 870. According to the report from NOAA, officially there were 20 direct and 64 indirect deaths related to Hurricane Ike therefore it appears that the bulk of the year-over-year uptick was unrelated to the storm. International net migration was essentially unchanged across years with 28,243 people moving to the region from outside the U.S. in 2008 rising slightly to 28,368 in 2009. (See Map 1.)

**Map 1. 13-County Gulf Coast Workforce Development Area: Domestic Net Migration
July 2008 – July 2009**



Final Thoughts

As mentioned, the effect of the Gulf Coast's most recent weather-related disaster, Hurricane Harvey, will not be known until September 2017 data are released in October, at the earliest. November data will likely provide further confirmation of trends while a definitive assessment will only be possible after annual benchmark revisions in 2018 and 2019. In the interim, a review of labor market impacts immediately following Hurricane Ike in 2008 may provide insights into what can be expected although the Great Recession diminished comparability beyond the initial few months. It should be kept in mind however that overall employment in the region has grown significantly since 2008. Leisure and Hospitality alone is 43 percent larger in 2017 than in 2008. Professional and Business Services is 22 percent larger and Trade, Transportation, and Utilities is 13 percent larger. The growth in these sectors coupled with more extensive damage to infrastructure across the entire 13-county region has the potential to amplify the dislocation of workers. This could in turn lead to many of the employment and unemployment records set during Hurricane Ike being broken.

ⁱ <http://www.houstonchronicle.com/news/houston-texas/houston/article/City-of-Liberty-claims-new-unofficial-Harvey-12218068.php>

ⁱⁱ <http://abc13.com/harvey-destroyed-more-than-15500-homes-in-texas/2454379/>

ⁱⁱⁱ NOTE: at the time of Hurricane Ike, the U.S. had technically been in recession for nine months i.e. since December 2007, however the impact on monthly job growth in Houston did not become apparent until December 2008 when only 2,200 jobs were added compared to a December average of 12,600 up to that point.

^{iv} The remaining two sectors that continued losing jobs in October 2008 were Information (-100) and Financial Activities (-1,000). Information has been in long-term decline since 2001. Given that along with relatively small losses, any impact from Hurricane Ike does not merit extensive analysis. Monthly changes in Financial Activities employment has been erratic over time complicating identification of any trends.

^v <http://www.wpc.ncep.noaa.gov/research/txhur.pdf>



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