

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: March 31, 2010

Subj: Board Meeting Materials for Tuesday, April 6, 2010

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, April 6, 2010**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. The Chair will report on the National Association of Workforce Boards annual meeting. BP Texas City, College of the Mainland, and our Board were recognized with the W.O. Lawton Business Leadership Award. System Visibility Chair Timmins will present material developed by the committee and request Board members to contact their appointing elected official. We'll provide a package customized for each member at the meeting.

Chair Bowles will convene the Strategic Planning Committee at 9:00 a.m., immediately prior to the full Board meeting. The committee wants to invite all Board members, especially any newer members, to the discussion on building the local workforce system. The committee will bring forward its recommendations to the Board. Report Card Chair Shaw will talk about an update to the last report card. The Committee has approved an update but recommends waiting for new data before completely rewriting the comparative report.

Action Items. Procurement Chair Guthrie will convene the Committee on the afternoon of April 5 to review proposals for providing 2010 summer jobs and public information services for the Board. We are proceeding with the planning of the summer jobs without funding being completely secure. We think it likely that funds will be available as planned and we think we need to make changes from last year's delivery system as a result of fund limitations. The Procurement Committee will bring recommendations for contracts and discuss any contingencies we may want to consider.

Information. The Board recently approved a method to recognize outstanding service by the Workforce Solutions staff. Career Center Chair Shingleton will recognize the first quarterly award winners and present awards in honor of their good work.

We will close the meeting with staff reports on performance, expenditures, and labor market information. We are adjusting limits on training to afford more people access to training across the region using stimulus funds. We are still challenged to identify occupational training timed to job opportunities emerging from the recession. There have been some significant layoffs around the region and we will discuss responses we hope will help people move quickly back into employment.

We hope to see you next Tuesday and ask you to call if you have any questions. We appreciate the time and effort you give to this Board and will try to have the information you require to make informed and timely decisions.

**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, FEBRUARY 2, 2010**

MEMBERS PRESENT:

Gerald Andrews	Betty Baitland	Carl Bowles
Bill Crouch	Yvonne Estrada	Joe Garcia
Mark Guthrie	Barbara Hayley	John Hebert
Bobbie Henderson	Cody Holloway	Tracie Holub
Guy Robert Jackson	Valeria Jackson-Forrest	Jeff Labroski
Ray Laughter	Steve Lufburrow	Lynn Lumsden
Carolyn Maxie	Mindy May	Michael Nguyen
Linda O'Black	Sara Richards	Janice Ruley
Allene Schmitt	Richard Shaw	Myles Shelton
Kathy Shingleton	Frank Thompson	Evelyn Timmins
Sarah Wroblewski		

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Joel Wagher
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 1, 2009, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM DECEMBER 1, 2009

Mr. Thompson asked if there were any additions or corrections to the minutes for the December 1, 2009. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARATION OF CONFLICT OF INTEREST

No one declared a conflict of interest.

CHAIRMAN'S AND COMMITTEE REPORTS

Mr. Frank Thompson spoke about his trip to Washington D.C. to attend the US Conference of Mayors. Mr. Thompson explained that the most exciting thing to come out of the meeting was an announcement of a 1.5 billion dollar year round and summer youth program.

Audit & Monitoring

Mr. Joe Garcia stated that since the last report, the regional quality assurance team visited the East End, Huntsville, and Liberty offices. They also completed a walk-thru review of our self-service offices, Willowbrook, Northeast, Katy Mills and Galveston.

Mr. Garcia explained that staff continues to see large numbers of people looking for work and that we have seen definite improvement in our applications and the quality of our referrals to open jobs over the year.

We had another visit from auditors checking on Recovery Act money. The auditors, commissioned by the U.S. Department of Labor were here to look at training and spent several days looking at a career office and two of our Training for Jobs contractors. There was no indication that there were any problems.

TWC Statewide Conference

Mr. Mark Guthrie explained that the Texas Workforce Commission Statewide Conference was December 2-4, 2009 in Grapevine, Texas. We receive as a Board a couple of significant awards – \$50,000 for a Summer Youth Employment Award and \$100,000 for Lowest Percent of Child Care Expenditures on Administrative Operations Costs.

Career Office Committee

Dr. Kathy Shingleton stated that the committee met prior to the Board meeting to continue their work on "Recognizing Exceptional Work." At the December 2009 meeting the committee, and the full Board, approved a motion to recognize the exceptional work by Workforce Solutions in each of three categories:

1. Initiative that results in good customer service – by an individual or a group
2. Innovation to solve problems common to our customers
3. Teamwork – cooperation among more than one contractor and at least two of the three system parts (Career offices, employer service, financial aid payment)

A short on-line nomination form was developed that any staff person may use to submit to a rotating committee of seven peers. The committee will determine quarterly winners and will also select a winner to receive the highest recognition in each category.

Dr. Shingleton stated that this information was sent to the staff explaining the new recognition program and posted the nomination form on the Workforce Solutions web site – staff resources section. We expect to present the first awards at the end of the first quarter of this year.

Gilbreath Communications has designed plaques and a pin for quarterly winners and a crystal “Honeycomb” award for the annual winner. There will be other, to be determined rewards for the annual winner.

System Visibility

Ms. Evelyn Timmins stated that Chair Frank Thompson appointed the System Visibility Committee in October 2009 to discuss how the Board can go about delivering information about its vision, its system, and the results it is achieving. The committee has now had two meetings and has developed a basic plan - to provide good information that reaches decision makers, we can

- Charge all Board members with contacting the elected officials who appointed them
- Plan for Board members to speak with their state and federal representatives
- Arrange for selected members to speak with other decision makers at the local, state or federal levels

The Committee will deliver a package to the membership at its April meeting. The package will include a 3 page summary highlighting work of the Board and services to the region. A one page summary will be developed for each county.

Early Education and Care

Dr. Bobbie Henderson explained that the Texas Workforce Commission is contracting with Affiliated Computer Services (ACS) to implement a statewide system that tracks attendance for child care and early education financial aid. TWC is testing the new card system that parents swipe at a vendor’s location in Corpus Christi and Waco. The pilot phase is scheduled to end February 28, 2010 and TWC expects to roll out the new system across the state beginning in April. Advantages of the new system are:

- Reduce operation costs associated with tracking and processing attendance records and payments
- Reduce improper payments to child care providers
- Deter fraud by providing confirmation that child care is delivered to eligible families.

Licensed child care centers will receive a Point of Service (POS) device that allows parents and guardians to record attendance and absences by using the swipe cards. Home- based providers will use a telephone system to record the information. ACS will install the equipment at the child care centers and there will be no charge for the service to vendors or parents.

Local career offices will give parents the swipe cards when they are authorized for financial aid. TWC will host information sessions for Workforce Solutions staff and child care providers. Child care providers can visit www.workforcesolutionschildcare.com to learn more.

Recognition of Board Members with expiring terms

Mr. Thompson and Mr. Guthrie presented certificates of appreciation for service on the Board to members whose term expired on December 31, 2009

ACTION ITEMS

- a. Nominating Committee. Consider the committee's recommendations for 2010 officers

Mr. John Hebert explained that the Nominating Committee contacted the current officers to inquire if they were interested in serving an additional term. All the current officers agreed and the Nominating Committee concurred that the Board should continue with the same excellent leadership and nominated the current officers.

Frank Thompson – Chair
Mark Guthrie – Vice Chair
Yvonne Estrada – Vice Chair
Gerald Andrews – Vice Chair

A motion was made and seconded to elect the following – Frank Thompson – Chairman, Mark Guthrie -Vice Chairman and Yvonne Estrada – Vice Chairman and Gerald Andrews – Vice Chairman. The motion carried.

- b. Budget Committee. Consider the committee's recommendations to adopt a 2010 budget in an amount of \$221,157,512.

Each year the Board approves a budget showing how it uses the revenues it receives to achieve the results set out in the Board's strategic plan.

The Budget Committee met on Thursday, January 7, 2010 and asked questions about proposed budget materials and possible future direction for Board revenues.

The proposed 2010 budget at \$221 million is 5% less than the amended 2009 budget. We continue to lose Workforce Investment Act core revenue, as we have over the past several years. Recovery Act dollars and anticipated additional revenue for a 2010 summer jobs project bolster the proposed budget somewhat. Other core revenue remains roughly stable.

- We will keep looking for more efficient ways to deliver service for individuals who want to get a job, keep a job or get a better job.
- Although there are a considerable number of individuals who remain out of work in the region, the traffic in our local offices has moderated.
- Discussion continues in Washington about overhauling the Workforce Investment Act. This will have an effect on our revenues, but it is still too early to tell what the likely changes may be.

On the expenditure side of the budget, we again this year are proposing decreases across the system reflecting the decreases in revenue.

- Employer Service operations again reflect a drop in the resources available to us for current worker training projects and the overall reduction in core revenue.
- As we noted in October 2009 when the Board renewed its Workforce Solutions operations contracts, the career office budgets also reflect the fact that we have less core revenue available for on-going operations.
- We eliminated the research and demonstration projects, although we have funded special Recovery Act efforts that include the Training for Jobs and Early Education Quality projects.
- We are proposing an operations budget for the Board staff of \$4.1 million, a decrease of 16.5% from the amended 2009 budget. The proposed Board operations budget represents 1.9% of our total budget.
 - We're proposing 26 full-time equivalent staff. Budgeted personnel costs reflect H-GAC's merit pool salary increase policy. As you may recall, H-GAC sets aside a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance.

- As we did last year, we decreased amounts set aside for consultants.

A motion was made and seconded to approve a 2010 Board budget in amount of \$221,157,512. The motion carried.

- c. Employer Services Committee. Consider the committee's annual recommendation concerning required minimum standards for education and training providers and the Back to Work initiative.

Mr. Gerald Andrews stated that the committee met by teleconference on January 28, 2010. Mr. Andrews suggested that committees consider using teleconferencing for meetings –attendance is higher and the meetings are timely and effective.

Mr. Andrews explained that Workforce Solutions provides customers with financial assistance to purchase employment-related services that our offices do not directly provide. We purchase these services on an individual basis from third-party organizations through a vendor relationship. We maintain a network of vendors that provide education and training.

Workforce Solutions requires Boards to set a minimum level of performance for training vendors registered on the state's list. Vendors must meet and maintain performance levels for each course of training they wish to register.

Boards may adopt the Commission's recommended performance or set higher levels. The state's recommended levels for this year are:

Measure	Performance Level
Student Completion Rate	60%
Completers Entered Employment Rate	60%
Average Hourly Wage at Placement	80%

The Employer Service committee recommends setting required vendor performance levels at the state's levels.

A motion was made and seconded to approve Texas Workforce Commission's recommended performance levels for our approved training providers. The motion carried.

Texas Back to Work Initiative

Mr. Andrews explained that the Texas Workforce Commission (TWC) has an opportunity to significantly expand the Texas Back to Work Initiative from an initial \$15 million to a much larger program funded with federal Temporary Assistance to Needy Family stimulus funds that support employment retention. TWC is proposing a uniform statewide approach to the program and qualified participants are first time claimants who earned less than \$15/ hour.

TWC identifies qualified candidates in WorkInTexas, the Texas Job Bank. A Work Site Agreement is then signed with the employer and the Workforce Board. The program is funded February through September 2010. And the total wage subsidy per qualified individual is \$2000 and based on employment of 120 days. A tiered reimbursement approach is used by all Boards:

Month 1 - \$800
Month 2 - \$600
Month 3 - \$400
Month 4 - \$200

Currently, there are 26,343 active Texas Back to Work qualified claimants in the Gulf Coast region. We submitted a spreadsheet to TWC with monthly estimates of the number of claimants we will serve and the wage subsidy amount. We are estimating help for 7,700 claimants at a cost of \$15.1 million.

Staff proposed amending the contract with Employment and Training Centers – our Employer Service contractor – to start the program.

Mr. Andrews explained that the committee will present more details and a request for full contract amendment to accommodate the full Back to Work initiative at the April meeting.

Mr. Thompson explained that he was invited to Austin to attend a special presentation by Lt. Gov. David Dewhurst on Texas Back to Work and will relay any information to the Board.

INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2009 through December 2009. Mr. Baggerly explained that this is an end-of-year report and that overall we did quite well. These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the regional workforce system and one for the Board's operating affiliate, Workforce Solutions. The report is based on Workforce Solutions measures.

For Workforce Solutions

More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 35,275 employers this year which is 27% of the 130,648 employers identified for the Gulf Coast area. Through December, we provided services to 12,394 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 8,684 employers, 7,633 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. We worked with employers who added 2,307 new jobs annually.

Customers employed by the 1st quarter after exit – with two quarters of data, 152,151 of the 201,119 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - reporting for two quarters, 63,144 of the 198,038 who exited had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one – through December, 152 of the 2,037 customers pursuing an education diploma, degree or certificate achieved one.

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

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

- Claimant Reemployment. The target for this measure is 67%. Our performance through December was 54.1%.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through December was 38.3%.
- Staff-Created Job Openings Filled. The target for this measure is 69%. Our performance through December was 64.5%.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through December was 75.2%.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through December was 69.9%.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through December was 41.6%.
- Average Choices Single Parent Participation Rate – Texas Mandatories. The target for this measure is 50%. Our performance through December was 46.7%.

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

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending December 31, 2009. Mr. Bradshaw explained that everything looks good and there

were no problems with expenditure rates or service levels. The expenditure report does show that we have carried a large sum of money over from last year. Most of that money is stimulus money that came to us late in the year and continues to be available to us in 2010.

Summer Jobs Project

Mr. Bradshaw explained Federal legislation to fund 2010 summer jobs continues to float around in Congress. While it appears that there will be some money through the U.S. Department of Labor (DOL) for summer jobs this year, it is not certain how much or when the money will become available.

Texas is discussing the use of Temporary Assistance to Needy Families (TANF) stimulus funds as a way to pay for 2010 summer jobs as well. The Workforce Commission has asked us for an estimate of jobs and expenses should it decide to give out this money.

- We estimated summer jobs at about last year's level: 4,750 jobs for young workers costing about \$12.1 million.
- The TANF dollars can only be used for work – not education – and would most likely be available to young workers between 16 and 24 years of age. The income eligibility rules for the TANF dollars are slightly more flexible than the traditional DOL money.
- The TANF dollars also cannot support the counselors and extra staff we paid for last year for our managing contractors. The Workforce Commission is looking to see if it can find some funds for this kind of activity in 2010, but this money would be limited.

We are dusting off our request for proposals from last year to solicit contractors to manage summer jobs for us. We will get this request out as soon as possible for any action by the Board in time for the summer.

We will also be discussing how to recruit and certify young workers with our current career office contractors and our communications/public information contractor.

LABOR MARKET REPORT

Mr. Joel Wagher explained that the Gulf Coast Region lost 92,500 jobs from December 2008 to December 2009. Initial claims for unemployment benefits decreased over the month and the Gulf Coast region's December unemployment rate was 8.3% in December, up from 8.2% in November, but down from September's high of 8.5%. Three sectors still show annual growth – government (5,200), education and health services (6,700) and leisure and hospitality (1,600).

ADJOURN

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

PRESS RELEASE



MEDIA CONTACT: Kerry Brooks
OFFICE: 407-384-1239

March 3, 2010

National Association of Workforce Boards Honors BP Texas City and Gulf Coast Workforce Board with its Premier Business Leadership Award

~Award presentation will take place in Washington, D.C., on March 8th~

(Washington, DC) BP Texas City and the Gulf Coast Workforce Board will be honored as the 2010 W.O. Lawton Business Leadership Award winner by the National Association of Workforce Boards (NAWB) at its annual Forum on March 8th in Washington, DC. The award annually honors those businesses and business organizations that made the commitment of time, expertise, money, and leadership to develop strategic workforce solutions and a vibrant economy.

BP - Texas City partnered with College of the Mainland (COM) to develop an A.A.S. degree in process technology, ensuring a trained workforce for the petrochemical and refinery industry. It partnered with the COM to recruit employers to create and implement an industry-driven curriculum. This program led to the creation of a program now replicated at 57 colleges and recognized as the national industry standard preparation for training. The decision on the part of BP management to partner with process industries and community colleges has yielded a trained, diverse, and educated workforce.

Beginning in 1993, BP (previously Amoco) partnered with COM to develop a Process Technology Program to serve as a pipeline of technically competent workers for the petrochemical industry. The decision to take the lead on this initiative was made by senior BP Texas City management as an investment in the future. This foresight and the commitment to elevate the technical skill levels of BP's existing and future employees led to an industry-driven A.A.S. degree program in process technology now offered by 57 colleges.

Current enrollment in process technology programs across the nation is approaching 7,000 students. COM recognized that industry employers must drive the curriculum if program graduates were to be recognized as the preferred candidates for employment. To ensure industry leadership, BP assigned an operations training manager to lead the program and curriculum development efforts, and serve as the initial lead process technology instructor. The BP manager, in conjunction with the Process Technology Advisory Committee, composed of industrial training representatives and supervisors from the seven area refineries and petrochemical complexes, was ultimately responsible for the implementation and promotion of

the Process Technology A.A.S. degree program. COM staff ensured the program met all educational requirements related to program degree status. The committee worked to ensure that the new A.A.S. degree would fulfill and keep pace with industry needs and assured that the curriculum transcended a single company-specific philosophy.

While industry as a whole supported the effort, BP was the primary supporter through personnel and financial assistance (\$500K). BP continues to be a principal supporter of the colleges' process technology A.A.S. degree programs. Numerous BP employees have been involved in the Process Technology Program success story over the past 16 years and have served by developing curriculum, serving on advisory committees, participating in career days at local school districts, and serving as adjunct faculty. Further, BP itself has hired over 300 process technology graduates and BP created a Process Technology Internship Program to augment course work, which served 115 interns.

The initiative has evolved into the Center for Advanced of Process Technology (CAPT). CAPT supports the seven Process Technology Alliances and 57 colleges and universities offering process technology programs to ensure consistency, quality, and continuous improvement of the programs. The initiative also received the National Bellwether Award for strength of partnerships and the National Alliance of Business Award for collaborative efforts.

The W.O. Lawton Business Leadership Award was developed after W.O. Lawton, a longstanding NAWB Board member and member of the Peninsula Council for Workforce Development, VA, passed away unexpectedly. The award was created in honor of Dr. Lawton's relentless commitment to improving business driven workforce initiatives in communities.

NAWB is the leading workforce association that represents the nation's nearly 600 business-led Workforce Investment Boards (WIBs) and also serves other associated organizations in the workforce industry with one common goal: *Helping America Work*. NAWB is guided by a Board of Directors, composed primarily of Workforce Board chairs and past chairs that oversee job training at the local level. Founded in 1979, NAWB membership consists of local workforce investment boards and governor-appointed state workforce investment boards nationwide representing approximately 15,000 volunteers from business and other sectors.

For more information about NAWB, visit www.nawb.org.

NAWB CONTACT: Patrick Cassidy, NAWB Consultant
PHONE: 443-824-4833
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WINNER CONTACTS: BP Texas City: Dennis Link, Manager of Unit-Specific Operations Training, Dennis.Link@bp.com
Gulf Coast Workforce Board: Rodney Bradshaw, Director of Human Services
rodney.bradshaw@wrksolutions.com

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GULF COAST WORKFORCE BOARD REGIONAL UPDATE



In good or bad economic times,

we link employers to job candidates and people to jobs.

The Gulf Coast Workforce Board is the public workforce system in the Houston-Galveston region. With our operating affiliate Workforce Solutions, we provide services that help businesses meet their workforce needs and help individuals build careers.

Our goal is to make a difference in our community by:

- Providing expert, professional advice to our customers;
- Finding qualified candidates to fill the jobs employers post with us;
- Helping people find a job, keep a job or get a better job; and,
- Working with our region's key industries to find solutions for critical skill shortages.

The region includes the following counties:

Austin	Galveston	Walker
Brazoria	Harris	Waller
Chambers	Liberty	Wharton
Colorado	Matagorda	
Fort Bend	Montgomery	



With representatives from business, education, labor, government and community organizations, the Gulf Coast Workforce Board sets policy and directs expenditures that underwrite services for more than 125,000 businesses and 5.7 million residents in the region. As a result of these policies and expenditures, we expect that our region will have:

**More Competitive Employers
More and Better Jobs**

**A Better Educated Workforce
Higher Incomes**

The region's local elected officials appoint members of the Gulf Coast Workforce Board. Board staff operates through the Houston-Galveston Area Council.

**Workforce Solutions**

REGIONAL IMPACT

Because employers hire across political boundaries, the Gulf Coast Workforce Board seeks to provide a unified system that delivers quality service to employers and residents throughout the 13-county Houston-Galveston region.

2009

MORE COMPETITIVE EMPLOYERS

Workforce Solutions served **36,623 employers**.

Because employers value our service, **19,917 returned** for additional services.

A BETTER EDUCATED WORKFORCE

We helped more than **3,710 customers go to school**, 95% of whom were enrolled in post-secondary education to earn certificates or degrees.

MORE AND BETTER JOBS


We worked with employers who added **2,374 new jobs**, and **over 78% of customers were employed** in the quarter following their participation with Workforce Solutions.

HIGHER REAL INCOMES

More than one-third of Workforce Solutions' customers had **earnings gains of at least 20%**.



RESULTS



Through our operating affiliate Workforce Solutions, we partner with the region's businesses, educational institutions, civic organizations and community leaders to find solutions to current and future labor needs of industries that are vital to the region and its economy. We operate 29 community-based career offices throughout the region where residents can access professional assistance to find a job, keep a job or get a better job. We also provide free computers with high-speed Internet, copiers, telephones and fax machines.

IN 2009,

We **helped 296,000 people** find a job, keep a job or get a better job.

And, we **filled 136,898 job openings** for local employers.

We awarded **more than \$124 million in financial aid** for training, education, child care and other work-related needs.

As a result of our financial assistance, nearly **31,000 children** from low-income families participated in early education and care activities daily.

An additional **5,354 low-income youth** gained valuable experience in Summer Jobs. With the skills and effort of youth participants, local governments were able to accomplish a number of projects.

In addition to working with business to add jobs, we also provided **outplacement services to 11,775** displaced employees from 96 companies.



Workforce Solutions is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Texas Relay Numbers:

1-800-735-2989(TDD) • 1-800-735-2988(VOICE) • 711



RECENT RECOGNITION & AWARDS

2010 W.O. Lawton Business Leadership Award

– National Association of Workforce Boards

2009 Summer Youth Employment Award

– Texas Workforce Commission

**2009 Performance Incentive Award for
Lowest Percent of Child Care Expenditures
on Administrative/Operations Costs**

– Texas Workforce Commission

**2007 Industry Sector Outreach Award,
Texas Workforce Network**

– Texas Workforce Commission

**2007 Workforce Development Award for Excellence,
Urban One-Stop System**

– National Workforce Associates

**2007 Recognition of Excellence Award,
Building an Industry/Business-Driven Workforce Investment System,
Honorable Mention, *for Regional Healthcare, Energy
and Construction Initiatives in the Texas Gulf Coast Region***

– U.S. Department of Labor, Employment & Training Administration



www.wrksolutions.com

Strategic Planning

2009 Report on Achieving the Board's Results

Summary

In 2002, the Board adopted a strategic plan to guide its efforts toward helping employers meet their human resource needs and individuals build careers. In keeping with its key values – innovation, productivity, performance and results – the Board identified four results statements that describe the difference the Board intends to make in the Gulf Coast area. The Board's measures, developed from those statements, help determine progress towards achieving the results both for the region at large and for Workforce Solutions, our operating affiliate.

- More competitive employers
- A better educated workforce
- More and better jobs
- Higher incomes

2009 was the first year of the second 5-year strategic plan period. We met annual targets for most of the Board measures, but we also missed several that track closely with job growth and employment levels. In 2008, we had 13 strategic, Board-level measures. We exceeded eight of the targets for those measures (62%). In 2009, we had 10 measures, and we exceeded targets on seven (70%).

With the widespread loss of jobs, it is no surprise that we missed our total employment target by about 25,000. On balance, that's not too bad on a base of almost 2.6 million jobs. Workforce Solutions did better than planned on the number of new jobs it helped bring to the region, and the percentage of customers we helped find work. Our performance slipped on the percentage of customers for whom we helped increase income – again a result of the economic downturn. We increased penetration rates in all our targeted industries, some rather dramatically such as in oil, gas and petrochemical manufacturing, and health services.

In the report for 2008, we missed targets for all Regional Workforce System education measures. This year, we met two out of three, missing the target for the percentage of people who have a post-secondary degree by only about .5%. We think this is important and hope it marks the beginning of a trend where more Gulf Coast residents have educational credentials, and more people enrolled in Gulf Coast schools are earning credentials.

The discussion below, of each family of measures and our performance against them, provides detail on the measures as well as some discussion of performance in the context of the Board's overall goals and operations.

Job Creation and Employment

We use four measures as indicators of our success at adding jobs in our region, getting people employed in those jobs and increasing their incomes.

Regional Workforce System	Workforce Solutions
<p>— Total number of people employed</p> <p><i>Did not meet target at 2.58 million people working</i></p> <p>The number of people working slipped last year, reflecting the affect of the recession. We missed our target of 2.6 million jobs by about 25,000.</p>	<p>— Number of new jobs created as a results of Workforce Solutions partnering with other business organizations</p> <p><i>Exceeded target at over 2,200</i></p> <p>This year, we again exceeded our target of creating 1,700 new jobs.</p>
	<p>— Percentage of customers employed after leaving Workforce Solutions</p> <p><i>Exceeded target at 79%</i></p> <p>The percentage of customers employed after leaving Workforce Solutions remained largely unchanged at 79%, exceeding our target of 78%</p>
	<p>— Percentage of customers with earning gains of at least 20% after leaving Workforce Solutions</p> <p><i>Did not meet target at 36%</i></p> <p>The percentage of customers who saw earnings gains of at least 20% after leaving Workforce Solutions increased from 31% in 2004 to 38% in 2008. Not surprisingly, performance on this measure slipped in 2009 to 36%, again missing our target of 40%.</p>

Education Credentials

We use four measures as indicators of our success at improving the education level of the region's workforce.

Regional Workforce System	Workforce Solutions
<p>— Percent of the population with an education credential</p> <p><i>Exceeded target at 80%</i></p> <p>The percentage of people holding an education credential (GED, high-school diploma, associate, bachelors or graduate degree) moved up slightly (.5%) to 80.1%. Our target was 79%.</p>	<p>— Percent of customers pursuing an education credential who earn one</p> <p><i>Exceeded target at 43%</i></p> <p>Performance decreased markedly from last year's 53% although we surpassed our target of 41%. We have about 50% fewer customers earning credentials than we did last year. We provide scholarships for people to attend school programs that prepare them for high-skill/high-growth jobs. These programs tend to be at least one to two years. Customers are in school longer.</p>
<p>— Percent of the population with a post-secondary credential</p> <p><i>Did not meet target at 34.4%</i></p> <p>The percentage of people holding a post-secondary credential moved up from the previous year's performance of 33%. Our target was 35%.</p>	
<p>— Percent of those pursuing an education credential who earn one</p> <p><i>Met target at 20%</i></p> <p>The percentage of people pursuing a credential who earned one finally moved above 19%. Our goal for 2009 was 20%. This measure is an aggregate of the number of people who attain a high school diploma, GED or post-secondary degree.</p>	

Market Share and Customer Loyalty

We use two measures as indicators of our system's success at improving the competitive position of our region's employers.

Market Share	Customer Loyalty
<p>— Percent of employers using Workforce Solutions</p> <p><i>Exceeded target at 29%</i></p> <p>We increased the share of the region's employers we serve from about 7,500 or 7% (2002) to almost 37,000 or 29% (2009). Our target was 25%.</p>	<p>— Percent of employers who are repeat customers</p> <p><i>Exceeded target at 74%</i></p> <p>We've also increased repeat business from 2,700 or 34% (2002) to just over 20,000 or 74% (2009). Our target was 72%.</p>

Following are market penetration rates for the Board's target industries. This information is a subset of the total market share shown above.

Targeted Industry Title	2006 Penetration Rate	2007 Penetration Rate	2008 Penetration Rate	2009 Penetration Rate
Oil and Gas Extraction	6.70%	5.40%	3.37%	9.7%
Support Activities for Mining	13.80%	14.60%	10.10%	19.3%
Petroleum and Coal Products Manufacturing	23.70%	25.80%	12.96%	25.7%
Building Equipment Contractors	13.80%	15.90%	18.50%	23.5%
Computer Systems Design & Related Services	7.70%	7.90%	4.38%	10.8%
Management, Scientific, & Technical Consulting Services	7.50%	9.70%	4.94%	9.7%
Elementary & Secondary Schools, Public/Private	54.20%	47.00%	42.22%	75.8%
Colleges, Universities, & Professional Schools. Public/Private	60.80%	68.50%	11.82%	62.9%
Offices of Physicians	4.30%	9.00%	17.30%	19.9%
General Medical & Surgical Hospitals, Public/Private	100.00%	77.70%	42.71%	100%

Targeted Industry Title	2009 Total Establishments	2009 Number Served	2009 Penetration Rate
Oil and Gas Extraction	982	95	9.7%
Support Activities for Mining	785	151	19.3%
Petroleum and Coal Products Manufacturing	102	26	25.7%
Building Equipment Contractors	2,615	615	23.5%
Computer Systems Design & Related Services	2,624	285	10.8%
Management, Scientific, & Technical Consulting Services	3,709	359	9.7%
Elementary & Secondary Schools, Public/Private	264	200	75.8%
Colleges, Universities, & Professional Schools. Public/Private	116	73	62.9%
Offices of Physicians	4,819	960	19.9%
General Medical & Surgical Hospitals, Public/Private	101	101	100%

Recommended Changes to the Strategic Plan

Although we missed several targets for 2009, we do not recommend changing any of the annual targets for the subsequent four years of the strategic plan. We think we can meet them.

We do, however, recommend increasing 2010 targets for three measures where our performance was better than planned.

- **Number of new jobs created as a result of Workforce Solutions working with other business organizations**, adjust the target from 1,800 to 2,000;
- **Percent of employers using Workforce Solutions (market share)**, adjust the target from 26% to 27%; and
- **Percent of employers who are repeat customers (customer loyalty)**, adjust the target from 72% to 73%.

At this time, we do not recommend adjusting annual targets for 2011 through 2013. Typically, we set annual contractual targets for market share and customer loyalty every year based on the previous year's performance. We think it also makes sense to consider adjusting targets for these same strategic measures at the same time.

The strategic plan currently has a staff-level measure for our system we think should be dropped.

- Percentage of Workforce Solutions' individual customers earning post-secondary certificates or degrees in fields preparing them for jobs in high-skill/high-growth occupations targeted by the Gulf Coast Workforce Board.

We changed our financial aid policy so that we only award scholarships to help customers pay for school programs if those programs prepare them for high-skill/high-growth occupations targeted by the Board. Performance on this measure would, therefore, be 100%.

Some Thoughts about 2009

In 2009 the Gulf Coast Region experienced its worst market for job growth and employment in over 20 years. The unemployment rate reached 8.3 percent in July, the highest since the late 1980's. Currently, our peak job loss was in November where revised estimates show a loss of 103,500 jobs or 3.9% from November 2008. To find a decline higher than this level, one would have to go back to March 1987 when the annual rate was down 5.2% or 82,600 jobs from the previous March.

The Perryman Group estimated Real Gross Area Product for 2009 at \$288.4 million, a decrease of \$5.4 million or 1.8% from 2008. Currently, the forecast for 2010 forecast shows an increase in the Real Gross Area Product of 3.3% to \$297.9 million.

The most recent data from the Texas Workforce Commission shows that total payroll for the Gulf Coast region (wages reported on employers' quarterly tax reports) was down 4.9% or \$1.67 billion from 2nd quarter 2008 to 2nd quarter 2009. The number of jobs was down 71,221 or 2.7% from June 2008 to June 2009. Many high paying jobs have been lost over the year.

With the decrease in wages/employment, per capita income is down also. Current data from the Perryman Group shows real per capita income down from \$39,185 in 2008 to \$38,466 in 2009.

November's initial claims for unemployment benefits numbered 22,708, an increase of 4,493 (24.7 %) from November 2008. This was the lowest number of initial claims filed since December 2008, a sign of improvement, but still the highest activity for the month of November in this time series.

Continued claims were up 41,001 (43.9%) from November 2008. Currently, it appears that continued claims peaked in August 2009 at 150,524. The Texas Workforce Commission notified approximately 45,000 unemployment claimants in November 2009 that they

may be eligible for additional weeks of extended benefits. Claimants who have exhausted their benefits may apply for the additional extension, and we could see the continued claims count rise again.

From November 2008 to November 2009, total insured unemployed for the Gulf Coast Region increased by 27,222, or 90%. The increase in unemployed people is spread broadly across all industries.

The Gulf Coast Workforce Board

Workforce Report Card

Background

In 2005, the Gulf Coast Workforce Board released the first annual Workforce Report Card comparing the state of its workforce system to that of other competitor Sunbelt cities. The report card provides a means of benchmarking the work of the board in making the Texas Gulf Coast region one of the most competitive in the world. It also serves as a complement to the Board's strategic plan which measures the Board's progress in improving the workforce system within the Gulf Coast region. We have since produced new Report Cards in 2006 and 2007. We are now proud to release an update to the Report.

Current Situation

We collected data for each of the 36 indicators used in the Report Card. We looked at changes from the previous report released in 2007; we compared regions; and we began to assign grades.

What we saw was that the bottom line – the big picture – had not changed much from the previous report. In fact, the “big news” is still education, its importance to a region's economic viability, and the effect of a less-than-stellar public education system.

The most recent data for almost all of the indicators were from 2008. The impact of the recession is largely not reflected in the indicators for our region. Gulf Coast continued to see job growth well after the recession hit many other parts of the United States. The 2008 data paints a picture of our region that is still fairly rosy, particularly when compared to other regions that were already experiencing the pain of the economic downturn.

In 2009, the recession squarely hit the Gulf Coast region. Although most agree that we have fared better than most of the U.S., we have experienced widespread job loss, housing foreclosures and increased unemployment. The story told by the 2008 data does not reflect what our region looks like today.

Putting it all together – the somewhat unremarkable story told by the 2008 data, and the late impact of the recession on our region – we do not recommend publishing a “full-blown” Report Card at this time. Instead, we offer a short report on what is reflected by these data. We also recommend developing a full-blown Report Card in 2011 that will more accurately reflect the impact of the recession.

Action

Publish an update to the 2008 Workforce Report Card.

Workforce Report Card — 2010 Update DRAFT

****After the March 25, 2010 meeting, staff is incorporating committee members' comments and shortening the following draft update.****

Since we last published the Workforce Report Card in 2007, the economic landscape in the United States has changed dramatically, both for the nation and in local communities. Financial markets crashed, the stock market fell—erasing gains from the last decade—and unemployment rose dramatically. In fact, the economic downturn has been felt around the world. We've seen a worldwide collapse in trade largely stemming from a contraction of the credit markets.

We are starting to see hints of what will surely be a slow recovery, however, regional labor markets will continue to be adversely affected for some time. When job growth resumes, the economic landscape in each region may be fundamentally different than it was in August 2008, and in ways that are not yet predictable. What kinds of jobs will be in demand? Will the mix of employers in each regional economy shift?

While there is no crystal ball in which to see the future labor market in any region, we can predict that regions, particularly the Gulf Coast, will need to find new ways to compete in the global economy. While we are competitive in terms of intellectual resources - we have some of the best and brightest minds - we have not found ways to compete with the lower wages paid to workers in other parts of the world. Now more than ever, we simply cannot afford to put off making smart, critical investments that will move the Gulf Coast region to our vision of being one of the top ten economic regions in the world.

The uncertainty and turmoil of the current economic situation are apparent in the indicators tracked in the Workforce Report Card. It does appear, however, that most of the regions included in the Report Card have fared better than the nation as a whole. The rolling ten year job growth rate, for example, which dropped to 8.8% for the nation, remained in the double digits for all regions in the Report Card. Unemployment for 2008 was at or below the national average of 5.8% in more than half the regions including Gulf Coast, Dallas, Denver, Miami and San Antonio. All except Miami and San Antonio had median household incomes higher than the national average of \$52,029.

For many of the indicators not closely linked to the business growth and housing markets, there was not much movement when compared to the 2007 Report Card. Miami is still, generally speaking, trailing the other regions with low grades in all subjects - job growth, employment, knowledge jobs, market alignment, education, income/wealth/poverty and places to live and work. Atlanta and Denver have maintained their lead in education but lost ground in job growth. San Diego fell in every category except education. Indicators of air quality slipped almost everywhere - especially in Atlanta, Denver, Dallas and San Diego.

The Gulf Coast region ranks ahead of the pack in job growth, unemployment, diversity and good jobs. We have had a number of good years. Whether you own your home or rent, the Gulf Coast region is still a good place to live. We've made some headway in the percentage of people that have at least a bachelor's degree although we are still trailing Atlanta, Denver and San

Diego. However, Gulf Coast slipped on the income, wealth and poverty indicators. We have almost the highest percent of families living at or below the poverty level. San Antonio beat us by about 1%. We also come in 5th place in the percentage of households receiving public assistance surpassed only by Miami and San Antonio.

While the general strength of the Gulf Coast region and most of its competitors is intact, we also see indications that the future may not be so bright. In a global economy, the talent pool in a region – the people qualified to fill the available jobs - is critical to its success. All of the comparison regions in the Report Card, except for San Antonio, exceeded the nation in the percentage of people with a bachelor's degree or higher. Only the Gulf Coast and San Antonio regions fell below the national average for the percentage of people with an associate's degree or higher. Large numbers of residents holding these educational credentials are a proxy for a solid supply of skilled workers – the kind of workers employers look for to fill the knowledge jobs that tend to pay well. These pools of skilled workers are vital resources to communities, much the same way that well-developed transportation infrastructures and natural resources are critical.

Generally speaking, there are three ways to get and keep a skilled workforce. Regions can create a supply of workers for knowledge jobs by developing a robust education pipeline that produces new workers with needed skills. Regions can import workers from outside the region – either from other parts of the country or from other parts of the world. A third, emerging approach is to export the work, bypassing the immigration hassles of importing workers.

While exporting work, importing workers and growing them at home are viable strategies for supplying a labor market with workers, they have different effects on a community. Importing workers can ensure a continued flow of new ideas, talent, and culture into a region, all of which are desirable for improving a region's competitiveness in the global marketplace. In fact, much of our success as a region is rooted in a culture of innovation which has been supported by people coming here to work and live. Nevertheless, importing talent has its limitations. A region can only import workers when it is already considered an attractive place to live and work. Importing workers does little to improve the economic condition of other unskilled residents, and it is common for foreign-born workers to go back home when they retire. The region will have a hard time retaining much needed intellectual resources, and sound knowledge management processes will become more critical.

Developing strong educational institutions that provide a regional pipeline of skilled workers takes a significant community investment of both time and money. Creating a successful education system is vital to ensuring a region's residents can become self-sufficient, skilled workers. It also helps ensure that potential human capital in a region is not wasted, and the costs of public assistance, uncompensated health care, and crime remain relatively low. Strong public education systems are also important in creating an environment in which people want to live and work.

It is highly significant that both the nation and almost all of the regions included in the Workforce Report Card struggle to ensure the public education systems graduate people who are prepared to enter the workforce as skilled knowledge workers. The failure to fix public education is a threat to the nation and individual regions' long-term economic success. In

particular, the Gulf Coast region, despite many efforts to reduce its high high-school dropout rates and several promising models of success, has not yet succeeded in building a world class public education system.

When you put it all together for the Gulf Coast region, it appears that in good economic times, when we are adding good jobs, we cannot produce enough skilled workers through our public education system to fill the best jobs. So employers must be importing workers or exporting the work. The region beat the competition in the jobs arena but many of our residents did not benefit, remaining in the working poor category.

Now we are in a sour economy. The region's less than stellar public education system puts us at a disadvantage, and that does not bode well for a smooth recovery let alone real growth. There is a widening gap between those that have the good jobs and the rest of the people —those who remain unemployed, have lost their jobs, or are working at wages that do not bring them out of poverty.

At this time, we can envision two futures for the Gulf Coast region. In the first, the region continues to import skilled workers — or worse, export jobs — but does not significantly improve its education system. The result is a two-tiered community, in which the top tier supplies the need for skilled workers and earns good, self-sufficient salaries, while a lower tier of working and non-working poor is severely limited by a lack of skills. Eventually, the social costs of carrying a significant portion of the region's population, which is less skilled and faring poorly in the economy, will make the region less attractive to newcomers. The region will then be in a downward spiral, with a failing public education system and a possible exodus of both the best employers and most skilled workers.

In the second scenario, the Gulf Coast region, with its strong business and philanthropic communities leading the way, develops a broad based consensus that public education must be reformed to ensure that every child entering the system graduates with sufficient skills to earn a living and continue in post-secondary education. Viable strategies for adult learners, including those with limited English proficiency, are available to residents to ensure they, too, can gain the skills needed to become self-sufficient and thrive in the global economy. The region's workforce is able both to meet the present need for skilled workers and attract new employers with knowledge jobs.

Clearly, the second scenario is the only reasonable choice. Making this choice a reality, however, will involve a sustained commitment not only from our public school system, but also from our business community, philanthropic organizations, public institutions, and the customers of the public schools, students and their families.

Several years ago, the Gulf Coast Workforce Board made a firm commitment to move the region ahead of the pack, developing a Strategic Plan that envisions a future where:

- The Gulf Coast ranks among the top ten economic regions in the world.
- Employers have an adequate supply of well-educated and well-trained workers which enables them to compete in the world economy.

- Residents have the knowledge, skills, and aptitudes to work and earn incomes that make them self-sufficient.
- The region is among the most attractive places in the country to live and work.

Behind the Numbers

Industries and Employers

All regions in the Report Card continue to enjoy job growth significantly higher than that of the nation as a whole. San Antonio leads the pack, increasing the number of jobs by over 20%. The Gulf Coast region came in second. Denver trails the pack with less than 13% job growth.

San Diego has the highest growth in the number of business establishments, but has slipped in relative position in job growth rate. Dallas has the most diverse industry base, with the Gulf Coast region missing a tie by 0.1 percentage point. Miami and Atlanta trail the other areas in terms of industrial diversity.

Miami has the lowest rate of growth in the number of business establishments among the comparison cities. Miami also has the lowest venture capital investment per capita, although Gulf Coast is also behind the competitor cities. San Diego, by contrast, is still far ahead of all competitors in venture capital investment.

Labor Force and Knowledge Jobs

The Gulf Coast region dropped below the national average in the percentage of the number of manager, professional, and technical jobs (knowledge jobs), and is only above Miami and San Antonio on this measure. Only San Antonio had a lower unemployment rate than the Gulf Coast's in 2008. The nation as a whole was a full percentage point higher than the Gulf Coast region. Compared to the previous Report Card, all areas increased in this measure except the Gulf Coast region which maintained a stronger job growth through 2008 than other areas. The Gulf Coast's diversity rating is better than both the national average and the diversity ratings of other cities. The percentage of its population that is foreign-born is behind only those of San Diego and Miami.

The Gulf Coast region scored highest in this category, based on decreasing unemployment and a highly diverse population. Past performance does not guarantee future outcome. Although the Gulf Coast region has the second lowest unemployment rate, behind San Antonio by 0.1%, since this Report Card the current economic recession has increased the area's unemployment rate to 8.2%. This would place the Gulf Coast region in fourth place behind Denver, San Antonio, and Dallas for this measure.

Market Alignment

In the 2007 Report Card, San Antonio had the best alignment of entering and exiting workers, and Gulf Coast came in second. Since then, Gulf Coast has had more than twice the rate of growth than the nation as a whole, and has reduced the supply of labor as evidenced in the lower unemployment rate. In general, the Balance between the Entering and Exiting Workforce has

tightened for most areas with the exception of San Diego. All regions and the nation have seen at least a slight rise in the median age except San Antonio and San Diego. The Gulf Coast region has the youngest median age, 33.1 years, of all the areas.

Education

Gulf Coast's educational achievement indicators are roughly middle-of-the-road among the comparison regions. The percentage of the population having at least an associate's degree is below the national average. The percentage of at risk youth in Gulf Coast is above the national average, as is the percentage of the population that has limited English proficiency. Gulf Coast's expenditure per student is the lowest of the regions, and ratio of 12th graders to 9th graders is also mediocre. Texas' reading scores are posted in the report card for Houston, Dallas, and San Antonio, which are just below the national average.

With the exception of San Antonio, the Gulf Coast region had the lowest percentage of its population with a Bachelor's degree or higher. All regions, except San Antonio, were above the national average for this measure. Gulf Coast experienced a slight gain (.5%) in the percentage of people who have at least a Bachelor's degree, on par with the nation and all other comparison regions except Dallas which slipped slightly (.3%).

Gulf Coast is in last place on Expenditure by Student, spending only \$7,483 per student. Dallas barely edged ahead of Gulf Coast at \$7,525 per student, and the other Texas region, San Antonio, came in at the third lowest, \$7,812. San Diego is at the top spending \$9,335 per student.

Income, Wealth, and Poverty

San Diego, Atlanta, and Denver all enjoyed median household incomes above \$60,000. They also had poverty rates lower than the national average and lower than the other regions. Denver, however, had the highest rate of families with a single female parent, a measure that serves as a proxy for families at greater risk of poverty. San Diego was the only region below the national average on this measure.

Although Gulf Coast and Dallas do not have incomes as high as San Diego, Atlanta, and Denver, they are still above the national average. Home values in these regions are below the national average. The percentage of families in poverty in Miami, Gulf Coast, San Antonio and Dallas were above the national average. All regions except San Antonio have rates of households receiving public assistance below the national level.

Places to Be

Gulf Coast had the lowest housing rental cost, and second lowest home ownership cost. San Antonio had the lowest home ownership cost. Miami had both the highest housing rental and home ownership costs, well above the national average.

San Diego and San Antonio had the only average commute time below the national average of 25.5 minutes. The commute time in Gulf Coast was above the national average, and increased from a mean 28.1 minutes to 28.9 minutes. Only Denver had a greater increase in the mean

travel time to work. Carpooling in Gulf Coast looked better than the other regions. However, the use of public transportation is the lowest with the exception of Dallas and San Antonio.

All our comparison regions saw an increase in the number of days the air quality was “Unhealthy” or “Unhealthy for Sensitive Groups”. According to the Air Quality Index, the 2009 report shows Miami was once again the preferred region with only 4 days that were considered unhealthy. Gulf Coast remained towards the bottom of the pack coming in 5th place followed by Atlanta, and San Diego in last place with 33 unhealthy days.

As in the 2007 report, Atlanta again experienced the greatest Population Growth (15.1%). Gulf Coast (12.6%) and Dallas switched positions with Dallas now ranked second and Gulf Coast third. San Antonio followed closely and Denver was in fifth place with only 9.3% growth. Miami and San Diego were again at the bottom of the pack with 3.3% and 2.5%, respectively, 2 points behind the nation as a whole (4.8%).

Background Information

In 2005, the Gulf Coast Workforce Board released the first annual workforce report card comparing the state of the Gulf Coast region to that of other competitor Sunbelt regions. The Gulf Coast Workforce Board is committed to our region being one of the most economically competitive in the world. The report card allows the Board to monitor its competitive position against that of similar regions in the United States.

The unit of measure for the report card is the largest metropolitan statistical area (MSA) or consolidated metropolitan statistical area (CMSA) of which the center city is part. The U.S. Office of Management and Budget (OMB) defines MSAs for purposes of collecting, tabulating, and publishing economic and demographic data. An MSA is a core area containing a substantial population nucleus together with adjacent communities having a high degree of social and economic integration with that core. MSAs comprise one or more counties. The following MSAs and CMSAs are used for comparisons in the report card:

- Houston-Sugarland-Baytown, Texas
- Atlanta-Sandy Springs-Marietta, Georgia
- Dallas-Fort Worth-Arlington, Texas
- Denver-Boulder-Greeley, Colorado*
- Miami-Fort Lauderdale-Miami Beach, Florida
- San Antonio, Texas
- San Diego-Carlsbad-San Marcos, California

**The Board combines the Denver, Boulder, and Greeley MSAs to create a region comparable to others in the report card.*

As in previous years, we compiled data for a series of indicators on the workforce and economic competitiveness of each region. These indicators fall into six areas:

- **Industries** – A key component of the strength of regional economies and labor markets is their industrial composition. Ideally, a local economy should have a strong mix of types of businesses offering a wide variety of jobs. A sign of economic health is growth in both the total number of businesses and the overall number of jobs they provide. Investment in new businesses is also an important component of a strong economy.
- **Labor Force and Knowledge Jobs** – The types of jobs residents hold, the relative involvement of working-age people in the labor force, the age of the workforce, and the workforce diversity are all important indicators of the relative competitiveness of a region's labor market. The most competitive regions will have a strong share of knowledge jobs (high skill, high wage jobs), a diverse workforce, and a relatively strong involvement of adults in the workforce.
- **Market Alignment** - For labor markets to work, there must be general alignment between supply and demand for workers and their skills. This set of indicators seeks to measure that alignment by looking at growth alignment (is employment keeping pace with job growth), and alignment between those entering and leaving the working-age population (is the growth of new workers keeping pace with the number of people leaving the workforce).
- **Education** – The education and skills of the workforce are a critical element in a region's competitiveness. These indicators look at the educational attainment of the labor force, the relative share of people who do not speak English well, the percentage of youth who are neither in school or working, and two indicators of the overall quality of the region's public education system.
- **Income, Wealth and Poverty** – Income and wealth are indicative of a region's overall success and highlight barriers to success for residents in the region. In the Report Card, we look at median income, median home value, poverty, the percentage of families with a single female as head of household, and the relative share of households receiving public assistance.
- **Places to Live and Work** – A region's ability to compete is highly dependent on its ability to attract and keep a skilled workforce. In a society where the most in-demand workers can (and do) move in and out of regional economies frequently, regions that are more attractive as places to live hold an advantage. This set of indicators seeks to capture some of the elements that make a region an attractive place to live such as a low cost of living and reasonable commutes. We also include indicators of a region's success in attracting workers such as population growth, percentage of people moving into a new county, and the appreciation of home values.

In developing the Report Card, we use the most current data available. For this report, most of the data are for 2008.

Gulf Coast Workforce Board

Workforce Report Card – Update

MEASURE		INDICATOR	GULF COAST	ATLANTA	DALLAS	DENVER	MIAMI	SAN ANTONIO	SAN DIEGO	U.S.
Total Population			5,728,143	5,376,285	6,300,006	2,801,921	5,414,772	2,031,445	3,001,072	304,374,846
Industries & Employers	Industrial Diversity		50.9%	46.5%	51.0%	49.8%	48.1%	50.5%	49.3%	50.6%
	Rate of Job Growth		20.1%	14.0%	16.2%	12.8%	15.5%	20.9%	17.5%	8.8%
	Total Job Growth (1998-2008)		435,300	297,700	417,300	170,900	316,600	147,700	193,700	11,136,000
	Venture Capital Investment per Capita		\$50.75	\$77.19	\$72.43	\$147.69	\$2.83	\$54.96	\$399.89	\$91.86
	% Growth in Business Establishment (2004-2007)		3.6%	6.5%	4.0%	5.4%	1.0%	1.9%	7.2%	2.2%
Labor Force & Knowledge Jobs	% Managerial, Professional & Related Jobs		34.6%	38.5%	34.6%	39.7%	32.5%	33.3%	39.6%	34.9%
	% Change in Unemployment Rate (2007-2008)		11.6%	37.8%	16.3%	28.2%	41.5%	14.6%	30.4%	26.1%
	Unemployment Rate		4.8%	6.2%	5.0%	5.0%	5.8%	4.7%	6.0%	5.8%
	% Not in the Labor Force		30.4%	28.6%	28.8%	27.1%	36.7%	34.5%	33.3%	34.1%
	Simpson Index of Racial & Ethnic Diversity		0.67	0.61	0.63	0.49	0.66	0.57	0.63	0.53
	Foreign Born		21.6%	13.20%	17.80%	12.60%	36.80%	10.60%	22.1%	12.48%
Market Alignment	Balance Between Entering & Exiting Workforce		3.80%	2.90%	4.00%	2.11%	1.30%	5.10%	6.40%	3.02%
	Median Age		33.1	35.0	33.3	35.6	40.4	33.3	34.2	36.9
	Change in Median Age by Years (2006-2008)		0.2	0.4	0.2	0.5	1.1	-0.1	-0.2	0.5
	Growth Alignment-Job Growth-Labor Force Growth		2.9%	-9.8%	0.9%	-4.0%	-2.5%	3.8%	-1.7%	-3.2%
	Occupational Alignment		84.3%	85.0%	81.5%	86.0%	84.3%	83.0%	83.7%	84.8%
Education	Bachelor's or Higher		28.20%	34.60%	29.60%	38.62%	29.50%	24.60%	34.20%	27.70%
	Associate's or Higher		34.20%	41.20%	35.80%	45.74%	37.50%	31.50%	42.20%	35.20%
	% Limited English Proficiency		17.60%	7.70%	14.40%	9.07%	23.30%	11.80%	14.60%	8.60%
	% At-Risk Youth (16-19 years)		6.50%	5.40%	4.70%	5.69%	7.80%	5.90%	5.40%	5.30%
	Expenditure by Student		\$7,483	\$9,203	\$7,525	\$8,201	\$9,018	\$7,812	\$9,335	\$9,669
	Ratio of 12th to 9th Graders		0.65	0.63	0.66	0.81	0.73	0.59	0.90	0.77
	NAEP 4th Grade Reading-% at or above basic (2007)		66%	66%	66%	70%	70%	66%	53%	67%
Income, Wealth & Poverty	Median Household Income		\$56,250	\$60,682	\$56,377	\$60,582	\$49,313	\$47,755	\$63,026	\$52,029
	Median Home Value		\$142,400	\$199,300	\$148,600	\$319,002	\$275,500	\$126,300	\$482,900	\$197,600
	% of Family Households with Single Female Parent		13.60%	14.30%	13.20%	15.58%	14.30%	14.10%	12.30%	12.50%
	% of Families in Poverty		10.70%	8.60%	9.80%	7.73%	10.40%	11.80%	8.40%	9.70%
	% of Households Receiving Public Assistance		7.42%	7.39%	6.77%	4.89%	9.22%	11.13%	4.42%	9.31%
Places to Live & Work										
Cost of Living, Housing	Monthly Home Ownership Cost		26.20%	31.20%	27.50%	32.12%	47.00%	25.10%	45.30%	30.50%
	Monthly Rental Cost		43.30%	46.70%	45.40%	48.68%	59.00%	46.30%	52.70%	46.10%
	Home Value to Annual Income		2.53	3.28	2.64	5.27	5.59	2.64	7.66	3.80
Travel to Work	Mean Travel Time to Work (minutes)		28.9	30.4	27	26.5	27.7	25.4	24.1	25.5
	% Using Public Transportation		2.63%	3.58%	1.66%	4.60%	3.74%	2.57%	3.41%	5.01%
	% Carpooling		12.68%	11.34%	11.86%	10.60%	9.93%	12.63%	11.26%	10.70%
Growth Indicators	Population Growth (2003-2008)		12.63%	15.07%	12.85%	9.32%	3.26%	12.32%	2.52%	4.77%
	Average Home Appreciation, 5 years through Q1 (2004-2009)		26.03%	11.93%	16.09%	7.75%	22.12%	33.11%	0.32%	36.51%
	Number of Days Air Rate "Unhealthy" or "Unhealthy for Sensitive Groups		22	28	18	19	4	10	33	N/A

Procurement Committee

Contract Recommendations

Background

The Board's Procurement Committee meets on April 5, 2010 to make recommendations on contracts for public information service and 2010 summer jobs. The committee will report out its recommendations at the Board meeting. Following are lists of proposals we received for these two activities.

Public Information

We received proposals from three organizations:

Gilbreath Communications, Inc.	\$500,000
Retna Media	\$500,000
Yaffe/Deutser	Did not complete a budget

Summer Jobs

We received 17 proposals: three for the payroll service, 13 for managing contractors, and one from Manpower.

Manpower	Not provided
<u>Payroll</u>	
Consultants Group International	\$543,326
Neighborhood Centers	\$483,275
Unique HR	\$508,228
<u>Managing Contractor</u>	
Career and Recovery Resources	\$292,032
Career One	\$162,000
Change Happens!	\$59,400
Children's Books on Wheels	\$166,320
Communities in Schools	\$39,600
Employment & Training Centers, Inc.	\$1,036,769
Goodwill Industries	\$156,832
Houston Area Urban League	\$120,230
Houston Works	\$495,000
SER-Jobs for Progress	\$380,940
The Lighthouse Center	\$23,404
The Student Conservation Association	\$12,672
Katco Arts Academy	\$108,000

Career Office Committee Honeycomb Awards

Background

Workforce Solutions' Honeycomb Awards recognize exemplary work by staff throughout the system. Each quarter, a committee composed of contractor and Board staff makes awards from nominations received in three categories: Initiative, Innovation and Teamwork. At the end of the year, the committee will decide on annual awards from among the quarterly winners.

For the first-time awards in the quarter ending March 2010, the committee received 26 nominations:

Initiative	Initiative by an individual or group that results in good customer service	16 nominations
Innovation	Innovating to solve problems common to our customers	5 nominations
Teamwork	Cooperation among more than one contractor and at least two of the three system parts (Employer Service, Career Offices, Payment Office)	5 nominations

Initiative Award Winners

❖ **Rose Lockett** (Supervisor at Workforce Solutions' Northeast office)

The self-serve Northeast Office opened with more understanding of what the office was not than what it was. Northeast wasn't a large space, didn't have a full complement of staff, and wasn't responsible for the usual outcomes. Rose led her staff to develop an office that is now an integral part of their northeast Houston neighborhood.

- ✓ She mined our records for customers who lived in the area and invited them to come to her new and different kind of office.
- ✓ She taught staff how to help people help themselves to a successful job search.
- ✓ She and her staff visited small businesses in the neighborhood telling them about our supply of good quality workers.
- ✓ When those businesses wanted a place to have a hiring events and her office was too small, she found a community organization glad to lend us space.
- ✓ Rose received a 2010 Certificate of Appreciation from the US Census Bureau for her help in recruiting census takers.

❖ **Andrew Ortiz** (Employment Counselor at Workforce Solutions' Pasadena office)

In the last year, we have been less likely to have an available opening to fit each customer's skills, experience and job requirements. It is important for staff to learn about the labor market so they can offer people options that help them identify and prepare for different work. In our large and diverse economy, we struggle to keep abreast of where the jobs are and what it takes to fill them. We hired Andrew into a temporary position with Workforce Solutions in June 2009.

- ✓ He set up a Facebook page that the office uses to recruit candidates and post notices of seminars and hiring events.
- ✓ He researches articles to share labor market information about occupations and industries during the staff's "morning huddle".
- ✓ His research has included positive suggestions to the staff about how to help people find work during an economic downturn.
- ✓ He has made himself an expert on where the jobs are, and he can crank out just the right resume in the morning for a customer who has an interview that afternoon.
- ✓ He keeps his customers focused on what they have to offer – not what they lack - and how to sell that to a potential employer.

Teamwork Award Winners

❖ **The Regional Quality Assurance Team**

Sandra Pierce (Arbor)	Frankie Allred (Houston Works)
Dorothy Turner (Arbor)	Nana Amua-Sekyi (Houston Works)
Cora Stribling (ETC)	Laura Ensor (Interfaith)
Millie Foster (Board staff)	Kimberly Starks-Ball (Interfaith)
Gail Hightower (Board staff)	Rhonda Eglund (NCI)
Kingsley Miller (Board staff)	

Each of our five major contractors and three Board staff came together a year ago to form a regional quality assurance team. Prior to the team's formation every contractor and Board staff each had a quality unit. The team reviews compliance and customer service records and then spends several days in our offices watching operations and talking to staff and customers. They emphasize the importance of professional customer service and the necessity of accurate records.

- ✓ They work to ensure a clear consistent understanding of what is important and what we expect.
- ✓ Spread best practices.
- ✓ Identify problems before they escalate.

- ✓ Promote a more integrated service delivery network.

Some team members rotate off each year and take the knowledge from their work back into their organizations' regular operations. We are acknowledging the work of this first team who got this project off to an outstanding start.

The committee did not make an award for the Innovation category this quarter.

Gulf Coast Workforce Board
System Performance
October 2009 through February 2010

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 35,275 employers this year which is 27% of the 130,648 employers identified for the Gulf Coast area. Through February, we provided services to 15,527 employers.	27%	11.9%	28.8%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 13,713 employers, 11,965 returned to Workforce Solutions for additional services.	73%	87.3%	74.5%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average. We worked with employers who added 2,549 new jobs annually.	2,000	2,549	2,307
<u>Customers employed by the 1st Qtr after exit</u> With two quarters of data, 152,269 of the 201,133 customers who exited from services were employed in the quarter after exit.	78%	75.7%	78.6%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for two quarters, 63,203 of the 198,068 who exited had earnings gains of at least 20%.	40%	31.9%	35.7%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Through February, 514 of the 3,114 customers pursuing an education diploma, degree or certificate achieved one.	40%	16.5%	43.2%

Production

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

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

- Claimant Reemployment. The target for this measure is 67%. Our performance through February was 54.2%, up slightly from 54.1% in December.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through February was 38.0%, down slightly from 38.3% in December.
- Staff-Created Job Openings Filled. The target for this measure is 69%. Our performance through February was 66.8%, up from 64.5% in December.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through February was 75.3%, up slightly from 75.2% in December.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through February was 70.0%, up slightly from 69.9% in December.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through February was 42.0%, up slightly from 41.6% in December.
- Average Choices Single Parent Participation Rate – Mandatory. The target for this measure is 50%. Our performance through February was 47.7%, up from 46.7% in December.

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Two Months Ended February 28, 2010**

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
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WORKFORCE REVENUES

WORKFORCE REVENUES	221,157,512	36,859,585	29,606,367	7,253,218
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WORKFORCE EXPENDITURES

BOARD ADMINISTRATION	4,102,741	683,790	621,842	61,948
EMPLOYER SERVICES	5,157,727	859,621	1,034,618	(174,997)
RESIDENT SERVICES	211,897,044	35,316,174	27,949,907	7,366,267
OFFICE OPERATIONS	50,132,546	8,355,424	7,281,595	1,073,829
FINANCIAL AID	142,651,278	23,775,213	18,594,937	5,180,276
RECOVERY PROJECTS	19,113,220	3,185,537	2,073,375	1,112,162
<i>TOTAL WORKFORCE EXPENDITURES</i>	221,157,512	36,859,585	29,606,367	7,253,218

VARIANCE ANALYSIS

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

Recent Lay-off Activity

Staff will provide a brief update on downsizing and lay-off activity at NASA's Johnson Space Center and BAE Systems, as well as information on Workforce Solutions' service for these employers and workers.

GULF COAST WORKFORCE BOARD
Employment Trends

APRIL 2010
FEBRUARY 2009 DATA

Most sectors report over-the-year job losses. The data on the next page, Table 1, shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region¹. February's over-the-year job loss was 80,000, or 3.1 percent. This was better than the 102,800 job loss experienced from December 2008 to December 2009, but February became the first month with compounded over-the-year job losses. The two year loss, February 2008 to February 2010, was 93,100 jobs, or 3.6 percent. There are still two sectors with annual growth: educational & health services (12,700) and government (5,700).

Annual revision increases job loss for 2009. The Texas Workforce Commission (TWC) revised all employment numbers for 2009, giving the MSA a larger increase in the number of jobs lost over the previous year. The original estimate for December 2009 was an over-the-year loss of 92,500 jobs, which was revised to a loss of 102,800 jobs on March 4th. Revisions occur each year at this time as the TWC adjusts the numbers to a more comprehensive employment count based on employer tax records. In all of 2009, 66,500 jobs were lost (chart), a loss of 2.6 percent, down from the 2008 increase of 60,900 jobs, 2.4 percent.

Unemployment drops seasonally over the month. The Gulf Coast Region's unemployment rate dropped from 8.8 percent in January to 8.5 percent in February. Last year at this time the rate was 6.7 percent. Total unemployed decreased over the month by 8,566 to 246,090 in the region. The national unemployment rate climbed from 8.9 percent in February 2009 to 10.4 percent in February 2010.

Initial Claims for unemployment benefits decrease over the year. February's Initial Claims for unemployment benefits numbered 20,574, a decrease of 4,237 (17%) from February 2009. This was the lowest number of Initial Claims filed since November 2008 (18,215), and, except for February of last year, it was the highest activity for the month in this time series. Continued Claims were up 2,236 (2%) from February 2009 to 108,345 in February 2010.

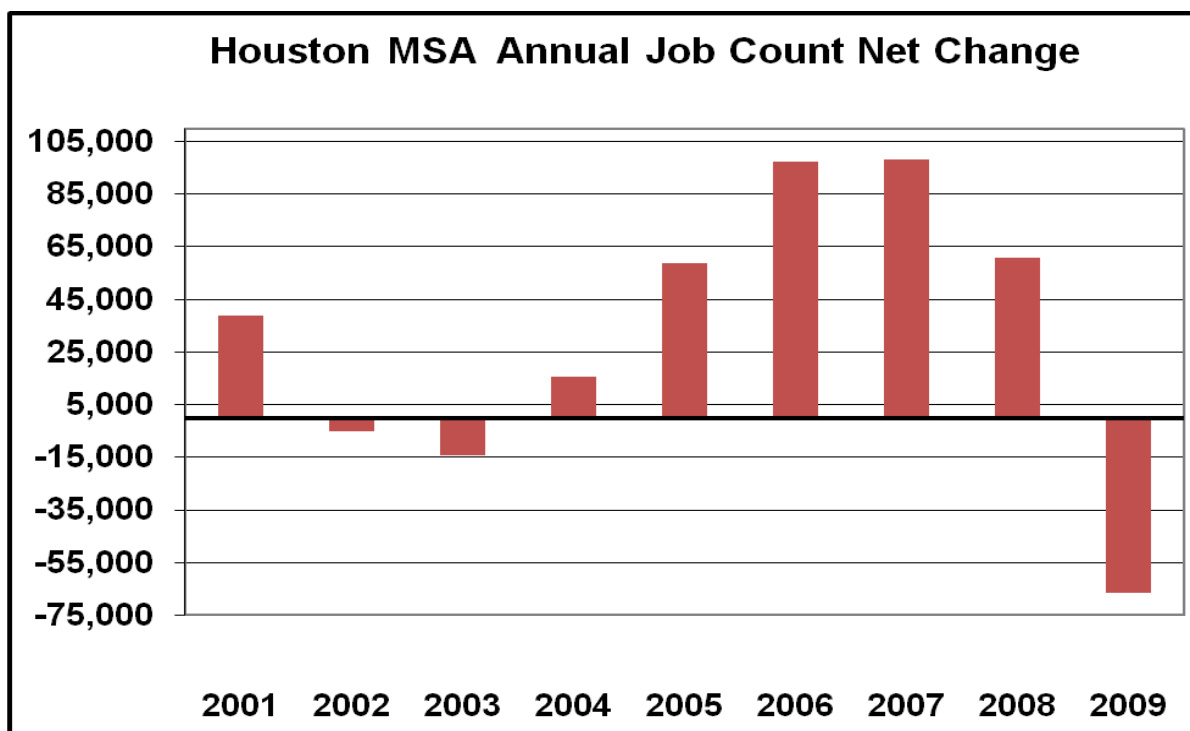
From this time last year, total insured unemployed for the Gulf Coast Region increased by 10,563, or 24 percent. The number of insured unemployed has decreased over the month by 2,429. Over the year, the number of people who are listed in the category "15 & over Weeks of Current Duration" was up 10,481 (70%), most of which can be found in the occupational class of Professional/Technical/Managerial. The magnitude of Initial Claims being filed continues to taper off but people are staying unemployed longer.

¹ The Houston- Sugar Land-Baytown MSA is the only geographic area with monthly job count data in the Gulf Coast Region. Houston-Sugar Land- Baytown MSA includes the following counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller
Source – U. S. Department of Labor, BLS and Texas Workforce Commission

Table 1

Houston-Sugar Land-Baytown MSA				NET CHANGE FROM		% Chg.
				Jan-10 TO	Feb-09 TO	Dec-08 TO
Industry	Feb-10	Jan-10	Feb-09	Feb-10	Feb-10	Feb-10
Total Nonfarm	2,489,800	2,479,500	2,569,800	10,300	-80,000	-3.1%
MINING & LOGGING	87,400	87,200	89,900	200	-2,500	-2.8%
CONSTRUCTION	169,400	167,200	194,900	2,200	-25,500	-13.1%
MANUFACTURING	216,900	217,000	238,200	-100	-21,300	-8.9%
DURABLE GOODS	137,200	137,600	155,300	-400	-18,100	-11.7%
NONDURABLE GOODS	79,700	79,400	82,900	300	-3,200	-3.9%
TRADE, TRANSP., & UTILITIES	502,900	505,300	521,300	-2,400	-18,400	-3.5%
WHOLESALE TRADE	127,000	127,100	135,400	-100	-8,400	-6.2%
RETAIL TRADE	256,900	259,000	261,200	-2,100	-4,300	-1.6%
TRANSP, WAREHOUSING, & UTIL	119,000	119,200	124,700	-200	-5,700	-4.6%
INFORMATION	33,500	33,300	35,200	200	-1,700	-4.8%
FINANCIAL ACTIVITIES	136,900	137,200	140,400	-300	-3,500	-2.5%
PROFESSIONAL & BUSINESS SERV.	344,400	341,900	366,200	2,500	-21,800	-6.0%
EDUCATION & HEALTH SERV.	302,900	300,600	290,200	2,300	12,700	4.4%
LEISURE & HOSPITALITY	227,500	225,900	229,600	1,600	-2,100	-0.9%
OTHER SERV.	90,400	90,400	92,000	0	-1,600	-1.7%
TOTAL GOVERNMENT	377,600	373,500	371,900	4,100	5,700	1.5%
FEDERAL	28,800	29,000	29,200	-200	-400	-1.4%
STATE	71,100	69,800	69,100	1,300	2,000	2.9%
LOCAL	277,700	274,700	273,600	3,000	4,100	1.5%

Chart





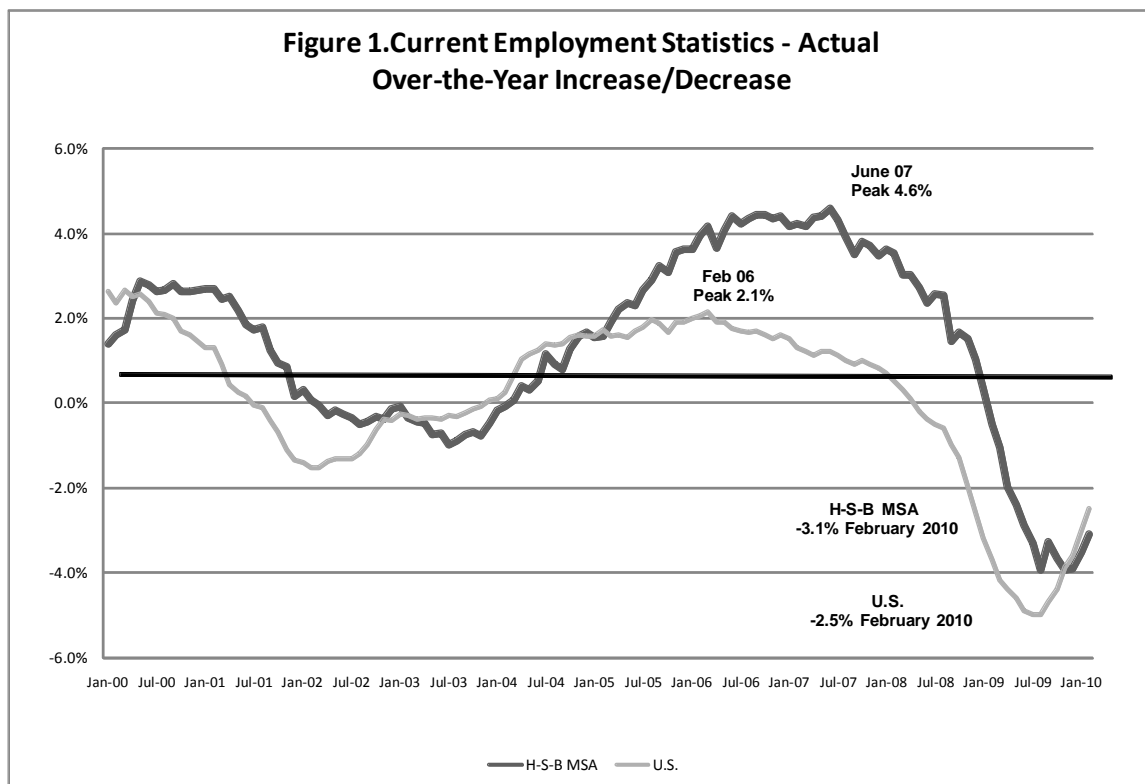
Labor Market Information
FEBRUARY 2010 Employment Data

HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)

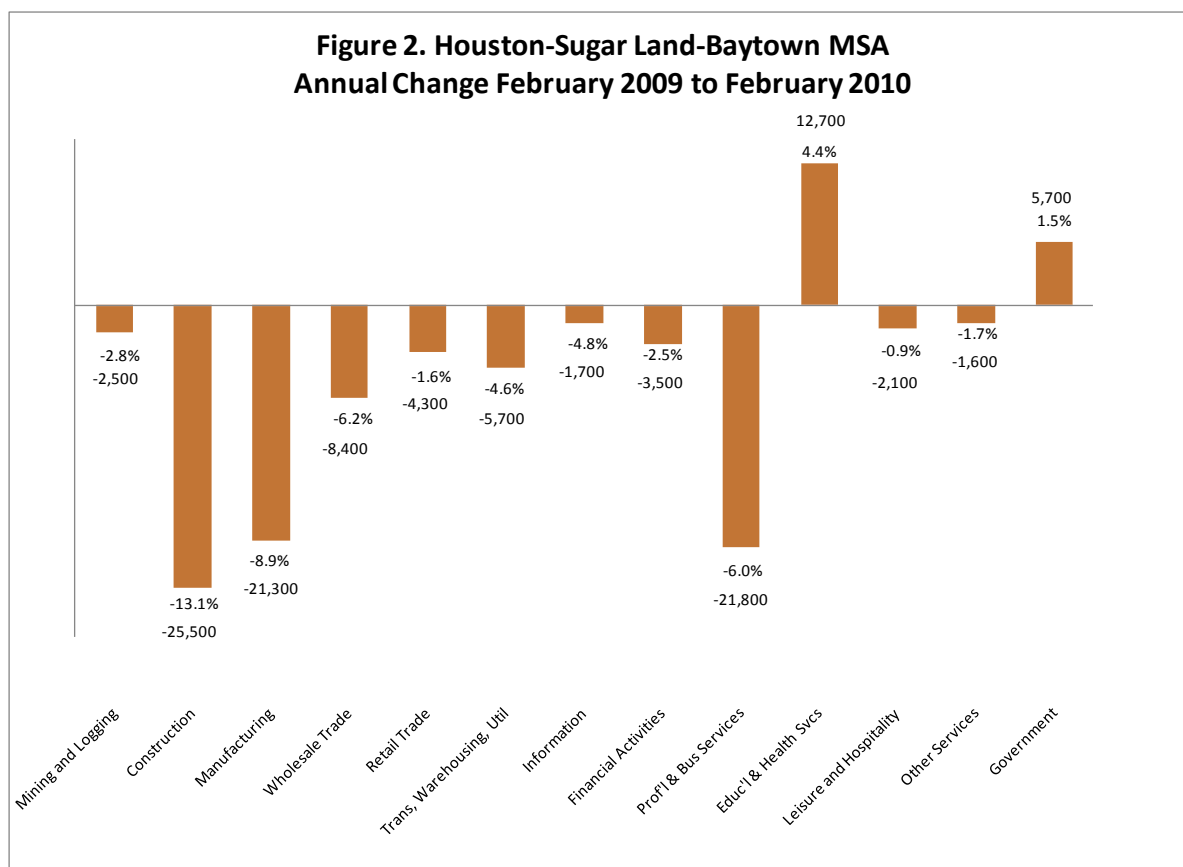
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THE UNEMPLOYMENT RATE IN THE H-S-B MSA DROPPED BY THREE-TENTHS OF A PERCENTAGE POINT IN FEBRUARY TO 8.5 PERCENT. This month's drop in the unemployment rate was good news and the largest over-the-month decline since February 2008. Last February the H-S-B MSA unemployment rate was on the rise increasing by 0.2 tenths of a percentage point. Unemployment rates at the state and national level also declined in February. Despite having an unemployment rate considerably lower than nation's 10.4 percent it is slightly higher than the state's 8.3 percent.

AN OVER-THE-MONTH GAIN OF 10,300 JOBS IN THE H-S-B MSA, UP 0.4 PERCENT, SUGGESTS THAT LABOR MARKET CONDITIONS ARE IMPROVING FOR LOCAL RESIDENTS. This was the largest monthly gain for the MSA since December 2008. At the end of 2009 the H-S-B MSA was reporting a -3.9 percent over-the-year decline which has since fallen by 0.8 percentage points to -3.1 percent. While the current rate of job losses is slightly higher than the nation's -2.5 percent, the H-S-B MSA never came close to the nation's peak loss of -5.0 percent in June and July of 2009, see figure 1. Education & Health Services was the only private sector reporting positive over-the-year job growth in February, see figure 2. The labor market continues to improve but the MSA still has to deal with cuts later this year related to cancellation of NASA's human space flight program and the Army's contract with a local manufacturer to produce trucks.



Over-the-year job losses in **Mining and Logging** continued to decline from a peak of -5.7 percent in October 2009 to the current -2.8 percent loss, down 2,500 jobs from February 2008. Labor market conditions are improving in the super sector as U.S. drilling activity continues to rise. Oil and Gas Extraction managed an increase of 200 jobs in February and is up 1,600 jobs, 3.9 percent, over the year. Support Activities for Mining managed an increase of 400 jobs in February, up 1.1 percent, but remains down 4,300 jobs or -10.5 percent over the year.



Construction experienced an over-the-month increase for the first time since October 2008, currently up 2,200 jobs or 1.3 percent from January. February's increase was primarily due to job gains at Specialty Trade Contractors, up 1,900 jobs or 2.2 percent. Construction remains the hardest hit super sector of the H-S-B MSA reporting a loss of 25,500 jobs over the year, down -13.1 percent, where losses remain widespread across most areas of construction. Long-term outlook for construction points towards continued weak activity well into 2010 particularly in the area of commercial construction.

Job losses in **Manufacturing** appear to be bottoming out with estimates reflecting a loss of 100 jobs in February. Manufacturing lost 1,200 jobs over the first two months of 2010, a big improvement over a loss of 6,900 jobs this time last year. Largest losses in Manufacturing remain tied to demand for equipment related to the oil and gas industry with Fabricated Metal Product Manufacturing down 8,400 jobs or -16.0 percent. Employment in Nondurable Goods Manufacturing added 300 jobs in February and has suffered a more modest decline of -3.9 percent over the year, down 3,200 jobs. The outlook for Manufacturing in 2010 is cautiously optimistic with the Houston Purchasing Managers index rising above 50 in late 2009 and at 53.3 in February (Readings above 50 indicate production expansion is likely during the next several months).

Trade Transportation & Utilities lost 2,400 jobs in February as retail establishments continued to reduce payrolls following the holiday season. The super sector is currently reflecting a loss of 18,400 jobs over the year, down -3.5 percent from February 2009. Largest losses are in Wholesale Trade, down 8,400 jobs or -6.2 percent. Retail Trade was down 4,300 jobs or -1.6 percent over the year with Motor Vehicle and Parts Dealers and Building Materials and Garden Equipment and Supplies Dealers accounting for more than half of the loss. Transportation, Warehousing, and Utilities was down 5,700 jobs or -4.6 percent over the year where Truck Transportation has been hardest hit, down 2,300 jobs or -11.3 percent.

Employment in **Information** steadily declined throughout most of 2009 with the rate of losses peaking at -6.3 percent in July. The super sector added 100 jobs in February and is currently down 1,700 jobs or -4.8 percent over the year.

Financial Activities lost 300 jobs in February and is down 3,500 jobs or -2.5 percent over the year. Losses were shared by Finance and Insurance, down 2,600 jobs or -2.9 percent, and Real Estate and Rental and Leasing, down 900 jobs or -1.8 percent. Weak conditions are expected to continue in Financial Services until late 2010 or early 2011.

Professional and Business Services added 2,500 jobs in February, up 0.7 percent, the first over-the-month increase for the super sector since last October. Over-the-year losses in Professional & Business Services have fallen from a peak of -8.9 percent in October 2009 to the current -6.0 percent loss, down 21,800 jobs. The largest decline is found in Employment Services, down 8,800 jobs or -15.7 percent, having fallen from a peak of -26.3 percent last October. Two other sectors to experience strong over-the-year declines were Accounting, Tax Preparation, Bookkeeping, and Payroll Services, down 2,400 jobs or -11.7 percent, and Architectural, Engineering, and Related Services, down 4,700 jobs or -7.3 percent.

Education and Health Services added 2,300 jobs in February and was the only private super sector to experience positive job growth over the year, up 12,700 jobs or 4.4 percent. The largest addition of jobs were in Health Care and Social Assistance, up 11,100 jobs or 4.5 percent over the year. Educational Services was also reporting a slightly slower but healthy rate of growth, up 1,600 jobs or 3.9 percent. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

Leisure and Hospitality added 1,600 jobs in February, up 0.7 percent. This was the smallest February increase for the super sector since 2005 resulting from weaker seasonal hiring at Food Services and Drinking Places. Over-the-year growth in Leisure and Hospitality continues to decline, currently down 2,100 jobs or -0.9 percent from last February, because of declines in discretionary spending by consumers.

Employment in **Other Services** failed to experience a February increase for the first time since the current data series began in 2000. The super sector is currently down -1.7 percent or 1,600 jobs over the year with the rate of loss rising from -1.2 percent last month. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Government added 4,100 jobs in February primarily due to seasonal increases at educational institutions. Over-the-year growth in Government remains positive, up 5,700 jobs or 1.5 percent, where much of the increase is found in state and local government educational services. Mounting budget deficits, however, will force tough decisions over 2010 with some job losses possible in the super sector.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	FEB 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,489,800	10,300	0.4%	-80,000	-3.1%
Total Private	2,112,200	6,200	0.3%	-85,700	-3.9%
Goods Producing	473,700	2,300	0.5%	-49,300	-9.4%
..Mining and Logging	87,400	200	0.2%	-2,500	-2.8%
...Oil and Gas Extraction	49,600	200	0.4%	1,600	3.3%
...Support Activities for Mining	36,500	400	1.1%	-4,300	-10.5%
..Construction	169,400	2,200	1.3%	-25,500	-13.1%
...Construction of Buildings	46,600	300	0.6%	-6,500	-12.2%
...Heavy and Civil Engineering Construction	35,700	0	0.0%	-7,200	-16.8%
...Specialty Trade Contractors	87,100	1,900	2.2%	-11,800	-11.9%
..Manufacturing	216,900	-100	0.0%	-21,300	-8.9%
...Durable Goods	137,200	-400	-0.3%	-18,100	-11.7%
....Fabricated Metal Product Manufacturing	44,100	0	0.0%	-8,400	-16.0%
....Machinery Manufacturing	38,500	-200	-0.5%	-5,900	-13.3%
.....Agriculture, Construction, and Mining Machinery Manufacturing	27,600	0	0.0%	-3,700	-11.8%
...Computer and Electronic Product Manufacturing	17,900	-100	-0.6%	-1,500	-7.7%
....Computer and Peripheral Equipment Manufacturing	7,500	0	0.0%	0	0.0%
...Non-Durable Goods	79,700	300	0.4%	-3,200	-3.9%
...Petroleum and Coal Products Manufacturing	13,500	-100	-0.7%	200	1.5%
...Chemical Manufacturing	36,400	0	0.0%	-1,700	-4.5%
Service Providing	2,016,100	8,000	0.4%	-30,700	-1.5%
..Private Service Providing	1,638,500	3,900	0.2%	-36,400	-2.2%
..Trade, Transportation, and Utilities	502,900	-2,400	-0.5%	-18,400	-3.5%
...Wholesale Trade	127,000	-100	-0.1%	-8,400	-6.2%
....Merchant Wholesalers, Durable Goods	75,900	-200	-0.3%	-6,700	-8.1%
.....Professional and Commercial Equipment and Supplies Merchant W	10,300	-100	-1.0%	-600	-5.5%
....Merchant Wholesalers, Nondurable Goods	39,500	200	0.5%	-600	-1.5%
...Retail Trade	256,900	-2,100	-0.8%	-4,300	-1.6%
....Motor Vehicle and Parts Dealers	31,700	200	0.6%	-1,200	-3.6%
....Building Material and Garden Equipment and Supplies Dealers	19,600	800	4.3%	-1,200	-5.8%
....Food and Beverage Stores	53,400	-600	-1.1%	400	0.8%
....Health and Personal Care Stores	16,700	-100	-0.6%	400	2.5%
....Clothing and Clothing Accessories Stores	26,100	-700	-2.6%	0	0.0%
....General Merchandise Stores	59,200	-1,100	-1.8%	800	1.4%
.....Department Stores	23,100	-800	-3.3%	700	3.1%
.....Other General Merchandise Stores	36,100	-300	-0.8%	100	0.3%
...Transportation, Warehousing, and Utilities	119,000	-200	-0.2%	-5,700	-4.6%
....Utilities	16,600	100	0.6%	200	1.2%
.....Air Transportation	23,900	100	0.4%	-500	-2.0%
.....Truck Transportation	18,100	-100	-0.5%	-2,300	-11.3%
.....Pipeline Transportation	8,800	0	0.0%	100	1.1%
..Information	33,500	200	0.6%	-1,700	-4.8%
...Telecommunications	17,900	100	0.6%	-400	-2.2%
..Financial Activities	136,900	-300	-0.2%	-3,500	-2.5%
...Finance and Insurance	86,600	-500	-0.6%	-2,600	-2.9%
....Credit Intermediation and Related Activities	42,300	0	0.0%	-400	-0.9%
.....Depository Credit Intermediation	29,000	-100	-0.3%	-600	-2.0%
.....Securities, Commodity Contracts, and Other Financial Investments &	12,400	0	0.0%	-700	-5.3%
....Insurance Carriers and Related Activities	29,100	-100	-0.3%	-700	-2.3%
.....Insurance Carriers	13,700	-400	-2.8%	-800	-5.5%
...Real Estate and Rental and Leasing	50,300	200	0.4%	-900	-1.8%
....Rental and Leasing Services	14,400	0	0.0%	-1,200	-7.7%

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	FEB 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	344,400	2,500	0.7%	-21,800	-6.0%
...Professional, Scientific, and Technical Services	170,500	900	0.5%	-11,100	-6.1%
....Legal Services	22,700	0	0.0%	-300	-1.3%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	18,200	300	1.7%	-2,400	-11.7%
....Architectural, Engineering, and Related Services	59,700	0	0.0%	-4,700	-7.3%
....Computer Systems Design and Related Services	23,600	100	0.4%	-900	-3.7%
...Administrative and Support and Waste Management and Remediation Services	156,100	1,100	0.7%	-8,300	-5.0%
....Administrative and Support Services	148,900	1,100	0.7%	-7,000	-4.5%
.....Employment Services	47,300	400	0.9%	-8,800	-15.7%
.....Services to Buildings and Dwellings	39,500	400	1.0%	1,100	2.9%
..Educational and Health Services	302,900	2,300	0.8%	12,700	4.4%
...Educational Services	42,800	600	1.4%	1,600	3.9%
...Health Care and Social Assistance	260,100	1,700	0.7%	11,100	4.5%
....Ambulatory Health Care Services	116,900	700	0.6%	5,500	4.9%
....Offices of Physicians	43,000	200	0.5%	1,500	3.6%
....Hospitals	72,800	0	0.0%	2,000	2.8%
..Leisure and Hospitality	227,500	1,600	0.7%	-2,100	-0.9%
...Arts, Entertainment, and Recreation	25,800	400	1.6%	700	2.8%
...Accommodation and Food Services	201,700	1,200	0.6%	-2,800	-1.4%
....Accommodation	19,800	500	2.6%	-900	-4.3%
....Food Services and Drinking Places	181,900	700	0.4%	-1,900	-1.0%
..Other Services	90,400	0	0.0%	-1,600	-1.7%
Government	377,600	4,100	1.1%	5,700	1.5%
.Federal Government	28,800	-200	-0.7%	-400	-1.4%
.State Government	71,100	1,300	1.9%	2,000	2.9%
..State Government Educational Services	38,000	1,100	3.0%	2,500	7.0%
.Local Government	277,700	3,000	1.1%	4,100	1.5%
..Local Government Educational Services	191,300	2,300	1.2%	1,000	0.5%

UNEMPLOYMENT RATE

	FEB 2010	JAN 2010	FEB 2009
H-S-B MSA	8.5	8.8	6.7
Texas (Actual)	8.3	8.6	7.0
United States (Actual)	10.4	10.6	8.9

Houston-Sugar Land-Baytown MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2009 levels. Estimated by the Texas Workforce Commission in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. All Data Subject To Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Baker Hughes Incorporated, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas (which covers Texas, northern Louisiana and southern New Mexico).

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, April 6, 2010 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. Call to Order and Determination of Quorum

2. Adoption of Agenda

3. Public Comments

4. Minutes from February, 2010 meeting

5. Declarations of Conflict of Interest

6. Chairman's and Committee Reports

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

- a. National Association of Workforce Boards.* Representatives of BP Texas City and College of the Mainland recognized for receiving NAWB's W. O. Lawton Business Leadership Award.
- b. System Visibility.* The Committee Chair will report on the most recent meeting.
- c. Strategic Planning.* The Committee Chair will report on the April 6, 2010 meeting and review of last year's progress against the Board's strategic plan.
- d. Report Card.* The Committee Chair will report on the March, 2010 meeting and the committee's proposed update to the Board's Report Card.

7. Action Items

- a. Procurement Committee.* Consider committee's recommendations to authorize a contract for public information services in amount not to exceed \$500,000 and contracts for 2010 summer jobs in total amount not to exceed \$2 million in management costs.

8. Information

- a. Honeycomb Awards.* First quarterly awards for outstanding service to Workforce Solutions staff.
- b. System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
- c. Expenditures.* Staff will report on current expenditures.



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- d. Lay off activity.* Staff will provide an update on recent announced lay off, closures, and downsizing affecting the region, including planned changes at NASA's Johnson Space Center.

9. Labor Market Report

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

10. Adjourn



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