

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw  
Mike Temple

Date: January 31, 2012

Subj: Board Meeting Materials for Tuesday, February 7, 2012

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, February 7, 2012**, in the second floor Conference Room A, 3555 Timmons, Houston.

**Chairman's and Committee Reports.** The Chair will report on good news from the National Association of Workforce Boards. NAWB just announced the Gulf Coast Workforce Board is one of three winners (Distinguished Honoree WIB Excellence Award) to be recognized at the annual conference in March.

Audit /Monitoring Committee Chair Garcia will review the committee's most recent work. The committee continues to note improvement in some contractor financial reviews. Also, last year's state monitoring report of our operations, received in November, has been closed out.

**Action Items.** Officer Nominations Committee Chair Hebert will present the slate proposed for Board consideration.

Budget Committee Chair Estrada brings a recommended budget for this year's Board operations. The overall budget is down 21% from the prior year, with most reductions having already been accomplished in service contracts authorized in October. The largest reductions are due to the expiration of Recovery Act (stimulus) funds. Of note is a proposed increase in funds for web site development. Currently, our web site contains good information but we want to make it more interactive. When appropriate, we do not want people to have to go to an office to get what they want if we can deliver it on-line. Just for your information, in the month of November, the Board's website had 5,024,048 hits and 62,818 visitors.

**Information Items.** The System Performance Reports shows first quarter performance for the Board's measures and lists production measures that are trailing goals. We will review are usual reports on expenditures and services. The economic trends report continues to reflect relatively good news on the employment front.

A quick reminder of Board meeting dates for the balance of the year:

Tuesday, 10:00 a.m., April 3, 2012

June 5, 2012

August 7, 2012

October 2, 2012

December 4, 2012

We are securing appointments to the Board from your County Judge or Mayor (Houston). If your term ended in December, please contact your appointing elected official and indicate your preference for continuing as a member of the Board.

As always, we appreciate your time and effort in serving on the workforce board. We look forward to seeing you Tuesday.

# The Gulf Coast Workforce Board Tentative Agenda

**Tuesday, February 7, 2012 at 10:00 a.m.**

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review December 2011 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
  - a. *Audit/Monitoring.* The committee chair will present an update from the January 2012 meeting.
7. **Take Action**
  - a. *Nominating.* The committee will report on nominations and conduct the election for Board officers.
  - b. *Budget.* The committee chair will present a proposed 2012 budget in amount not to exceed \$172 million for the Board's consideration and action.
8. **Receive Information**
  - a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
  - b. *Expenditures.* Staff will report on current expenditures.
  - c. *Regional Update.* Facts and figures about Workforce Solutions.
9. **Look at the Economy**

Staff will discuss current economic data and trends in the Gulf Coast labor market.
10. **Adjourn**



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Texas Relay: 1.800.735.2989 (TDD) 1.800.735.2988 (Voice) or 711

**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, DECEMBER 6, 2011**

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**MEMBERS PRESENT:**

Gerald Andrews	Willie Alexander	Betty Baitland
Elaine Barber	Carl Bowles	Scott Buchel
Bill Crouch	Stephanie Dees	Sal Esparza
Yvonne Estrada	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Tracie Holub
Eduardo Honold	Valeria Jackson-Forrest	David Joost
Birgit Kamps	Jeffrey Labroski	Ray Laughter
Steve Lufburrow	Ronald McKinley	Janice Ruley
Allene Schmitt	Richard Shaw	Gil Staley
Tom Stinson	Frank Thompson	Evelyn Timmins
Bill Weaver	Sarah Wroblewski	

**H-GAC STAFF MEMBERS PRESENT**

Rodney Bradshaw  
Mike Temple  
David Baggerly  
Ron Borski  
Nancy Toole

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, December 6, 2011, 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 comments.

## **MINUTES FROM OCTOBER 4, 2011**

Mr. Thompson asked if there were any additions or corrections to the minutes for the October 4, 2011 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

## **DECLARE CONFLICTS OF INTEREST**

Mr. Ray Laughter declared a conflict with item 7a (2).

## **CONSIDER COMMITTEE REPORTS**

### Audit/Monitoring

Mr. Joe Garcia stated that the committee met at the ~~Willowbrook~~ Willowbrook career office on Tuesday, November 29, 2011. Mr. Garcia explained that the Regional Quality Assurance Team completed annual reviews at the following career offices, Northshore (average), Northline (below average), Columbus (average), Sealy (average), Waller (average), Baytown (average) and Liberty (average).

Mr. Garcia stated that we have started some quality assurance reviews for the Training Youth for Jobs contractors, looking at only at eligibility. Goodwill, Houston Area Urban League and SER have some eligibility issues, but nothing serious at this time. They are continuing reviews with on-site visits and customer and staff interviews.

We are in the process of resolving findings with Collaborative for Children, Employment and Training Centers, and Neighborhood Centers. There are several findings from our review related to procurement issues at Collaborative for Cehildren and we are currently working with Houston Works on findings from our annual review of its financial systems.

Prior to Thanksgiving we received the results of the state's annual review, performed mid July, 2010. The state reviewed and recertified our local quality assurance/compliance monitoring system.

Findings from the report include:

- About \$7,100 in questioned costs
  - \$2,000 for a Texas Back to Work subsidy paid incorrectly
  - \$5,100 for child care financial aid provided to several families after eligibility for assistance expired
- State reviewers saw instances of confidential customer data “improperly secured” during walkthroughs of several offices
- Collaborative for Children failed to advertise a procurement as required
- One early education/care operator had possession of two of the parent’s “swipe cards.”

## **TAKE ACTION**

- a. Employer Services. The committee chair will present an update from the November 2011 meeting and the Board to consider recommendations on required work searches and training vendor performance requirements.

Mr. Gerald Andrews explained that the committee met on Monday, November 28, 2011 via teleconference. Mr. Andrews explained there were several items to take action on.

### 2012 Work Search Requirements

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

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

This year we have analyzed the data from multiple sources including our outplacement activities, job postings and unemployment insurance data.

Following is a summary of that analysis:

- Companies in the region continue to lay-off.
  - Over the past 12 months, we have received 110 requests for rapid response services. Aerospace, engineering, education, government, financial and manufacturing businesses were among the industries reporting losses.
- The BAE/Dan's Temps layoffs reported 1,000 skilled and semi-skilled workers would be laid off. Services were provided to 213 workers. The NASA/JSC contractors' layoffs were projected at over 4,000. We have seen half of that number with 1,400 UI recipients and approximately 600 retirements. Training has been provided for 203 workers.
- In the past twelve months, we received requests from 9,211 employers representing job postings:
  - 1.05% from Education
  - .71% from Government
  - .62% from Non-Profit Organizations
  - 97.6% from Private Industry, including about 5% from staffing agencies
- These percentages represent no significant changes over prior year.
- We've seen a steady increase in the number of job postings in the private sector during the same time period – up by 5,759 over prior year.

In September 2011, we had 89,941 continued claims (weekly claims) filed and 20,203 new claims (initial claims). Using the three contacts per week requirement for job search results in a required total of more than 269,823 contacts per month to the region's employers from unemployed individuals. As in previous years, we continue to point out that our region's employers have said they prefer to see fewer, higher quality candidates from us. Our employers have also said they would prefer that we do a better job of matching candidates to their specifications and make sure our candidates know how to interview well for the job on which we've sent them. For these reasons, we continue to recommend that the committee set the required number of job searches at three per week.

A motion was made and seconded to require unemployment compensation claimants make at least three job contacts per week in order to continue their eligibility for benefits. The motion carried.

*Education and Training Vendor Performance Requirements – Proposed 2011 – 2012 Minimum Levels*

Workforce Solutions provides customers with financial assistance to purchase employment-related service that our offices do not directly provide. Typically, our customers need and want assistance to go to school and transportation and child care expenses. 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. Many of these vendors seek registration on the Workforce Commission's statewide training list.

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

Boards may adopt the Commission's recommended performance or set higher levels and did so earlier this year. The state has asked the Board to re-certify this level of performance. 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%

A motion was made and seconded to adopt the stated-recommended performance levels. The motion carried.

### Industry Initiatives and Outlook

Ms. Mary Koch, Health Services Liaison explained the Gulf Coast Health Services Steering Committee is an employer lead collaboration of educators and employers which has been in existence for approximately eleven years. The primary focus of the group is to increase the number of RNs in the region. Mary reviewed some accomplishments and plans for the committee.

#### **2010-2011 Accomplishments**

- Implemented faculty development program through Texas Woman's University to improve skills and confidence of nurse educators in using clinical simulation as a teaching tool.
- Developed recommendations to narrow gaps between the competencies contained in nursing curricula approved by the Texas Board of Nursing and those of actual new nurses identified by The Advisory Board.
- Surveyed professionals newly recruited to Houston to create a portal on the Greater Houston Partnership website supporting relocations to this area.
- Collaborated with Team Texas to implement the Institute of Medicine report on The Future of Nursing.
- Collaborated with the Texas Health Information Workforce project led by Texas State University.

#### **2011-2012 Plans**

- Develop regional "transition-to-practice" program for newly graduated Registered Nurses;
- Inventory the number of work school programs in the Gulf Coast Region;
- Increase transition of veterans with health care experience into related civilian careers;
- Create tracking systems in identifying healthcare employment status of new RNs in cooperation with the Texas Center for Nursing Workforce Studies;
- Implement strategies increasing the number of Associate Degree RNs continuing to BSN degrees.

Mr. Mike Webster, Education Industry Liaison stated that the Education Industry Workgroup is composed of representatives from 12 area districts and is chaired by Mark Guthrie. The group has taken on three basic areas-

- Stronger workforce in the education industry – targeting better teachers and recruitment.
- Assisting districts with reduction in force due to legislative budget cuts.
- Formalizing the Gulf Coast Workforce Board as the "career resource and search agent for school and school districts.

#### **During 2011, the committee has**

- Developed a "teacher quality profile" that districts have agreed to use in identifying new hires;
- Researched pay and other issues surrounding the chronic need for skilled trades workers;



- Focused Workforce Solutions' efforts to recruit new workers for participating districts;
- Helped arrange outplacement services for multiple districts earlier in the year; and
- Analyzed and compared alternative certification programs for teachers.

**In 2012, the workgroup plans to:**

- Develop resources and training, including applicant screening tools and recruitment materials, for area school districts to use;
- Publish outcome data for alternative certification programs and regionally-accepted criteria for acceptable ACP performance;
- Discuss (1) how to improve teacher effectiveness and improve retention, (2) area school districts' vision for new teacher development, and (3) performance of the region's teacher preparation programs.
- Explore transitioning aerospace workers into math and science teaching positions.

Ms. Nancy Tootle, Workforce Industry Liaison gave an update on the Aerospace and Energy/Construction sectors.

**Aerospace**

Major layoffs as a result of the retirement of the Shuttle program and the cancellation of the Constellation program were completed in 2011. Over 1,400 people were placed on unemployment and an estimated 1,000 retired from the workforce. Continued small scale layoffs are projected for 2012 across the NASA/JSC contractor companies as contracts and budgets are reduced or aligned with new objectives.

**ATC Hiring Events.** The Aerospace Transition Center hosted multiple events across the year. Major energy companies participated in September/October hiring events where an average of 500 applicants interviewed each day. Shell, Halliburton, Baker Hughes, and Dow all report successful hiring from the events. In addition, aerospace companies like Boeing, SAIC and SpaceX are also actively hiring for locations across Texas.

**New Business.** Most contractor companies continue to explore new avenues and applications for expansion of their technical teams. The Joint Leadership Team is focusing on developing new partnerships, both traditional and non-traditional.

**Energy/Construction**

Board staff completed the Brazoria County Petrochemical Council (BCPC) Workforce Demand survey for 2015 with 73% of council members participating. This is a refinement of the survey that was started in 2008.

Based on this survey, the BCPC members indicated that they need to add/replace 947 jobs requiring certifications or degrees between 2012 and 2015. Companies represented by the BCPC include: BASF, Dow Chemical, ConocoPhillips, Chevron Phillips, Huntsman, Nalco, SI Group, Shintech, Inc., Freeport LNG and several smaller petrochemical plants.

Board staff is in the process of completing a similar survey for the East Harris County Manufacturers Association (EHCMA). The EHCMA Board plans to use the survey as a cornerstone for 2012 planning toward more sustainable and strategic objectives.

**Hiring Outlook.** As reported above, energy companies have been actively hiring the engineers and project managers from the aerospace industry. Most of the companies have reported that they plan to actively hire in mid-late 2012 as retirements continue.

Hiring news from the global petrochemical companies in our region is not as rosy. Contractor layoffs began a month early this year and shutdown/turnaround activities are not projected to begin until late spring 2012. Main issue cited by employers is balancing annual budgets to account for European operations, which are struggling.

The Energy Collaborative and Engineers2Energy (E2E) committees are joining forces in 2012. This new group will also incorporate the local and national American Petroleum Institute Workforce Taskforce objectives and members.

Board staff helped support the Greater Houston Partnership in bringing these separate workforce related efforts in the region together. The primary objectives for the collaboration [are](#) to identify best practices and local communities of practice/expertise and to support sustainable activities that develop the future workforce in key energy industry occupations.

Ms. Elaine Barber representing the Greater Houston Partnership gave kudos to the liaisons for their skills and expertise and explained how her organization works closely with them.

### **Targeted Industry Snapshot**

Mr. Gerald Andrews explained that Board staff is looking at and testing a new tool that analyses workforce trends in our region. The tool shows the use of a web crawler/spider to search for information about jobs posted in our region, by industry and occupation over the past several years. A report “Wanted Analytics” is in the packet.

Mr. Thompson explained that Boomerang Tube LLC received the Employer Award of Excellence for Workforce Solutions Gulf Coast at the Texas Workforce Commission 15<sup>th</sup> Annual Texas Workforce Conference held here in Houston, November 30 – December 2, 2011. This award honors employers that are actively involved with their local workforce board and have made a positive impact on employers, workers and the community. Our Board also received the \$25,000 Industry Sector Outreach Award for effectively deploying resources to reduce the loss of the technical aerospace talent from Texas following the retirement of the shuttle and other NASA space programs.

### **RECEIVE INFORMATION**

#### **System Performance**

Mr. David Baggerly reviewed the System Performance measures for October 2011. 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. 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 21,806 employers this year which is about 16% of the 134,604 employers identified for the Gulf Coast area. In October, we provided services to 4,345 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 15,548 employers, 3,754 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. The first quarter's results will be available for the February meeting.

Customers employed by the 1<sup>st</sup> quarter after exit – Reporting for one quarter (October 10 – December 10), 65,108 of the 97,838 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 one quarter (April 10 – June 10), 32,829 of the 109,405 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 – In October, 14 of the 1,892 customers pursuing an education diploma, degree or certificate achieved one.

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

For the performance year that began October 1, 2011, we are meeting or exceeding the target for six of twelve measures. The five measures we are not meeting are:

- Total Job Postings Filled. This is a new measure. The target for this measure is 32.2%. Our performance in the first quarter (4/11-6/11) was 17.8%.
- Total Employer Success Rate. This is a new measure. The target for this measure is 49%. Our performance in the first quarter (4/11-6/11) was 30.9%

- Average Choices Single Parent Participation Rate. The target for this measure is 40%. Our performance for October was 34.9%.
- Average Choices Two Parent Participation Rate. The target for this measure is 55%. Our performance for October was 46%.
- Youth Literacy/Numeracy Gains. The target for this measure is 35%. Our performance in the first quarter (7/11-9/11) was 23.3%.

We do not have performance information for Average Number of Children Served per Day (Child Care).

The state will implement a new participation rate measure that will focus on how well we help customers receiving TANF benefits become employed.

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

Mr. Baggerly also reviewed the Year End Report – October 2010 to September 2011.

Mr. Mark Guthrie questioned the Total Job Position Filled measure and how it relates to item 7a, page 4 of 4 statistics. Staff indicated they would have an answer at the February Board meeting.

### Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for ten months ending October 31, 2011 and stated that expenditures are in line for the year.

Mr. Bradshaw explained that through the Elevate America veteran's initiative, veterans and their eligible spouses can receive no-cost online training to build their skills in selected Microsoft technologies, plus industry-recognized certification exams to demonstrate their skills to employers.

Microsoft's technology training and certification is available at intermediate and advanced levels, delivered through e-learning. Workforce Solutions will provide additional tutoring support for customers who might need assistance at four offices.

Launched in time for Veteran's Day, Workforce Solutions has distributed 25 Microsoft vouchers through the career offices during the month of November. Microsoft is providing up to 1,000 vouchers each year for two years.

### LOOK AT THE ECONOMY

Mr. Ron Borski explained that the rate of unemployment dropped one-half of a percentage point to 8.1 percent in October. This is the first time since April that the current unemployment rate was lower than it was one year ago, currently one-tenth of a percentage point lower than back in 2010.

The numbers of initial claims and continued claims were up slightly in October but down from the 2010 levels with the number of initial claims down 9.2% and the number of continued claims down 18.3%.

Many private industry sectors continue to post healthy over-the-year job gains, especially those with ties to oil and gas exploration. The most rapid rate of job growth has been in the Mining and Logging industry, up 10,500 jobs or 12.8%. Professional and Business services has added the largest number of jobs to the region, up 18,600 jobs or 5.1% over the year. Some industries continue to feel the effects of the slow economy with Transportation, Warehousing and Utilities experiencing its third consecutive over-the-year loss despite job gains in Utilities, Air Transportation, Truck Transportation and Pipeline Transportation.

The public sector continues to struggle with budget constraints and has reported over-the-year losses for the last six months, currently down 5,100 jobs or 1.3% from last October.

According to the Federal Reserve Bank of Dallas, Houston Branch, the Houston Business-Cycle Index indicates economic activity in the Mesa grew at an annualized rate of 5.4% in September, trending upward, but noted that international headwinds are a serious concern. The Houston Purchasing Managers Index increased to 61.3% in October indicating continued production gains over the next several months. The overall outlook for the near future remains cautiously optimistic.

Mr. Bradshaw announced that Mr. Charles McBride, Manager with Interfaith is retiring at the end of December.

### **ADJOURN**

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

## **Audit/Monitoring Committee**

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### **February 2012 Update**

#### **Recent Activity**

- The regional Quality Assurance Team has just completed a review of the Payment Office and is finalizing its report. Our financial reviewer will soon issue a report on financial aid payments in the system as well.
- The team will begin 2012 regular system reviews in February.
- We expect to resolve the few remaining issues from last year's financial reviews with Collaborative for Children, Neighborhood Centers, and Houston Works in the next several weeks.
  - One of the issues we had with several contractors last year concerned procuring goods and services according to federal/state guidelines and our contract requirements. We are arranging for these contractors to have training on procurement guidelines and will follow up regularly with them during 2012 to check on their progress.
- The Workforce Commission finalized its monitoring report for the work it did in July 2011. As a part of the final resolution, we expect to repay about \$6,000 in disallowed costs which we will secure from our contractors.

As we reported in December, \$2,000 of this is for a Texas Back to Work payment made erroneously and the balance for child care financial aid payments made for over-age children.

- Our guidelines specify that, unless a child is disabled, we will only provide financial aid for child care until that child's 13<sup>th</sup> birthday.
- The state monitors found several cases in which our career offices did not discontinue financial aid in a timely manner and continued paying for children after their 13<sup>th</sup> birthdays.
- We have already revised procedures so that career offices check on the ages of children regularly, notify parents when we see that our assistance must end, and discontinue financial aid timely.

## Nominating Committee

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### Committee Members

John Hebert - Chair  
Jeff Labroski – Vice Chair  
Joe Garcia  
Guy Robert Jackson

### 2011 Officers

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

## Budget Committee

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### Proposed 2012 Board Budget

#### Background

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

The Board's Budget Committee met on Friday, January 27, 2012 with committee chair Yvonne Estrada and members Dula Abdu, Willie Alexander, Gerald Andrews and Mark Guthrie attending. The committee's report and recommendations follow.

#### Current Situation

The proposed 2012 budget at \$172 million is 21% less than the revised 2011 budget. The size of the decrease is somewhat deceptive: our system downsized last year to address the federal and state revenue cuts. The largest drop in revenue, as we noted last year, comes from the ending of Recovery Act dollars. Reductions to Workforce Investment Act funds were not as significant as we thought they might be.

- State support for ex-offenders stopped last year with the end of the Reintegration of Offenders money. That resulted in a drop of about \$1.3 million to our core revenue.
- We have also seen a loss of about \$2.5 million in Temporary Assistance for Needy Families, also part of our core revenue.
- With the exception of a small amount of money limited to an on-the-job training service, we have spent our Recovery Act dollars. Funds targeted for disaster recovery have ended, and we have used about half of the money available for transition at the Johnson Space Center. This explains the more than 75% drop in special revenue.

Proposed 2012 system operations costs are in line with contracts the Board approved in August 2011.

- The drop in Employer Service operations expenditures is related to the loss in core revenue, as is the drop in Career Office operations funding.
- The drop in Financial Aid is almost entirely due to the end of Recovery Act funds for child care assistance and early education/care quality projects.



- The remaining special projects funds are for the Training for Youth contracts the Board authorized last year.

We are asking permission to use \$225,000 in upgrading our Workforce Solutions website. We want to make the site interactive and allow customers to apply for all forms of financial aid online. Since financial aid is a significant portion of the system's workload, we think this is a way to invest in better customer service and more efficient operations.

- The Board staff would solicit proposals for the upgrade, contract the work out, and plan to be operation in the fourth quarter of 2012.
- We'll talk to other boards in the state to see if we might be able to share costs with others that might be interested in the same kind of upgrade.

We are proposing an operations budget for the Board staff of \$4.28 million. This represents 2.5% of the total 2012 Board budget.

- The increase in the consultants line item is \$75,000 for expanded financial monitoring of our contractors.
- We are not asking for additional staff positions; however, we have shared staff costs with some non-workforce disaster fund sources over the past several years. Those funds ended in December 2011 and the proposed budget shows the staff fully funded from workforce sources.
- H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool has been set at 2%.
- Together these account for the 3.4% increase in personnel.

## **Action**

Approve a 2012 Board budget in amount of \$172,158,975.

GULF COAST WORKFORCE BOARD					
PROPOSED 2012 BUDGET					
SOURCE AND USE					
Source		Use			
General Revenue	164,236,975	Board Operations			4,504,205
Special Federal & State Revenue	7,922,000	Service for Employers			5,353,000
Other	-	Service for People			162,301,770
		Financial Aid	124,382,874		
		Office Operations	36,731,509		
		Special Projects	875,000		
<b>Total</b>	<b>\$172,158,975</b>	<b>Total</b>			<b>\$172,158,975</b>

GULF COAST WORKFORCE BOARD				
PROPOSED 2012 BUDGET				
REVENUE SUMMARY				
	2012	2011		% Change
<b>General Revenue</b>	<b>164,236,975</b>	<b>180,901,534</b>		<b>-9.2%</b>
Employment Service	7,450,000	8,374,196		-11.0%
Veterans Employment & Training	365,000	370,195		-1.4%
Re-Integration of Offenders	-	964,226		-100.0%
Trade Act	750,000	901,360		-16.8%
Workforce Investment	29,285,000	30,224,594		-3.1%
Supplemental Nutrition Assistance	2,740,000	2,947,915		-7.1%
Temporary Assistance for Needy Families	11,821,000	14,435,504		-18.1%
Child Care & Development Block Grant	111,825,975	122,683,545		-8.9%
<b>Special Federal &amp; State Revenue</b>	<b>7,922,000</b>	<b>37,159,051</b>		<b>-78.7%</b>
Disaster Recovery	-	2,671,568		
Back-to-Work	3,300,000	4,500,000		
Worker Transition Projects	2,875,000	6,081,847		
Disability Navigator Pilot	60,000	56,500		
Non-Custodial Parents	945,000	855,021		
Recovery Act	717,000	22,894,115		
Awards	25,000	100,000		
<b>Other</b>	<b>-</b>	<b>-</b>		<b>0.0%</b>
	<b>172,158,975</b>	<b>218,060,585</b>		<b>-21.0%</b>

<b>GULF COAST WORKFORCE BOARD</b>					
<b>PROPOSED 2012 BUDGET</b>					
<b>BUDGET SUMMARY</b>					
	<b>2012</b>	<b>2011</b>	<b>% of Total 2012 Budget</b>	<b>Dollar Variance from 2011</b>	<b>% Variance from 2011</b>
<b>Board Operations</b>					
Personnel	2,714,252	2,619,884	1.6%	94,368	3.6%
Indirect	309,018	330,105	0.2%	- 21,087	-6.4%
Consultants & Contract	660,000	585,000	0.4%	75,000	12.8%
Travel	46,350	49,150	0.0%	- 2,800	-5.7%
Rent	148,620	162,995	0.1%	- 14,375	-8.8%
Capital Equipment	-	-	0.0%	NA	NA
Other	400,965	412,478	0.2%	- 11,513	-2.8%
Subtotal, Board Operations	4,279,205	4,159,613	2.5%	119,592	2.9%
<b>System Operations</b>					
System IT	537,387	322,833	0.3%	214,554	66.5%
Service for Employers	5,353,000	7,471,009	3.1%	- 2,118,009	-28.3%
Service for People					
Financial Aid	124,382,874	151,173,034	72.2%	- 26,790,160	-17.7%
Career Offices	36,731,509	51,509,929	21.3%	- 14,778,420	-28.7%
Special Projects	875,000	3,747,000	0.5%	- 2,872,000	-76.6%
Subtotal, System Operations	167,879,770	213,900,972	97.5%	- 46,021,202	-21.5%
<b>Total</b>	<b>172,158,975</b>	<b>218,060,585</b>	<b>100.0%</b>	<b>-(45,901,610)</b>	<b>-21.0%</b>

<b>GULF COAST WORKFORCE BOARD</b>		
<b>PROPOSED 2012 REVISED BUDGET</b>		
<b>BUDGET DETAIL</b>		
	<b>Board Operations</b>	
	<b>2012</b>	<b>2011</b>
<b>Consultants &amp; Contract</b>	<b>660,000</b>	<b>585,000</b>
Legal Services	15,000	15,000
Audit	20,000	20,000
Financial Monitoring	175,000	100,000
Public Information & Outreach	450,000	450,000
<b>Other</b>	<b>400,966</b>	<b>412,478</b>
Supplies	18,000	18,000
Meeting Expenses	18,000	18,000
Outside Printing	2,500	2,500
Books & Publications	2,000	2,000
Maintenance & Repair	5,000	2,000
Software	5,000	5,000
Licenses & Permits	1,000	-
Communications	75,000	75,000
Postage & Delivery	15,000	15,000
Subscriptions & Dues	10,500	10,500
Expendable Equipment	12,000	16,000
Legal Notices	17,500	17,500
Network Services	105,722	127,052
Personnel Services	59,966	62,822
Purchasing	17,582	15,482
Print Shop	36,196	25,621

**Gulf Coast Workforce Board**  
**System Performance**  
October 2011 through December 2011

## 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 expected to provide services to 21,806 employers this year which is about 16% of the 134,604 employers identified for the Gulf Coast area. Through December, we provided services to 6,854 employers.	16.2%	5.1%	11.7%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 15,548 employers, 4,379 returned to Workforce Solutions for additional services.	55%	24%	54.5%

## 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. The first quarter's results will be available for the February meeting.	2,000	2,352	2,236
<u>Customers employed by the 1st Qtr after exit</u> Reporting for one quarter (Oct 10 – December 10), 65,150 of the 97,843 customers who exited from services were employed in the quarter after exit.	79%	66.6%	66.8%

## Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for one quarter (April 10 – June 10), 32,864 of the 109,430 customers who exited had earnings gains of at least 20%.	41%	30.0%	25.5%

## 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 December, 82 of the 2,030 customers pursuing an education diploma, degree or certificate achieved one.	36%	4.0%	40.8%

## Production

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

For the performance year that began October 1, 2011, we are meeting or exceeding the target for six of ten current measures. The four measures we are not meeting are:

- Total Job Postings Filled. This is a new measure. The target for this measure is 32.2%. Our performance in the first quarter (1/11-3/11) was 23.7%.
- Total Employer Success Rate. This is a new measure. The target for this measure is 49%. Our performance in the first quarter (1/11-3/11) was 39.4%.
- Youth Placement in Employment or Education. The target for this measure is 58%. Our performance in the first quarter (10/10 – 12/10) was 55.3%.
- Youth Literacy/Numeracy Gains. The target for this measure is 35%. Our performance in the first two quarters (7/11 – 12/11) was 28.6%.

The state will implement a new participation rate measure that will focus on how well we help customers receiving TANF benefits become employed.

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



**GULF COAST WORKFORCE DEVELOPMENT BOARD  
FINANCIAL STATUS REPORT  
For the Twelve Months Ended December 31, 2011**

	<b>ANNUAL BUDGET</b>	<b>BUDGET YEAR TO DATE</b>	<b>ACTUAL YEAR TO DATE</b>	<b>DOLLAR VARIANCE</b>
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES**	215,211,357	215,211,357	196,433,147	18,778,210
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	4,159,613	4,159,613	3,505,748	653,865
SYSTEM IT	322,833	322,833	305,929	16,904
EMPLOYER SERVICES	7,276,996	7,276,996	5,837,295	1,439,701
RESIDENT SERVICES	203,451,915	203,451,915	186,784,175	16,667,740
OFFICE OPERATIONS	51,469,068	51,469,068	47,495,281	3,973,787
FINANCIAL AID	148,235,847	148,235,847	135,754,329	12,481,518
RECOVERY PROJECTS*	3,747,000	3,747,000	3,534,565	212,435
<b><i>TOTAL WORKFORCE EXPENDITURES</i></b>	<b>215,211,357</b>	<b>215,211,357</b>	<b>196,433,147</b>	<b>18,778,210</b>

\* With the exception of Recovery Act NEG OJT, all Recovery Act Projects were to be completed by June 30, 2011.

\*\* The original Workforce Board Budget did not include approximately \$5.3 million in additional revenues for Texas Back to Work and Trade Act funds received after the original budget was approved.

**VARIANCE ANALYSIS**

Note 1: With the exception of the Recovery Act Projects budget component, the "Budget Year to Date" column reflects a 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. The Recovery Act Projects budget component is a weighted straight-line estimate. For all Recovery Act projects other than Recovery Act NEG OJT, the straight line estimate is for six months, January to June 2011, while for the Recovery Act NEG OJT the straight line estimate is for 12 months, January to December 2011.

Note 2: Wagner-Peyser Employment Services revenues of \$5,761,615 from the TWC FS-9 report are not included in the Workforce Board revenue journal because those funds are received and expended by the Texas Workforce Commission. An annual estimate of those funds to be dedicated to the Gulf Coast region is, however, included in the budget for the Workforce Board.

## **Gulf Coast Workforce Board February 2012 Regional Update**

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For the month of January 2012, we had more than 4,990 new job postings – which is the largest monthly total in the past three years. We have seen new job postings picking up since the fall, and the January monthly total is 42% higher than January 2011.

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From October 2011 through January 2012, we estimate the career offices had more than 878,000 visits from customers.

We began enrolling customers in the Workforce Investment Act Gold Standard national evaluation in December. To date, we've tagged 723 customers for the study. 678 or 94% of these customers are receiving a full complement of service. 23 customers are in the group that receives all services except financial aid; and 22 customers are in the group which receives only our basic service.

- We will limit service for a total of 270 customers for purposes of the study – 135 in the group that gets everything but financial aid and 135 in the group that gets only basic service. We think it will take about 12 to 13 months for us to reach those numbers. At that time, we'll stop enrolling customers in the study groups.

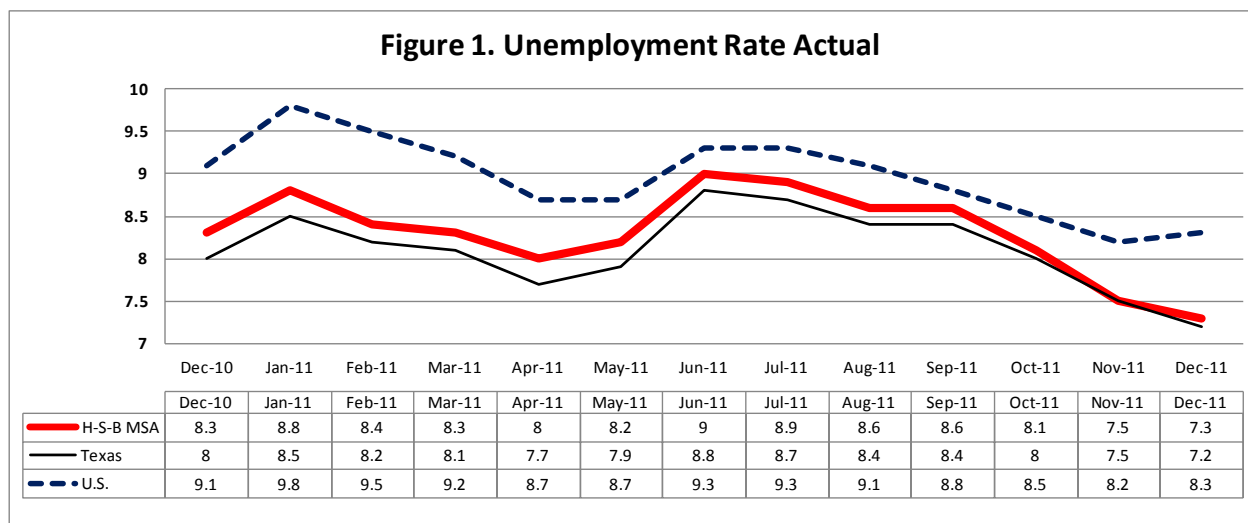
In November we began providing vouchers to eligible veterans for online computer skills training as a part of Microsoft's Elevate America Veteran's project. We are one of six areas in the country participating. To date we've put out 309 or about one-third of the annual allotment of vouchers for our region.

Labor Market Information  
DECEMBER 2011 Employment Data

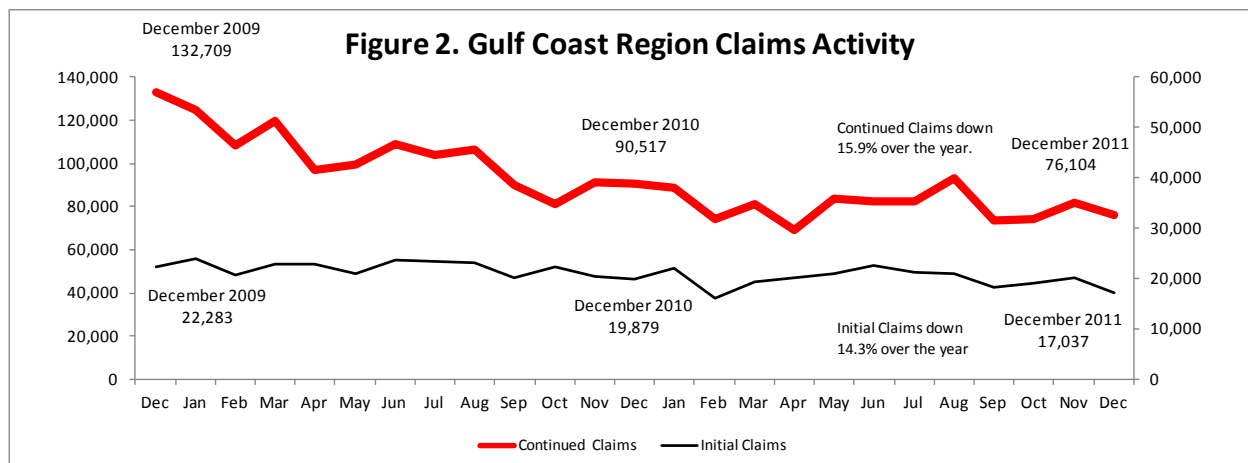
HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)

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

THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) DROPPED TWO-TENTHS OF A PERCENTAGE POINT TO 7.3% IN DECEMBER, A CONSIDERABLE DECLINE FROM A PEAK OF 9.0% IN JULY. Unemployment at the state level also experienced a decline, down three-tenths of a percentage point to 7.2 percent, while unemployment at the national level experienced an increase of one-tenth of a percentage point to 8.3%, see figure 1.

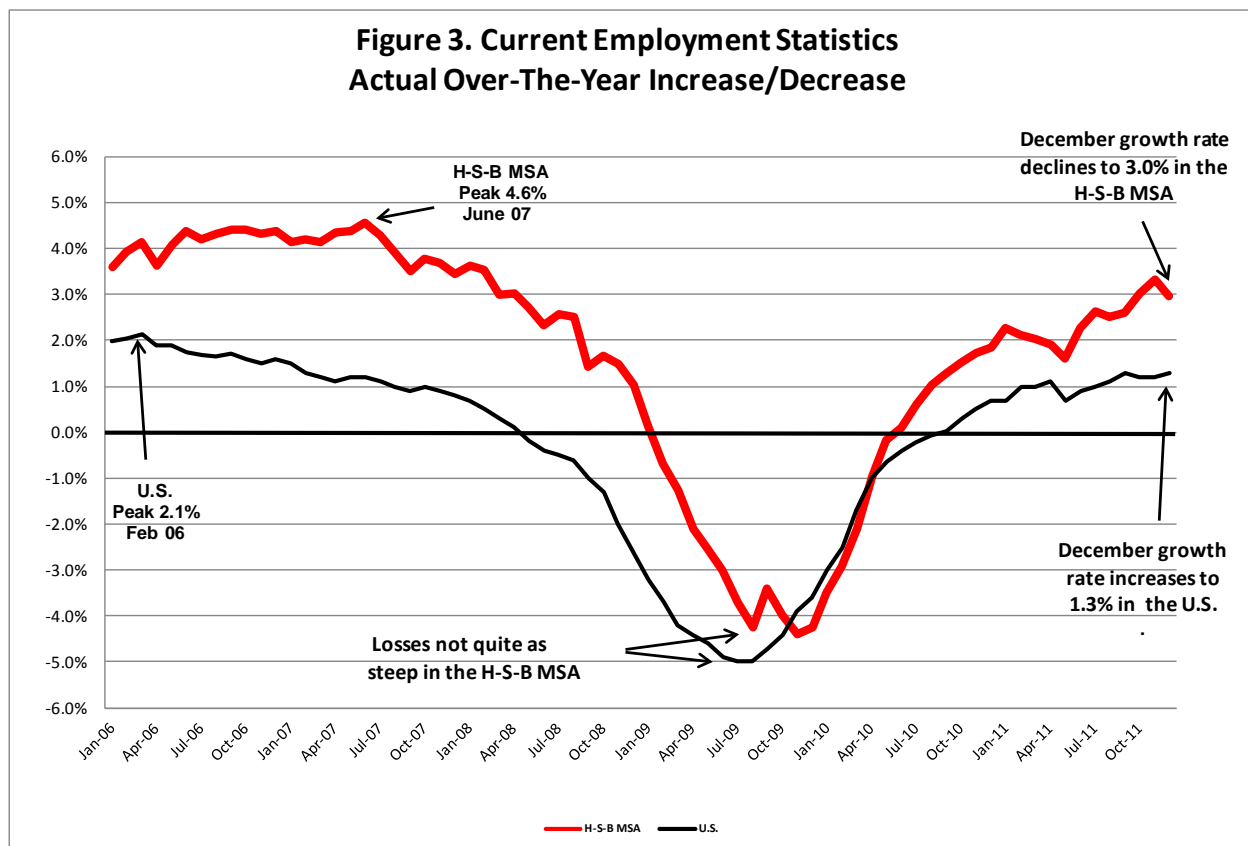


UNEMPLOYMENT CLAIMS ACTIVITY IN THE REGION DECLINED IN DECEMBER 2011. The number of Initial Claims for unemployment benefits decreased in December by 3,197 (15.8%) to 17,037, 2,842 fewer than one year earlier, see figure 2. The number of Continued Claims for unemployment benefits also fell in December, down 5,951 (7.3%) to 76,104 with 14,413 (15.9%) fewer filed than one year earlier.

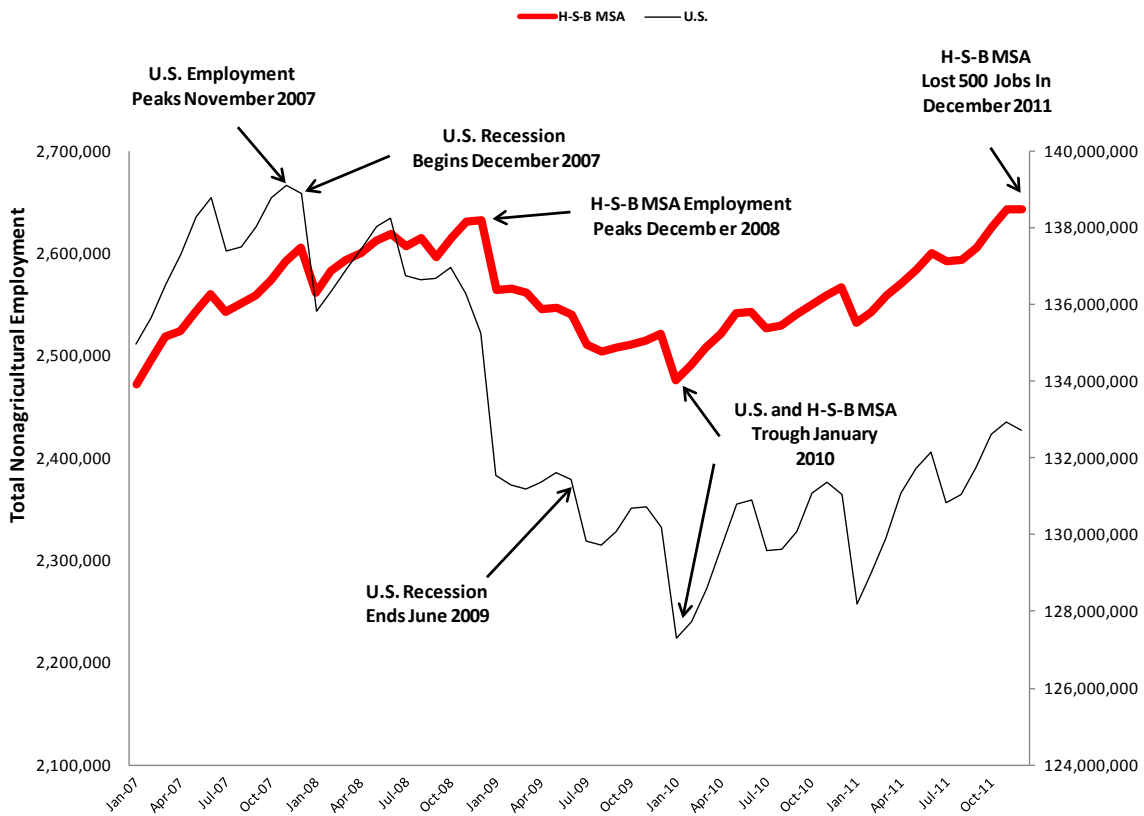


JOB-GROWTH IN THE HOUSTON-SUGAR LAND-BAYTOWN MSA SLOWED IN DECEMBER FROM THE BRISK PACE OBSERVED OVER MUCH OF 2011. The H-S-B MSA experienced its first December decline ever according to records going back to 1990. While the loss of 500 jobs was minimal it goes against normal seasonal trends for the month of December. Weak seasonal hiring at retail establishments and continued declines in Construction were primarily responsible for the loss. Strong seasonal growth by retail establishments in October and November led to the abnormally weak seasonal hiring in Retail Trade in December. Over-the-year job-growth in the H-S-B MSA fell three-tenths of a percentage point in December to 3.0 percent, an increase of 75,800 jobs, see figures 3. While an overall slowing in the pace of job growth is unwanted news, some experts feel it is simply adjusting to a more realistic pace. Many private industry sectors continue to see healthy job gains, especially those with ties to oil and gas exploration. Job growth over the past year has been strongest in Mining and Logging, Healthcare, Manufacturing, and Professional and Business Services. The public sector continues to struggle with budget constraints and has reported over-the-year losses for the last eight months. Seasonally adjusted data seen in figure 5 provides an additional view of employment removing the erratic seasonal movement where a slowdown in the pace of job growth is clear with the release of December data.

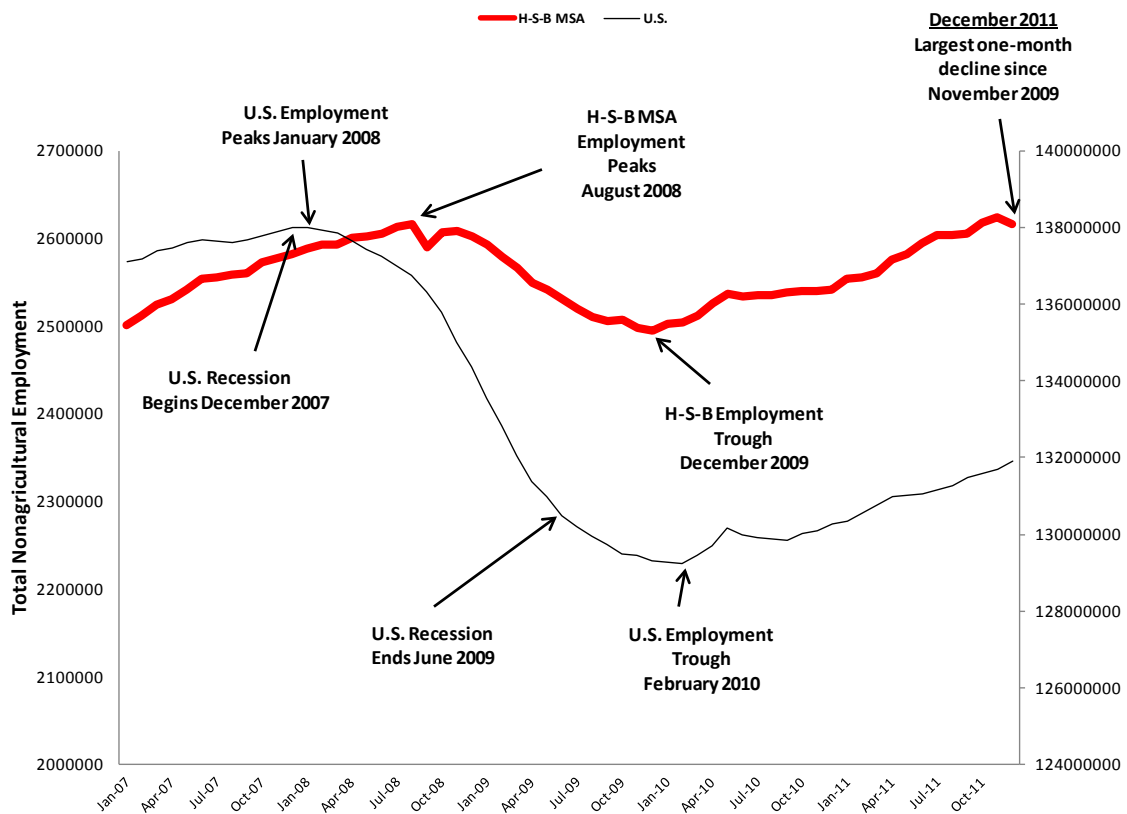
According to the Federal Reserve Bank of Dallas, Houston Branch, the Houston Business-Cycle Index indicates economic activity in the H-S-B MSA grew at an annualized rate of 7 percent in November, down from 9.8 percent in October, noting that Houston for the most part left the Great Recession behind in 2011 and its outlook remains positive. The Houston Purchasing Managers Index (PMI) dropped 3.8 points in December to 57.8, the first time the PMI has been below 60 since July 2011. Any index over 50 indicates production gains over the near term. Ninety-seven percent of respondents indicated they had the same or increased employment levels, good news for those looking for work. Additional details by super sector follow beginning on page 4.



**Figure 4. Total Non-farm Employment-Actual**

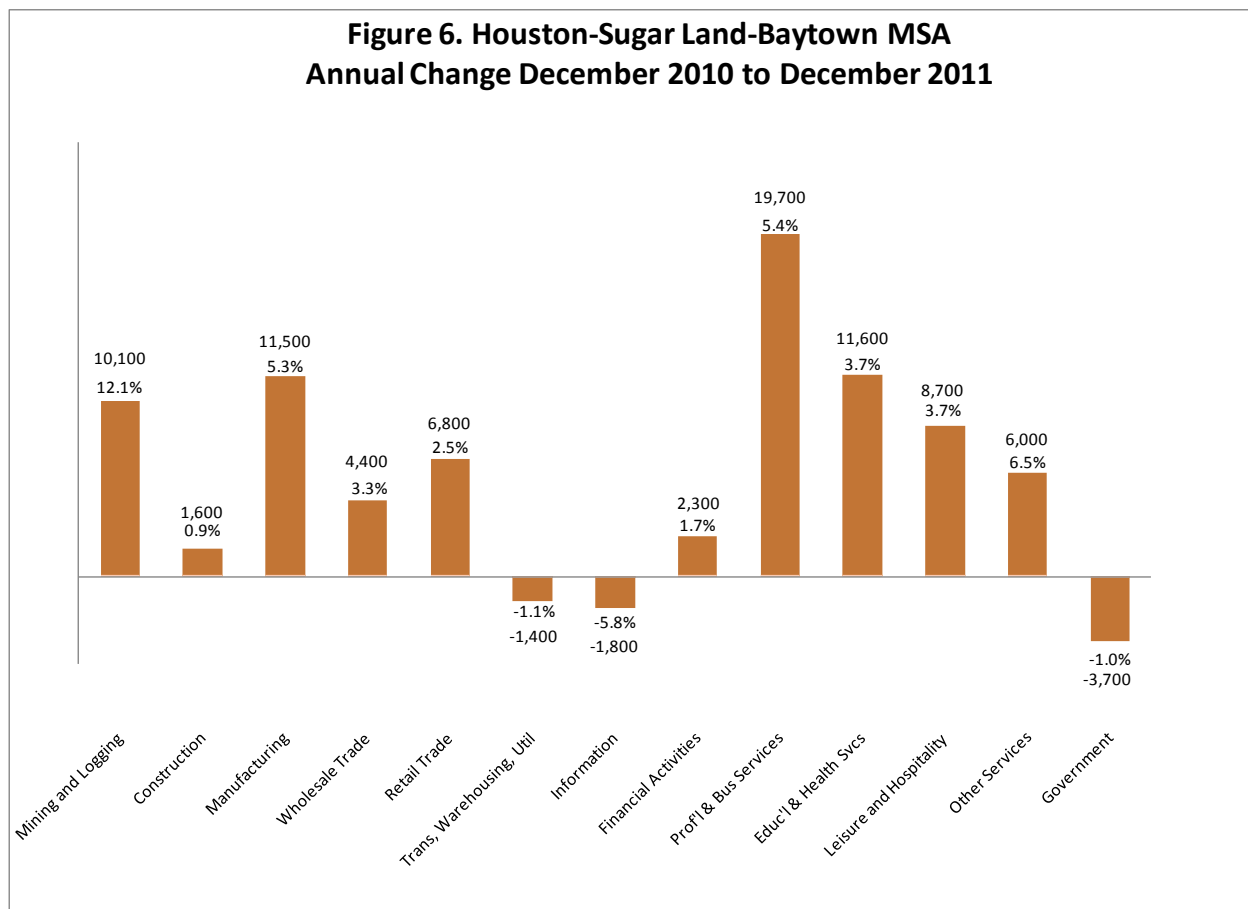


**Figure 5. Total Non-farm Employment-Seasonally Adjusted**



**Mining and Logging** is the fastest growing super sector in the H-S-B MSA and continues to report growth adding another 700 jobs in December with payrolls up 10,100 jobs or 12.1 percent over the year. Support Activities for Mining was responsible for nearly half of the increase, up 4,000 jobs, 11.2 percent, over the year. Oil and Gas Extraction was up 3,600 jobs or 7.7 percent over the year. The average U.S. rig count numbered 2,003 in December, down 8 from the previous month and up 292 from one year earlier. Oil-directed drilling continued to rise offsetting declining gas directed drilling. Oil rigs now constitute about 60 percent of all U.S. drilling. Oil and gas producers and their supporting oilfield services companies continue to be a major driving force of job growth in the H-S-B MSA.

**Construction** activity fell again in December resulting in a loss of 2,900 jobs over the month, down 1.6 percent. Job losses were widespread with the largest over-the-month decline in Specialty Trade Contractors, down 1,700 jobs or 2.0 percent. Over-the-year job gains continue to be positive but are on the decline, up 1,600 jobs or 0.9 percent, see figure 6. Heavy and Civil Engineering Construction reported the strongest increase over the year, up 3,600 jobs or 9.1 percent. Construction of Buildings was up 600 jobs or 1.2 percent over the year. Losses in Specialty Trade Contractors continued to rise in December, down 2,600 jobs or 3.0 percent over the year. Construction activity remains weak with the exception of apartment construction. New single-family home sales and housing starts have yet to show a compelling positive trend and nonresidential construction activity remains at low levels.



**Manufacturing** trimmed payrolls by 200 jobs over the month which is not uncommon for December. The super sector added 11,500 jobs over the year, up 5.3 percent, with most of the increase in Durable Goods Manufacturing. Largest gains were in Machinery Manufacturing, up 4,200

jobs or 9.7 percent, and Fabricated Metal Product Manufacturing, up 3,700 jobs or 8.0 percent. Strong drilling activity continues to drive demand for mining machinery and other equipment tied to oil and gas extraction. The Houston Purchasing Managers Index (PMI) dropped 3.8 points in December to 57.8, the first time the PMI has been below 60 since July 2011. Any index over 50 indicates production gains over the near term. Employment in Nondurable Goods Manufacturing was up 2,600 jobs or 3.4 percent from one year earlier. Export markets of refiners and petrochemical companies have been favorable although petrochemical producers noted a seasonal slowdown in demand for most products. U.S. consumption of gasoline and other refined petroleum products remained weak.

**Trade Transportation & Utilities** added 3,700 jobs over the month, up 0.7 percent. This was the smallest December increase ever according to records that go back to 1990. Strong seasonal growth by retail establishments in October and November led to abnormally weak seasonal hiring in Retail Trade in December, up only 1,200 jobs. Over the last ten years Retail Trade increased payrolls an average of 5,400 jobs in December. Transportation, Warehousing, and Utilities added 2,300 jobs to payrolls over the month, a slightly weaker increase than an addition of 2,800 jobs in December 2010. Trade, Transportation, Warehousing, and Utilities added 9,800 jobs to payrolls over the year with the rate of job growth falling nine-tenths of a percentage point from the previous month to 1.8 percent. Retail Trade accounted for most of the gain, up 6,800 jobs or 2.5 percent. Wholesale Trade was up 4,400 jobs or 3.3 percent over the year. The rate of over-the-year declines in Transportation, Warehousing, and Utilities worsened as a result of December's weak job gains, currently down 1,400 jobs or 1.1 percent. Despite the net loss in Transportation, Warehousing, and Utilities, gains continue to be reported in Utilities, Air Transportation, Truck Transportation, and Pipeline Transportation. Feedback from transportation firms was positive with railroad firms reporting a broad-based increase in shipments and intermodal firms reporting steady cargo volumes.

**Information** was the only private super sector to report an over-the-year loss in December, down 1,800 jobs or 5.8 percent. Many industries within Information have been on the decline for years due to rapid technological changes and as many move away from wired telecommunication carriers. About half of the MSA's employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

**Financial Activities** added 400 jobs over the month, up 0.3 percent, and recorded an over-the-year increase for the fourth consecutive month, up 2,300 jobs or 1.7 percent from December 2010. Most of the increase was in Finance and Insurance, up 2,200 jobs or 2.5 percent. Most financial firms are reporting flat or slightly increased loan demand and the quality of outstanding loans continued to improve. Real Estate and Rental and Leasing posted a slight increase of 100 jobs over the year. Apartment demand continues to be strong with persistently high multifamily occupancy rates making it the favored property type among real estate investors. Demand for office space continued to rise with additional reports of improvement in demand for warehouse and retail space. While conditions have improved overall in real estate, financing continues to be a challenge.

**Professional and Business Services** added 300 jobs in December with most of the increase due to seasonal hiring at Accounting, Tax Preparation, Bookkeeping, and Payroll Services, up 700 jobs or 4.0 percent. Payrolls in Professional and Business Services were up 19,700 jobs or 5.4% over the year. Strongest increases were in Administrative and Support Services, up 8,200 jobs or 5.1 percent, where services that support general management, personnel administration, clerical activities, and cleaning activities are found. Job growth in Employment Services deteriorated over the past couple of months despite staffing firms indicating high levels of demand with the rate of growth falling

from 4.3 percent in October to the current 1.6 percent rate, up 1,000 jobs. This was the smallest over-the-year increase for Employment Services since March 2010.

**Education and Health Services** experienced a smaller than normal increase of 200 jobs in December, only one-third of last year's 600 job increase. Weak December hiring was likely due to much stronger than normal seasonal hiring a few months earlier in August and September. Education and Health Services was up 11,600 jobs or 3.7 percent over the year. An aging population and a population growth rate that more than doubles that of the nation has been responsible for growth in the super sector. Most of the increase was in Ambulatory Health Care Services where services are provided directly or indirectly to patients and do not usually require inpatient services, up 11,000 jobs or 8.8 percent. Hospitals, which generally experience steady job growth during difficult economic times, have seen much weaker job growth, currently up 100 jobs or 0.1 percent over the year. Weak job growth in hospitals is a combined result of a smaller number of people insured by employers, fewer elective surgeries, and changes to third-party reimbursements. Educational Services reported an increase of 800 jobs over the year, up 1.8 percent.

**Leisure and Hospitality** suffered a loss of 2,100 jobs in December, down 0.9 percent. Most of the decline was at Food Services and Drinking Places, down 1,600 jobs or 0.8 percent. While a December decline is not normal for Food Services and Drinking Places, it does follow an what was an unprecedented November increase of 4,200 jobs. December's decline failed to hamper what has been steady over-the-year job growth with Leisure and Hospitality up 8,700 jobs or 3.7 percent from December 2010. Most of the increase was due to gains in Food Services and Drinking Places, up 8,400 jobs or 4.4 percent. Accommodation also managed an increase of 500 jobs from December 2010, up 2.5 percent. Employment in Arts, Entertainment, and Recreation experienced a slight loss of 200 jobs over the year, down 0.8 percent.

**Other Services** added 300 jobs in December and 6,000 jobs over the year, up 6.5 percent. 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** posted a seasonal loss of 800 jobs in December, down 0.2 percent, and was down 3,700 jobs or 1.0 percent over the year. Federal Government was down 400 jobs or 1.4 percent over the year and State Government was down 600 jobs or 0.8 percent over the year. Local Government reported a loss of 2,700 jobs over the year, down 0.9 percent, where Local Government Educational Services was responsible for the decline posting a loss of 4,300 jobs or 2.2 percent. The public sector continues to struggle with budget constraints and has reported over-the-year losses for the last eight consecutive months.



# NONAGRICULTURAL EMPLOYMENT

## Houston-Sugar Land-Baytown MSA

	DEC 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,643,000	-500	0.0%	75,800	3.0%
Total Private	2,261,700	300	0.0%	79,500	3.6%
Goods Producing	499,000	-2,400	-0.5%	23,200	4.9%
..Mining and Logging	93,600	700	0.8%	10,100	12.1%
...Oil and Gas Extraction	50,300	400	0.8%	3,600	7.7%
...Support Activities for Mining	39,600	200	0.5%	4,000	11.2%
..Construction	175,200	-2,900	-1.6%	1,600	0.9%
..Construction of Buildings	49,500	-900	-1.8%	600	1.2%
..Heavy and Civil Engineering Construction	43,000	-300	-0.7%	3,600	9.1%
..Specialty Trade Contractors	82,700	-1,700	-2.0%	-2,600	-3.0%
..Manufacturing	230,200	-200	-0.1%	11,500	5.3%
..Durable Goods	150,600	-300	-0.2%	8,900	6.3%
...Fabricated Metal Product Manufacturing	49,800	0	0.0%	3,700	8.0%
...Machinery Manufacturing	47,600	100	0.2%	4,200	9.7%
....Agriculture, Construction, and Mining Machinery Manufacturing	34,900	200	0.6%	2,800	8.7%
...Computer and Electronic Product Manufacturing	18,700	0	0.0%	0	0.0%
..Non-Durable Goods	79,600	100	0.1%	2,600	3.4%
...Petroleum and Coal Products Manufacturing	12,700	0	0.0%	300	2.4%
...Chemical Manufacturing	34,600	100	0.3%	0	0.0%
Service Providing	2,144,000	1,900	0.1%	52,600	2.5%
..Private Service Providing	1,762,700	2,700	0.2%	56,300	3.3%
..Trade, Transportation, and Utilities	543,300	3,700	0.7%	9,800	1.8%
...Wholesale Trade	136,800	200	0.1%	4,400	3.3%
....Merchant Wholesalers, Durable Goods	82,800	600	0.7%	4,800	6.2%
.....Professional and Commercial Equipment and Supplies Merchant	10,400	100	1.0%	0	0.0%
....Merchant Wholesalers, Nondurable Goods	37,400	100	0.3%	-300	-0.8%
...Retail Trade	280,200	1,200	0.4%	6,800	2.5%
....Motor Vehicle and Parts Dealers	32,500	-100	-0.3%	400	1.2%
....Building Material and Garden Equipment and Supplies Dealers	19,200	100	0.5%	600	3.2%
....Food and Beverage Stores	56,500	400	0.7%	1,000	1.8%
....Health and Personal Care Stores	17,600	300	1.7%	200	1.1%
....Clothing and Clothing Accessories Stores	34,500	1,600	4.9%	3,400	10.9%
....General Merchandise Stores	62,100	1,400	2.3%	700	1.1%
.....Department Stores	26,100	1,300	5.2%	300	1.2%
.....Other General Merchandise Stores	36,000	100	0.3%	400	1.1%
...Transportation, Warehousing, and Utilities	126,300	2,300	1.9%	-1,400	-1.1%
...Utilities	17,200	100	0.6%	1,000	6.2%
....Air Transportation	24,300	100	0.4%	600	2.5%
....Truck Transportation	21,400	0	0.0%	700	3.4%
....Pipeline Transportation	10,600	200	1.9%	400	3.9%
..Information	29,500	-100	-0.3%	-1,800	-5.8%
...Telecommunications	15,000	-100	-0.7%	-1,000	-6.3%
..Financial Activities	137,700	400	0.3%	2,300	1.7%
...Finance and Insurance	89,400	500	0.6%	2,200	2.5%
....Credit Intermediation and Related Activities	41,900	0	0.0%	400	1.0%
.....Depository Credit Intermediation	28,900	0	0.0%	500	1.8%
....Securities, Commodity Contracts, and Other Financial Investment	13,100	100	0.8%	400	3.1%
....Insurance Carriers and Related Activities	28,900	-100	-0.3%	-100	-0.3%
...Real Estate and Rental and Leasing	48,300	-100	-0.2%	100	0.2%

## NONAGRICULTURAL EMPLOYMENT

### Houston-Sugar Land-Baytown MSA

	DEC 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	385,900	300	0.1%	19,700	5.4%
...Professional, Scientific, and Technical Services	184,200	900	0.5%	8,200	4.7%
....Legal Services	23,100	100	0.4%	0	0.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	18,300	700	4.0%	300	1.7%
....Architectural, Engineering, and Related Services	59,300	-300	-0.5%	600	1.0%
....Computer Systems Design and Related Services	26,100	-100	-0.4%	700	2.8%
....Administrative and Support and Waste Management and Remediation Services	181,800	-1,000	-0.5%	12,000	7.1%
....Administrative and Support Services	169,700	-800	-0.5%	8,200	5.1%
.....Employment Services	62,200	-700	-1.1%	1,000	1.6%
.....Services to Buildings and Dwellings	39,800	-500	-1.2%	200	0.5%
..Educational and Health Services	324,700	200	0.1%	11,600	3.7%
...Educational Services	44,200	-300	-0.7%	800	1.8%
...Health Care and Social Assistance	280,500	500	0.2%	10,800	4.0%
....Ambulatory Health Care Services	135,300	1,400	1.0%	11,000	8.8%
....Hospitals	72,800	100	0.1%	100	0.1%
..Leisure and Hospitality	243,200	-2,100	-0.9%	8,700	3.7%
...Arts, Entertainment, and Recreation	25,400	-300	-1.2%	-200	-0.8%
...Accommodation and Food Services	217,800	-1,800	-0.8%	8,900	4.3%
....Accommodation	20,500	-200	-1.0%	500	2.5%
....Food Services and Drinking Places	197,300	-1,600	-0.8%	8,400	4.4%
..Other Services	98,400	300	0.3%	6,000	6.5%
Government	381,300	-800	-0.2%	-3,700	-1.0%
.Federal Government	27,300	-100	-0.4%	-400	-1.4%
.State Government	71,100	-400	-0.6%	-600	-0.8%
..State Government Educational Services	37,100	-500	-1.3%	-600	-1.6%
.Local Government	282,900	-300	-0.1%	-2,700	-0.9%
..Local Government Educational Services	195,500	-500	-0.3%	-4,300	-2.2%

### UNEMPLOYMENT RATE

	DEC 2011	NOV 2011	DEC 2010
H-S-B MSA	7.3	7.5	8.3
Texas (Actual)	7.2	7.5	8.0
United States (Actual)	8.3	8.2	9.1

**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 2010 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).