

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw  
Mike Temple

Date: June 2, 2010

Subj: Board Meeting Materials for Tuesday, June 8, 2010

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, June 8, 2010**, in the second floor Conference Room A, 3555 Timmons, Houston.

**Chairman's and Committee Reports.** Chair Thompson will report on the Texas Association of Workforce Boards activities and an update on the national workforce scene. Audit/Monitoring Committee Chair Garcia will summarize findings of recent contract monitoring.

**Action Items.** Early Education and Care Committee Chair Henderson will bring a recommendation to address reducing hours of work to qualify for subsidized child care. In the current environment, some parents are working reduced hours which may threaten eligibility for subsidized care. The Texas Workforce Commission allows local boards some flexibility in setting minimum number of hours a parent must work to qualify for child care. The Committee will also update members on new proposed State rules and on local implementation of the child care automated attendance system, to be effective July 1.

Procurement Chair Guthrie will convene the Committee immediately prior to the Board meeting to consider recommendations on funding a layoff aversion initiative. Staff released a proposed one-time solicitation to attempt to minimize the effects of employee layoffs. The Committee will consider the proposals and bring a recommendation to the full Board.

**Information.** We will have staff reports on performance, expenditures, and labor market information. We also want to talk about trying new ways to serve customers. Our offices, for the most part, are very busy. There may be better, less costly, ways to

serve people without causing so many of them to come into our offices. We also want to talk with you about the Texas Back to Work initiative. You will recall from our last meeting that the Texas Workforce Commission announced an effort to subsidize new employment for some first-time unemployment insurance recipients. We estimated we can put 4,700 people to work by September under the program but are lagging against our plan. We need to increase our efforts to meet our goal.

We hope to see you next Tuesday and ask you to call if you have any questions. We know many of you have plans for the summer months and we appreciate the time you offer in service to the Board.

# The Gulf Coast Workforce Board Tentative Agenda

Tuesday, June 8, 2010 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

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*The Gulf Coast workforce system helps employers meet their workforce needs and individuals build careers so both can compete in the global economy.*

**1. Call to Order and Determination of Quorum**

**2. Adoption of Agenda**

**3. Public Comments**

**4. Minutes from April, 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. Audit/Monitoring.* The Committee chair will report on the most recent meeting.

**7. Action Items**

*a. Early Education & Care.* The Committee chair will report on the most recent meeting and present a recommendation to change the eligibility for child care financial aid.

*b. Procurement.* Consider recommendations to fund a contract for lay off aversion service in amount not to exceed \$400,000.

**8. Information**

*a. System Performance.* Staff will summarize current performance against Board measures and grantor requirements.

*b. Expenditures.* Staff will report on current expenditures.

*c. Pilot for financial aid call center.* Staff will report on pilot projects with existing career office contractors.

*d. Back to Work.* Staff will report on the Texas Back to Work initiative.

**9. Labor Market Report**

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

**10. Adjourn**



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**MINUTES OF  
THE GULF COAST WORKFORCE DEVELOPMENT BOARD  
TUESDAY, APRIL 6, 2010**

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**MEMBERS PRESENT:**

Gerald Andrews	Willie Alexander	Betty Baitland
Elaine Barber	Carl Bowles	Bill Crouch
Sal Esparza	Joe Garcia	Mark Guthrie
Barbara Hayley	John Hebert	Bobbie Henderson
Cody Holloway	Tracie Holub	Eduardo Honold
Guy Robert Jackson	Valeria Jackson-Forrest	Jeff Labroski
Ray Laughter	Lynn Lumsden	Carolyn Maxie
Ronald McKinley	Michael Nguyen	Linda O'Black
Allene Schmitt	Richard Shaw	Kathy Shingleton
Gil Staley	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, April 6, 2010, 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**

Mr. Rene Solis Vice President representing Neighborhood Centers, Inc. spoke to the Board regarding the 2010 Summer Jobs procurement recommendation for payroll contractor.

**MINUTES FROM FEBRUARY 2, 2010**

Mr. Thompson asked if there were any additions or corrections to the minutes for the February 2, 2010. 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. Thompson introduced three new Board members - Ronald McKinley, Gil Staley and Willie Alexander.

Mr. Thompson welcomed Sal Esparza back. Mr. Esparza had been ill last year and he thanked the Board for the support and prayers.

#### National Association of Workforce Boards

Mr. Thompson stated that the Gulf Coast Workforce Board and BP Texas City was honored as the 2010 W. O. Lawson Business Leadership Award at the annual forum on March 8, 2010.

BP partnered with College of the Mainland to develop an A.A.S. degree in process technology, ensuring a trained workforce for the petrochemical and refinery industry. 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.

Mr. Thompson introduced Mr. Dennis Link and Mr. Craig Mason of BP and they spoke to the Board about the success of the program.

#### System Visibility

Ms. Evelyn Timmins explained that the committee is comprised of all the chairs of our various subcommittees. All Board members received a package with materials specific to the county they represent. The goal is have members visit with their elected officials and make them aware of what we are doing. Ms. Timmins explained that Board members are asked to notify Carol Kimmick regarding visits prior to contacting an elected official to schedule a meeting. Carol will maintain a list of officials so members can schedule their meetings without conflict with other members. Members may decide to go together to visit officials. After a visit, members are asked to follow up with an email to Carol with details of their visit. Ms. Timmins noted that a reference guide is also being developed with detailed materials about the Board.

### Strategic Planning

Mr. Carl Bowles stated that the committee met prior to the Board meeting for the annual retrospective look at how the board and the system has operated over the past year.

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 missed several that track closely job growth and employment levels. We had 10 measures and we exceeded targets on seven (70%).

With the widespread loss of jobs we missed our total employment target by about 25,000. 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.

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 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%.

### Report Card

Mr. Richard Shaw explained that back in 2005 we issued our first report card comparing the state of its workforce system to that of other competitor Sunbelt cities. Report Cards were also produced for 2006 and 2007. 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.

Staff collected data for each of the 36 indicators used in the report cards and looked at changes from the previous report released in 2007. What we saw was that the bottom line 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.

Mr. Shaw explained that that a 2010 Update Draft was provided in the packet and we do not recommend publishing a “full-blown” Report Card at this time, but wait and produce a Report Card in 2011 that will more accurately reflect the impact of the recession.

## **ACTION ITEMS**

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

Mr. Mark Guthrie reported that the Procurement Committee met On Monday, April 5, 2010 to review and make recommendations on the Public Information proposals and the 2010 Summer Jobs proposals – Payroll contractor and Managing Contractors. Procurement Committee members present were - committee chair Mark Guthrie and members Evelyn Timmins, Sal Esparza, Kathy Shingleton, Allene Schmitt, Bobbie Henderson, John Hebert, Richard Shaw and Frank Thompson.

### **Summer Jobs 2010**

Mr. Guthrie explained we received four proposals for the payroll service and 13 proposals from organizations interested in becoming managing contractors. There is approximately \$14 million available to the Gulf Coast Workforce Board to fund summer jobs in 2010. We expect to provide jobs to about 4,700 young people with these resources. There are a few changes from last year -

- Last year, managing contractors were responsible for recruiting youth and developing worksites. This year, managing contractors are responsible for developing worksites and not recruiting youth.
- Last year, we provided jobs and work experience to youth and young adults ranging from 14 to 24 years old. This year, we expect to provide jobs for youth and young adults from 16 to 24 years old.
- To meet the match requirement for this grant, on site supervisors must be paid from funds other than federal funds. Although we do not anticipate that many work sites will be negatively impacted, some previous worksites may be affected.

Should additional funds be available at the last moment from the U.S. Department of Labor to expand our summer jobs activities using the contractors the Board approves.

Mr. Guthrie explained that the committee followed the established procurement process of hearing a staff presentation on each of the proposals, proposers were then allowed to make a short presentation to the committee, committee members were allowed to ask proposers and staff questions. The committee was then given the opportunity to hear staff ranking and to either accept the recommendations or reject it and re-rank the proposals. If the rankings were accepted, then the committee heard funding recommendations by



staff. Again the committee could either accept the recommendations or recommend modifications based on the ranking.

**Payroll contractor.** The staff scored Unique HR first among the bidders for the payroll function. Although NCI provided this service during 2009, we believe that Unique HR can provide a better service this year.

Unique HR has experience providing online timesheets for summer youth projects in four other Texas Workforce Board areas, including Dallas, Fort Worth, Wichita Falls, and Texarkana. Unique HR has also worked with the Coastal Bend Workforce Board in Corpus Christi. Unique HR will also provide online verification of completed timesheets to managing contractors. Unique HR will also work with managing contractors, parents, work sites and career offices to resolve issues concerning youth payroll. Unique HR will provide Board staff and managing contractors with have access to online reports at any time.

The Procurement Committee recommended negotiating first with Unique HR to lower the cost of the service. If we cannot reach agreement with Unique HR, the staff would then negotiate with NCI for the payroll service.

A motion was made and seconded to approve the procurement committee's recommendation to negotiate with Unique HR to lower the cost of the service. If an agreement cannot be reached with Unique HR, staff would then negotiate with Neighborhood Centers, Inc. for the payroll services. The motion carried.

**Managing contractors.** The 13 organizations proposing to manage summer jobs worksites proposed a range of activities throughout the region. Proposed unit costs for this service ranged from a low of \$184 (Houston Area Urban League) to a high of \$542 (SER), although most bidders offered the service for about \$400 per young worker. We did not receive a proposal to provide service in Brazoria County.

Staff recommended funding the first nine organizations and asking the final four to serve as worksites. In addition, we would negotiate with Employment and Training Centers to cover Brazoria County.

The Procurement Committee agreed to funding the nine managing contractors as shown in the attached summary, contingent upon negotiating all costs and each organization providing all required bonds, proof of insurance, and financial documents as required by the Request for Proposals and H-GAC rules.

A motion was made and seconded to fund the nine managing contractors contingent upon negotiating all costs and each organization providing all required bonds, proof of insurance, and financial documents as required by the Request for Proposals and H-GAC rules. And for staff to ensure that all areas of the region are covered. The motion carried.

Attached is a summary of the funding recommendations.

<b>GULF COAST WORKFORCE BOARD PROCUREMENT COMMITTEE 2010 SUMMER JOBS RECOMMENDATIONS</b>					
<b>JOBS</b>					
<b>Proposers</b>	<b>Youth</b>	<b>Estimated Payroll</b>	<b>Recommend (20% Est. Payroll)</b>	<b>Total Wages and MC Overhead</b>	<b>Ra</b>
Communities in Schools Houston	100	\$ 240,000	\$ 48,000	\$ 288,000	
Goodwill Industries of Houston	200	\$ 480,000	\$ 96,000	\$ 576,000	
Employment & Training Centers	2,400	\$ 5,760,000	\$ 1,152,000	\$ 6,912,000	
Houston Works USA	750	\$ 1,800,000	\$ 360,000	\$ 2,160,000	
Change Happens! (formerly FUUSA)	150	\$ 360,000	\$ 72,000	\$ 432,000	
Career and Recovery Resources	400	\$ 960,000	\$ 192,000	\$ 1,152,000	
SER – Jobs for Progress	500	\$ 1,200,000	\$ 240,000	\$ 1,440,000	
Houston Area Urban League	55	\$ 132,000	\$ 26,400	\$ 158,400	
KATCO Arts Academy	125	\$ 300,000	\$ 60,000	\$ 360,000	
Student Conservation Association	–	\$ –	\$ –	\$ –	
Lighthouse Center for Community Healing	–	\$ –	\$ –	\$ –	
Children's Books on Wheels	–	\$ –	\$ –	\$ –	
Career One	–	\$ –	\$ –	\$ –	
<b>Total</b>	<b>4,680</b>	<b>\$ 11,232,000</b>	<b>\$ 2,246,400</b>	<b>\$ 13,478,400</b>	
<b>PAYROLL</b>					
			<b>Estimated Cost</b>	<b>Recommend</b>	<b>Ra</b>
Unique HR			\$ 508,228	\$ 508,228	
Neighborhood Centers, Inc.			\$ 471,200	\$ –	
Manpower Professional Services, Inc.			\$ 570,146	\$ –	
Consultants Group International, Inc.			\$ 543,326	\$ –	
<b>Total</b>			<b>\$ 2,092,900</b>	<b>\$ 508,228</b>	
<b>TOTAL, 2010 SUMMER JOBS</b>				<b>\$ 13,986,628</b>	
<b>AVAILABLE</b>				<b>\$ 14,000,000</b>	
<b>PCT OBLIGATED</b>				<b>99.9%</b>	

### Public Information

Mr. Guthrie explained that three organizations submitted proposals for the Gulf Coast Workforce Board's Public Information Campaign. The three firms are:

- Gilbreath Communications Inc.
- Retna Media Inc.
- Yaffe/Deutser Inc.

The staff read and scored proposals on four dimensions: (1) the qualifications and availability of professional staff to carry out activities, (2) experience in public information campaigns for organizations like ours, (3) creative expertise, and (4) financial terms.

Staff recommended and the procurement committee accepted the recommendation to contract with Gilbreath Communications for up to five years, with each year contingent upon available funds and the approval by the Board. Funding recommendations were for a first year contract of \$500,000, which represents a cut of \$167,000 or 25% over the current year contract.

A motion was made and seconded to contract with Gilbreath Communications on an annual basis renewable for up to five years, with each year contingent upon available funds and the approval by the Board. The first year contract not to exceed \$500,000. The motion carried.

## INFORMATION

### Honeycomb Awards

Dr. Kathy Shingleton explained Workforce Solutions' Honeycomb Awards was created to 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 Winners

- ❖ **Rose Lockett** (Supervisor at Workforce Solutions' Northeast office)
- ❖ **Andrew Ortiz** (Employment Counselor at Workforce Solutions' Pasadena office)

### TeamWork Award Winners

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)	

Honeycomb Award winners were presented with a plaque and name badge.

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

### System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2009 through February 2010. 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 15,527 employers.

Employer Loyalty – 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 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 2,549 new jobs annually.

Customers employed by the 1<sup>st</sup> quarter after exit – with two quarters of data, 152,269 of the 201,133 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, 63,203 of the 198,068 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 February, 514 of the 3,114 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 February was 54.2%, up slight 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 – Texas Mandatories. 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 customers to improve performance on all measures.

#### Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending February 28, 2010. Mr. Bradshaw explained that expenditures are running about 80% of where they should be – this means that training dollars provided under the stimulus funding is being used as quickly as expected. Mr. Bradshaw explained that we are working with all the contractors to see what changes need to be made to help better serve the public.

#### Lay off activity

Ms. Cally Graves reported that this has been a very busy year with outplacement activity and that we have assisted with downsizing and layoffs at NASA's Johnson Space Center and BAE Systems, along with various other employers. Ms. Graves mentioned that we opened a small transition center inside United Space Alliance to assist people who will be laid off. Ms. Graves also reviewed services provided for the employers and employees.

#### **LABOR MARKET REPORT**

Mr. Joel Wagher explained that the Texas Workforce Commission 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 4, 2010. Most sectors report over-the year job losses, but there are still two sectors with annual growth: educational & health services (12,700) and government (5,700). 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.

Mr. Ron Borski reported on his section of the labor market report. The Census bureau released its report for Houston MSA and the population for 2009 was at 5.8 million, a gained increase in one year of over 140,000 people. This was the second largest growth of any MSA in the nation only to Dallas/Fort Worth. Construction added jobs over a one month period in February, the first time since October 2008. Manufacturing for the first two months of 2009 shed approximately 7,000 jobs.

Allene Schmitt noted that the Sealy Area Chamber of Commerce will have a luncheon on April 15, 2010. The featured speaker will be Texas Workforce Commission's Chairman, Tom Pauken. Any interested Board member is welcomed to attend.

Mr. Thompson explained that he visited Brazosport College in Lake Jackson and met with a training class of 30 women welders. Mr. Thompson explained that the group showed him some of their work and he was impressed.

### **ADJOURN**

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

## **Audit/Monitoring Committee**

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### **June 2010 Monitoring Update**

### **Recent Activity**

The Regional Quality Assurance Team brought four new members on-board earlier this year. To-date, the team has reviewed the operations at Employer Service and the Financial Aid Payment Office.

- The team reported that operations at Employer Service (Employment & Training Centers, Inc.) were generally good. The team made several minor suggestions for improvements
- The team also reported that general operations at the Financial Aid Payment Office were fine and again made several minor suggestions for improvement.

### **Other Activities**

Currently the team is checking on career office contractors' implementation of changes to various system procedures. We have changed the system procedures in response to the Texas Workforce Commission's monitoring.

- Early results suggest that the contractors may be having mixed success in making the changes.
- We will use results from this review and other reviews in making recommendations to the Audit/Monitoring and Procurement Committees on renewing contracts for 2011.
- We will have monitors checking on the 2010 summer jobs activities again this summer. Most activity is just beginning.

## **Early Education and Care Committee**

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### **Financial Aid Eligibility**

#### **Background**

The state made \$33 million available to us for child care financial aid through the Recovery Act in 2009. With the additional funds, we projected that we would provide financial aid to over 2,000 more families on average each day from October 2009 through June 2011.

#### **Current Situation**

The Board's current policy provides financial aid to working parents who meet all other qualifications and work at 30 hours per week. State rules set 25 hours a week working as the floor for eligibility.

Given our additional financial assistance resources, we have not seen the dramatic increase in enrollment we anticipated. Due to the economy, parents have lost jobs and some others are working fewer hours per week which may cause them to be ineligible for financial aid under our current policy.

We currently have no waiting lists and unspent financial aid dollars.

#### **Action**

We recommend the Board reduce work requirements to the state minimum to provide service for more parents in the region.



**To access the proposed rules:**

The proposed rules are available to everyone on the CCL Internet website at [http://www.dfps.state.tx.us/Child\\_Care/About\\_Child\\_Care\\_Licensing/](http://www.dfps.state.tx.us/Child_Care/About_Child_Care_Licensing/).

**Public Comment Periods:**

The public comment period varies depending on which chapter the comments are related to. The official public comment periods are scheduled as follows:

**May 21-June 21\***

New Chapter 743, Minimum Standards for Shelter Care  
New Chapter 744, Minimum Standards for School-Age and Before or After-School Programs

**June 11-July 12\***

Chapter 746, Minimum Standards for Child-Care Centers  
Chapter 747, Minimum Standards for Child-Care Homes

**Commenting on the proposed rules:**

Comments may be submitted electronically by either filling out a comment form located on the CCL Internet webpage or by emailing the minimum standards mailbox at [MSC@dfps.state.tx.us](mailto:MSC@dfps.state.tx.us)



## About Child Care Licensing

- Regulates all child-care operations and child-placing agencies to protect the health, safety, and well-being of children in care, largely by reducing the risk of injury, abuse, and communicable disease.
- Establishes and monitors operations and agencies for compliance with licensing standards, rules, and law.
- Informs parents and the public about child care and about the histories of specific homes, child-care operations, and child-placing agencies in complying with minimum standards of care.
- Provides technical assistance to providers on meeting licensing standards, rules, and law.



## Child-Care Related Links:

- [Register or Login as an Online Child Care Provider](#)
- [How to Become a Child-Care Provider](#)
- [Information for Child-Care Providers](#)
- [Information for Parents](#)
- [Search Texas Child-Care](#)
- [Standards and Regulations](#)
  - [Information About the Proposed Minimum Standards](#) **NEW**
  - [Day Care Proposed Minimum Standards](#) **NEW**
  - [Day Care Proposed Minimum Standards Comments Form](#) **NEW**
  - [24-Hour Residential Care Minimum Standards](#) **NEW**
  - [24-Hour Residential Care Minimum Standards Comments Form](#) **NEW**
- [Emergency Preparedness](#)
- [Technical Assistance Library](#) **NEW**
- [Resources and Links](#)
- [FAQs](#)
- [CCL Renewal](#)










## Day Care Proposed Rule Changes

Please review [Minimum Standards Review Process and Proceedings](#) for more information about the minimum standards review process, DFPS Council meetings, rule changes that became effective in March 2010, and an overview of rule changes that will be proposed at the April 2010 Council meeting.

For the specific rule changes that affect Day Care operations to be proposed at the April 20, 2010 Council meeting, click the appropriate link below:

- [Chapter 743, Minimum Standard Rules for Shelter Care](#)  .DOC
- [Chapter 744, Minimum Standard Rules for School-Age and Before or After-School Programs](#)  .DOC
- [Chapter 745, Administrative Rules for Licensing](#)  .DOC
- [Chapter 746, Minimum Standard Rules for Child-Care Centers](#)  .DOC
- [Chapter 747, Minimum Standard Rules for Child-Care Homes](#)  .DOC

# **DRAFT**

Subchapter A, Purpose and Definitions, is updated to include definitions of age-appropriate and inflatable.

Subchapter B, Administration and Communication, now includes a requirement for centers to notify Licensing when there is a planned closure for five or more consecutive business days if they are not caring for children. This subchapter also clarifies that providers must continue to follow the state's general requirement for reporting suspected communicable disease. Other changes in this subchapter require providers to include in their policies an emergency preparedness plan, background check information must be kept confidential, cellular phones at an operation must direct emergency personnel to the operation when calling 911, and providing information to a mother of her right to breastfeed and you must provide a comfortable place for this to occur.

Subchapter C, Record Keeping, is updated to allow for electronic tracking and records retention, now requires photo identification to be included in personnel records, requires daily tracking of when care for a child begins and ends, and clarifies school information is not required if the center is located at the school.

Subchapter D, Personnel, changes to this chapter include clarifying how long a director has to be at a center (75 % or 30 hours) and states that the director cannot direct more than one center, *full time* is defined as 30 hours instead of the previous 40 hours per week, expands substituted experience to include teaching pre-kindergarten, expands credit courses for child development, clarifies that a certificate of coursework completion meets minimum qualifications, clarifies that caregivers must be free from the personal use of electronic devices, expands annual training topics, and allows web-based learning and training.

Subchapter E, Child/Caregiver Ratios and Group Sizes, is updated to include new child/caregiver ratios and group sizes. These changes are the result of recommendations from the day care and school-age temporary workgroups. Changes include reorganizing several of the current age ranges and lowering the child/caregiver ratio for two year olds, three year olds, five year olds, and 6-13 year olds. Group sizes in the following age groups are lowered: 0-11 months, 12-17 months, two year olds, and three year olds. These changes are also made at the recommendation of the day care and school-age temporary workgroups. For both ratios and group sizes, centers licensed before December 1, 2010, will have two years to comply.

Subchapter F, Developmental Activities and Activity Plan, is updated to require outdoor play to be scheduled for morning and afternoons. Based on the input from the day-care temporary workgroup, rules in this subchapter are updated to allow screen time activity, but it must be included in the written activity plan and must be related to planned activities, be age appropriate, and not last more than two hours a day. In addition, screen time activities are prohibited for children under two years of age.

# **DRAFT**

Subchapter G, Basic Care Requirements for Children With Special Care Needs, is deleted. The only rule in this subchapter is moved to Subchapter F, relating to Developmental Activities and Activity Plans, so provisions for children with special needs are included during activity planning.

Subchapter I, Basic Care Requirements for Toddlers, is updated to include morning and afternoon opportunities for outdoor play; and requires any training cups used to have the child's first name and last initial on them.

Subchapter J, Basic Care Requirements for Pre-Kindergarten Age Children, and Subchapter K, Basic Care Requirements for School-Age Children, are updated to require the opportunity for outdoor play for pre-kindergarten age and school-age children in the morning and afternoon.

Subchapter Q, Nutrition and Food Service, is updated to reflect practices identified by the Department of State Health Services Obesity Prevention Program and the Child and Adult Care Food Program. The changes include limiting the type and amount of juice children over the age of 12 months may be served; lowers the portion sizes based on the age of the child; and drinking water must be available and served during snack times, mealtime, and activity play.

Subchapter R, Health Practices, lowers the length of time an object must soak in disinfectant solution to two minutes; clarifies which commercial products qualify as disinfecting solutions; clarifies what safety mechanisms may be used (or allows a caregiver's hand to remain on the child at all times) when diapering a child; amends the rule regarding fever to be consistent with current AAP recommendations; and clarifies that providers must continue to follow the communicable disease exclusions as outlined by the Department of State Health Services.

Subchapter S, Safety Practices, is updated to clarify that the use of audio or video monitoring systems is allowed, deletes the vaccination requirement for ferrets, and states that non-glass thermometers are preferred in first-aid kits.

Subchapter T, Physical Facilities, is updated to allow for a center to share indoor activity space (excluding classrooms) and outdoor activity space with another program while children are in care, as long as the center has provided Licensing with a written plan specifying how caregivers will supervise and account for children in care. This subchapter is also updated to include new safety standards for use of lofts that are designed and used as an extension of a classroom.

Subchapter U, Indoor and Outdoor Active Play Space and Equipment, is renamed so it includes all active play equipment, both indoor and outdoor. Other changes to this subchapter are incorporated based on the CPSC Public

# ***DRAFT***

Playground Safety Handbook, such as increasing the amount of loose fill material required in use zones from six to nine inches, and updating slide use zones. This subchapter includes new divisions for soft contained play equipment and inflatables. For the new requirements regarding the maximum height of a play surface and loose fill needed, grandfather clauses are included which gives the center two years to comply. Also, for centers that are located in schools, the center does not have to comply with the equipment rules. However, the center must notify parents that the play equipment does not meet Licensing standards, or the children are not permitted to use the equipment.

Subchapter W, Fire Safety and Emergency Practices, is updated to include a new division for emergency preparedness. Rules include defining the type of situation that constitutes an emergency; what must be included in the plan; who the plan must be shared with; and who is responsible for implementing the plan. This subchapter also requires drills related to severe weather to be conducted every three months instead of every six months. The rules also clarify that centers located in schools are not required to have a fire inspection or an additional fire extinguishing system.

Subchapter X, Transportation, updates transportation requirements due to an amendment in the Texas Transportation Code, requiring children under the age of eight and less than 4 feet 9 inches to be in a child safety seat while riding in a passenger vehicle. The rules define general purpose vehicle, small school bus, and large school bus and outline which safety restraint systems must be used when transporting children.

§746.1601. How many children may one caregiver supervise?

The classroom ratio is the number of children one caregiver may supervise and is shown in the following chart. The classroom ratio is based on the specified age of the children in the group, unless otherwise stated in this subchapter:

If the specified age of the children in the group is...	Then the maximum number of children one caregiver may supervise is...
0-11 months	4
12-17 months	5
<b>18-35</b> [18-23] months	9
[2 years]	[11]
3 years	<b>14</b> [15]
4 years	18
5 years	<b>20</b> [22]
<b>6-13</b> [6-8] years	<b>22</b> [26]
[9-13 years]	[26]

§746.1609. What is the maximum group size?

The maximum group size and the number of children two or more caregivers may supervise when 13 or more children are in care is specified in the following chart and is based on the specified age of the children in the group:

If the specified age of the children in the group is...	Then the maximum group size and number of children two or more caregivers may supervise is...
0-11 months	<b>8</b> [10]
12-17 months	<b>10</b> [13]
<b>18-35</b> [18-23] months	18
[2 years (24 months)]	[22]
3 years	<b>28</b> [30]
4 years	35
5 years	35
<b>6-13</b> [6-8] years	35
[9-13 years]	[35]

§746.1617. Will I be given an opportunity to comply, if my child-care center was licensed before December 1, 2010?

You have two years from December 1, 2010, to comply with classroom ratios and group sizes as specified in this division, unless otherwise stated in a specific rule.

(1) You must maintain at least the following classroom ratios during the two-year period beginning December 1, 2010.

If the specified age of the children in the group is...	Then the maximum number of children one caregiver may supervise is...
---	---

0-11 months	4
12-17 months	5
18-23 months	9
2 years	11
3 years	15
4 years	18
5 years	22
6-8 years	26
9-13 years	26

(2) You must maintain at least the following maximum group size during the two-year period beginning December 1, 2010.

If the specified age of the children in the group is...	Then the maximum group size and number of children two or more caregivers may supervise is...
0-11 months	10
12-17 months	13
18-23 months	18
2 years	22
3 years	30
4 years	35
5 years	35
6-8 years	35
9-13 years	35



# *Changes to* **Child Care Financial Aid** *are coming!*



Dear Parent,

Child Care Financial Aid is a big help to thousands of parents like yourself. But filling out the paperwork can be difficult for some Child Care providers. So, we want to make it easy with a system called Child Care Attendance Automation (CCAA).

In the mail, start looking for a swipe card or toll-free number and/or PIN (personal ID number). You will receive directions about the card or toll-free number and/or PIN, so you can learn how to use what is sent to you.

We want to get the swipe card or toll-free number and/or PIN to you as fast as possible, so please tell us if we have the right address and/or phone numbers to contact you. Just call **1-888-469-5627** (choose option 2, then option 2 again), or speak to a Financial Aid Specialist at the career office closest to you.

Thank you,

Workforce Solutions



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) 7-1-1

  
**Workforce Solutions**

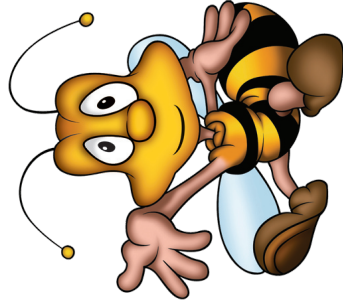


PO Box 741361  
Houston, TX 77274-1361

*Changes to*  
**Child Care  
Financial Aid** *are coming!*

---

**Please verify your contact  
information is up to date  
by visiting the career office  
closest to you.**



**1-888-469-JOBS  
wrksolutions.com**

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)

# *Changes to* **Child Care Financial Aid** *are coming!*



In the mail, start looking for a swipe card or toll-free number and/or PIN to be used when checking your child in and out of daycare.

We'd like to get these items to you as fast as possible, so please tell us if we have the right address and phone numbers to contact you.

Just call **1-888-469-JOBS (5627)**, or speak to a Financial Aid Specialist at the career office closest to you.



# *Changes to* **Child Care Financial Aid** *are coming!*



Dear Child Care Provider,

Workforce Solutions is implementing a new system for processing reimbursements of child care services.

On July 1, Workforce Solutions will begin using the **Child Care Automated Attendance (CCAA)** system to document attendance of children. This system requires that parents swipe an electronically activated card on a point-of-sale machine at commercial care facilities or dial a toll-free number from home care facilities.



This new arrangement will not affect your payment for services. In fact, it will save you the effort of reporting attendance to Workforce Solutions.

The **CCAA** system will provide real-time information about referrals and attendance, eliminate the need for manual attendance reporting and enable access to attendance records through POS reports and providers' Web portals.

We are sending you posters with messages for parents about the upcoming **CCAA** process. Please hang these posters as soon as they arrive on walls clearly visible to parents.

We value your service and your cooperation. Please contact Workforce Solutions at **1-888-469-5627** (select **option 2**, then **option 3**), to discuss any questions or concerns you may have.

Thanks you,

Workforce Solutions

## Procurement Committee

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### Layoff Aversion

### Background

Earlier this year, we issued a request for proposals to provide services that help avert business closings or downsizing. Through this project, we hope to better connect stakeholders – local elected officials, unions, the public workforce system, local economic development groups, chambers of commerce, industry groups and employers – to identify troubled businesses, and provide support and service to retain jobs and avert layoffs. We propose using Recovery Act Workforce Investment dollars to fund this service through the end of this year.

### Layoff Aversion Service

We solicited organizations to develop three components to avert layoffs:

- An early warning system that allows us to gather intelligence on businesses that might be in trouble:
  - ✓ Look at economic and employment data and which industries are growing, stable or shrinking
  - ✓ Monitor D&B financial stress and commercial credit scores
  - ✓ Look at WARN and Trade Act notices
  - ✓ Maintain a network of market representatives
  - ✓ Provide a forum for informal discussions about troubled firms, hiring freezes, delayed payments to vendors and lost contracts
- A portfolio of services to offer distressed businesses which includes:
  - ✓ Assistance in debt restructuring
  - ✓ Incumbent worker training
  - ✓ Loans for small and mid-size companies that need working capital to stay in business
  - ✓ Help in organizing an employee buy-out
  - ✓ Help getting a grant for things like infrastructure improvements or research and development of new products or processes
  - ✓ Tax incentives
  - ✓ Technical assistance on modernizing manufacturing processes, business planning, succession planning, financial restructuring, operational restructuring, market analysis
  - ✓ Help establishing a labor-management committee or help with labor-management relations
  - ✓ Transition assistance for workers in the event a lay-off cannot be avoided

- A service delivery network that provides businesses what they need when they need it.
  - ✓ a service for businesses' to call in for assistance,
  - ✓ a proactive outreach effort whereby we offer assistance to businesses that show up on our red-flag list.

We also set the following conditions on the proposals and any contract developed from a funded proposal:

- We are particularly interested in receiving proposals from economic development organizations, chambers of commerce, and employer associations to provide region-wide access to service/
- Contractors must offer service and response to one or more counties of the region. We will not entertain proposals that serve less than an entire county.
- Contractors must demonstrate an understanding of our region's economy, know the key industries (business processes, supply chains, competitors, etc.), and have established relationships with multiple employers.
- Contractors will have the organizational capacity to identify (1) emerging situations that could threaten businesses in our region; and (2) early warning signs that specific businesses are in distress
- Contractors will work with us to develop a network of organizations that can be pulled together to provide service specific to the needs of businesses in trouble. The network might include both public and private sector organizations.
- Contractors must have the organizational capacity to respond to organizations in distress and provide access to and coordinate (if appropriate) the provision of service
- This business component does not replace our current Employer Service contractor or the service it currently provides. The new project will augment service we offer our employer community.
- Contracts let through this Request are one-time awards and will not be renewable.

## Current Situation

We received proposals from

- |                                       |           |
|---------------------------------------|-----------|
| • Employment & Training Centers, Inc. | \$623,662 |
| • Greater Houston Partnership         | \$410,592 |
| • Learning Designs, Inc.              | \$256,400 |

The Procurement Committee meets in the morning before the Board on Tuesday, June 8, 2010 to reach a funding recommendation for the Board.

**Gulf Coast Workforce Board**  
**System Performance**  
October 2009 through April 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 April, we provided services to 25,032 employers.	27%	19.2%	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 18,726 employers, 16,053 returned to Workforce Solutions for additional services.	73%	85.7%	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 2,883 new jobs annually.	2,000	2,883	2,307
<u>Customers employed by the 1st Qtr after exit</u> Reporting for three quarters (Oct 08 – June 09), 233,768 of the 316,893 customers who exited from services were employed in the quarter after exit.	78%	73.8%	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 three quarters (April 08 – Dec 08), 86,567 of the 289,889 who exited had earnings gains of at least 20%.	40%	29.9%	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, 898 of the 3,654 customers pursuing an education diploma, degree or certificate achieved one.	40%	24.6%	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 six measures – down from the seven measures we missed in February.

- Claimant Reemployment. The target for this measure is 67%. Our performance through April was 52.1%, down from 54.2% in February.
- Claimant Reemployment within 10 Weeks. The target for this measure is 53.7%. Our performance through April was 38.5%, up slightly from 38.0% in February.
- Staff-Assisted Entered Employment. The target for this measure is 80%. Our performance through April was 73.1%, down from 75.3% in February.
- At Risk Employment Retention. The target for this measure is 76%. Our performance through April was 70.1%, up slightly from 70.0% in February.
- WIA Youth Attainment of Degree or Certificate. The target for this measure is 53%. Our performance through April was 41.6%, down slightly from 42.0% in February.
- Average Choices Single Parent Participation Rate – Mandatory. The target for this measure is 50%. Our performance through April was 48.6%, up from 47.7% in February.

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD**  
**FINANCIAL STATUS REPORT**  
For the Four Months Ended April 30, 2010

	<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	221,157,512	73,719,171	63,944,822	9,774,349
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	4,102,741	1,367,580	1,346,032	21,548
EMPLOYER SERVICES	5,157,727	1,719,242	2,182,614	(463,372)
RESIDENT SERVICES	211,897,044	70,632,348	60,416,176	10,216,172
OFFICE OPERATIONS	50,132,546	16,710,849	14,423,579	2,287,270
FINANCIAL AID	142,651,278	47,550,426	40,223,693	7,326,733
RECOVERY PROJECTS	19,113,220	6,371,073	5,768,904	602,169
<i><b>TOTAL WORKFORCE EXPENDITURES</b></i>	<b>221,157,512</b>	<b>73,719,171</b>	<b>63,944,822</b>	<b>9,774,349</b>

**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.

## **Career Office Operations**

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### **Financial Aid Call Centers Pilots**

#### **Background**

We continue to look for less expensive and better ways to serve our customers. We believe that providing some services through call centers may allow more people to get thorough, accurate information more quickly and at reduced cost to the system. We hope that call centers will relieve the career offices of some customer traffic and allow staff more time to give advice and help to customers who prefer to come to an office

We are already pleased with the work of The Placement Team, a call center group of staff who work to find job or training opportunities for with people who file new Unemployment Insurance claims.

We believe another function that may lend itself to call center service is information and processing eligibility for financial aid. Two of our career office contractors will pilot different types of call center operations working with customers interested in applying for Workforce Solutions financial aid.

#### **Financial Aid Call Center Pilots**

We have recently authorized two pilots within our existing career center contracts for financial aid call centers.

- Interfaith of the Woodlands began a pilot on May 11. They did not hire any new staff. Interfaith repositioned seven staff members to a separate space at the Conroe office. This pilot accepts any customer call but receives most of its work from office staff. The call center staff:
  - ✓ Follows up with the customer by telephone or email to tell her what documents we need to certify her eligibility for financial aid. They
    - Help the customer get documents she does not have or recommend acceptable alternatives;
    - Scan the records into electronic files; and
    - Originate or update all MIS to track customers
  - ✓ Tracks all customers from the participating office who are tagged to a particular fund source and therefore have performance tracked accordingly

The offices participating in the initial project are all offices managed by Interfaith. They include Huntsville, Conroe, Sealy, Columbus, Waller, and Humble.

- Arbor Employment and Training will pilot a small call center operation for six months beginning July 2010 at their current administrative office location. Arbor will hire six (6) new staff members who will take calls from customers interested in applying for any financial aid over \$200.00. The office will be open Monday – Friday 7am to 7 pm and Saturday 8am to 12 noon. They will:
  - ✓ Provide general information about the all our financial aid and how to apply
  - ✓ Take applications and determine eligibility for all services and funding sources
    - Collect records to validate eligibility, scan the records to electron files
    - Originate or update all MIS to track customers
  - ✓ Allow each customer who applies for financial aid at the call center access to a 24-hour automated system telling the customer the status of her pending application
  - ✓ Allow customers and staff to participate in a live e-mail chat about services or application status

We expect to let the public know about the call center in the following three ways:

1. Put the telephone number on information distributed by Employer Service Staff to employers interested in helping their employees get subsidized child care.
2. Provide the number to colleges with contracts for class size training using Recovery Act funds.
3. Choose a busy career office as a partner to give their customers the option of applying for financial aid through the call center.

## Evaluation

The Interfaith pilot moves the “back office” operation from individual career offices to a central location where they process financial aid applications and track the recipients for performance purposes.

The Arbor pilot creates a call center operation that is separate from office operations.

We will be looking at the success of both operations over the next six months. We will look at various indicators, such as:

- ✓ Cost per customer served
- ✓ Customer served per staff member
- ✓ Customer satisfaction
- ✓ Accuracy of records

We will report back to the Board on the success of these pilots and if we think the stand-alone call center operation should be bid for region-wide operation.

## Texas **Back to Work Initiative**

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### Background

In February we told you that The Texas Workforce Commission (TWC) would likely expand the Texas Back to Work Initiative using federal Temporary Assistance to Needy Family stimulus funds that support employment retention. Qualified participants are first time claimants who earned less than \$15/ hour. Employers who sign an agreement to consider eligible first time claimants can earn cash reimbursements of up to \$2,000 for each eligible new hire.

### Current Situation

The state did increase the funds available for Texas Back to Work. We now have approximately \$14,000,000 available to reimburse Gulf Coast employers who hire about 4,779 eligible claimants.

We amended the contract with Employment and Training Centers – our Employer Service contractor – to start the program in April. ETC received an additional \$331,707 to hire nine staff members. They do the following work:

- Contact employers about Texas Back to Work
- Sign a short contract with interested employers explaining how they are eligible for the cash reimbursement and how to receive money
- List the jobs in WorkInTexas
- Send candidates who meet the employer's job requirements and also qualify for the program
- Keep records of the hires
- Process the reimbursements

### Progress to Date

ETC is struggling to find enough interested employers to list jobs for the Texas Back to Work cash. Three hundred and fifty-nine (359) employers have listed 762 job openings and we have placed 203 claimants to date. We would have to place 229 people each week to meet the state's goal of 4,779 claimants in Texas Back to work jobs.

Career office staff and the Placement Unit call center have repositioned staff to help fill 366 current openings.

GULF COAST WORKFORCE BOARD  
Employment Trends

JUNE 2010  
APRIL 2010 DATA

**Restaurants, home health care, and federal census workers increase job growth.** The data on the next page shows the levels of employment for the current month, month ago, and year ago for the Gulf Coast Region<sup>1</sup>. April's over-the-month job increase was 2,700, or 0.1 percent. Increases in educational & health services, leisure & hospitality, and government were tempered by losses in construction, manufacturing, and trade. Data within the sub-sectors show over-the-month growth in food services & drinking places (1,100), ambulatory health care services (1,000 - employer tax records show most growth being in home health care), and federal government (1,100). Over the year total nonfarm jobs were down 40,900, or 1.6 percent. The two year trend, April 2008 to April 2010, was down 92,300 jobs, or 3.6 percent (Chart).

**Unemployment down, employment up equals a lower unemployment rate.** The Gulf Coast Region's unemployment rate dropped to 8.4 percent in April, down from 8.5 percent in March. Last year at this time the rate was 6.7 percent. Total unemployed decreased over the month by 1,131 to 243,587 in the region. Total employment was up from March by 15,224 to 2,656,298. The national unemployment rate climbed from 8.6 percent in April 2009 to 9.5 percent in April 2010.

**Initial Claims for unemployment benefits decrease over the year.** April's Initial Claims for unemployment benefits numbered 22,823, a decrease of 4,483 (16.4%) from April 2009. Initial Claims were up over 2,000 since February, which appears to be a normal trend for this time of year. Continued Claims were down 32,200 (24.9%) from April 2009. Many who have run out of state benefits are now receiving unemployment benefits under the federal Extended Benefits or Emergency Unemployment Compensation funding. These claims are not reported in the regular state program.

**Fewer insured unemployed being counted.** Total insured unemployed for the Gulf Coast Region decreased by 7,703 (13.5%) to 49,433 in April, compared to April 2009. The number of insured unemployed has decreased over the month by 2,288. The number of people who are listed as receiving unemployment benefits for fifteen weeks or more was up 3,441 (18%) from last April. This number has been diminishing as layoffs have subsided. The insured unemployed statistics do not include those receiving Extended Benefits or Emergency Unemployment Compensation.

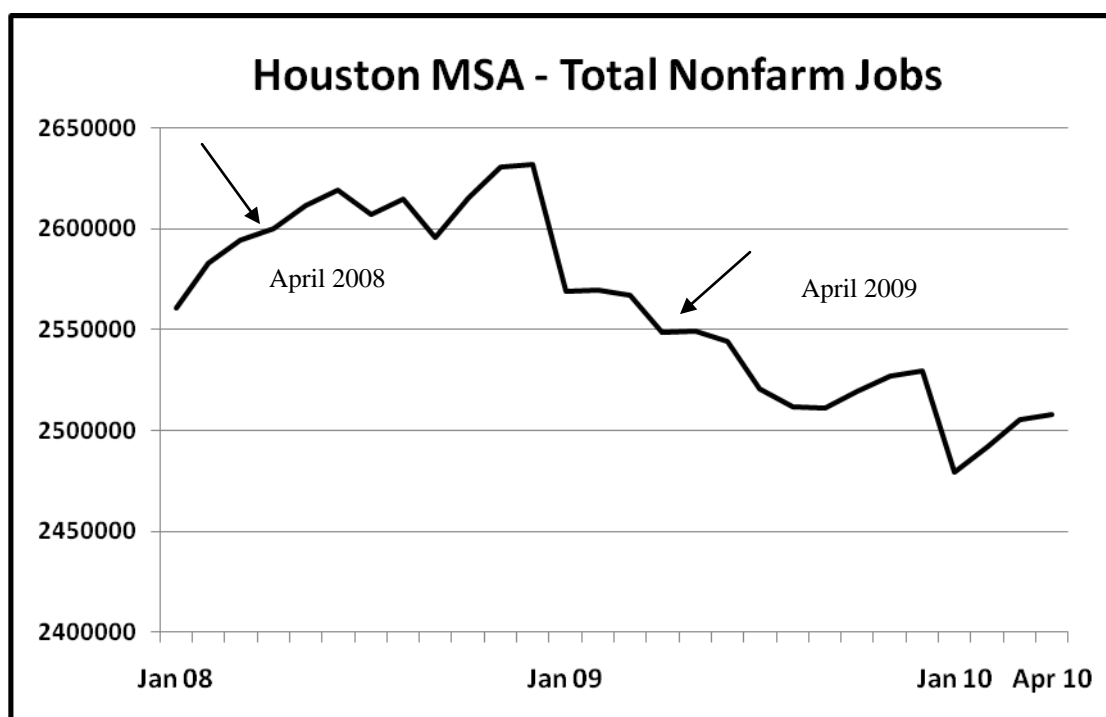
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<sup>1</sup> The Houston- Sugar Land-Baytown MSA is the only geographic area with monthly job count data in the Gulf Coast Region. Houston-Sugar Land- Baytown MSA includes the following counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris,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

## Houston-Sugar Land-Baytown MSA

Industry	Apr-10	Mar-10	Apr-09	NET CHANGE FROM		% Chg. Apr-09 TO Apr-10
				Mar-10 TO Apr-10	Apr-09 TO Apr-10	
Total Nonfarm	2,507,900	2,505,200	2,548,800	2,700	-40,900	-1.6%
MINING & LOGGING	87,800	87,800	87,300	0	500	0.6%
CONSTRUCTION	166,600	167,300	186,000	-700	-19,400	-10.4%
MANUFACTURING	217,600	218,000	229,000	-400	-11,400	-5.0%
DURABLE GOODS	138,100	138,100	147,600	0	-9,500	-6.4%
NONDURABLE GOODS	79,500	79,900	81,400	-400	-1,900	-2.3%
TRADE, TRANSP., & UTILITIES	504,700	507,000	517,400	-2,300	-12,700	-2.5%
WHOLESALE TRADE	126,900	128,300	132,800	-1,400	-5,900	-4.4%
RETAIL TRADE	258,600	259,400	260,800	-800	-2,200	-0.8%
TRANSP, WAREHOUSING, & UTIL	119,200	119,300	123,800	-100	-4,600	-3.7%
INFORMATION	32,700	33,200	34,800	-500	-2,100	-6.0%
FINANCIAL ACTIVITIES	137,100	137,100	139,600	0	-2,500	-1.8%
PROFESSIONAL & BUSINESS SERV.	348,500	347,700	360,100	800	-11,600	-3.2%
EDUCATION & HEALTH SERV.	305,800	304,200	293,200	1,600	12,600	4.3%
LEISURE & HOSPITALITY	234,700	232,800	235,400	1,900	-700	-0.3%
OTHER SERV.	91,800	91,100	92,400	700	-600	-0.6%
TOTAL GOVERNMENT	380,600	379,000	373,600	1,600	7,000	1.9%
FEDERAL	30,200	29,100	31,100	1,100	-900	-2.9%
STATE	71,700	71,400	69,800	300	1,900	2.7%
LOCAL	278,700	278,500	272,700	200	6,000	2.2%

### Chart





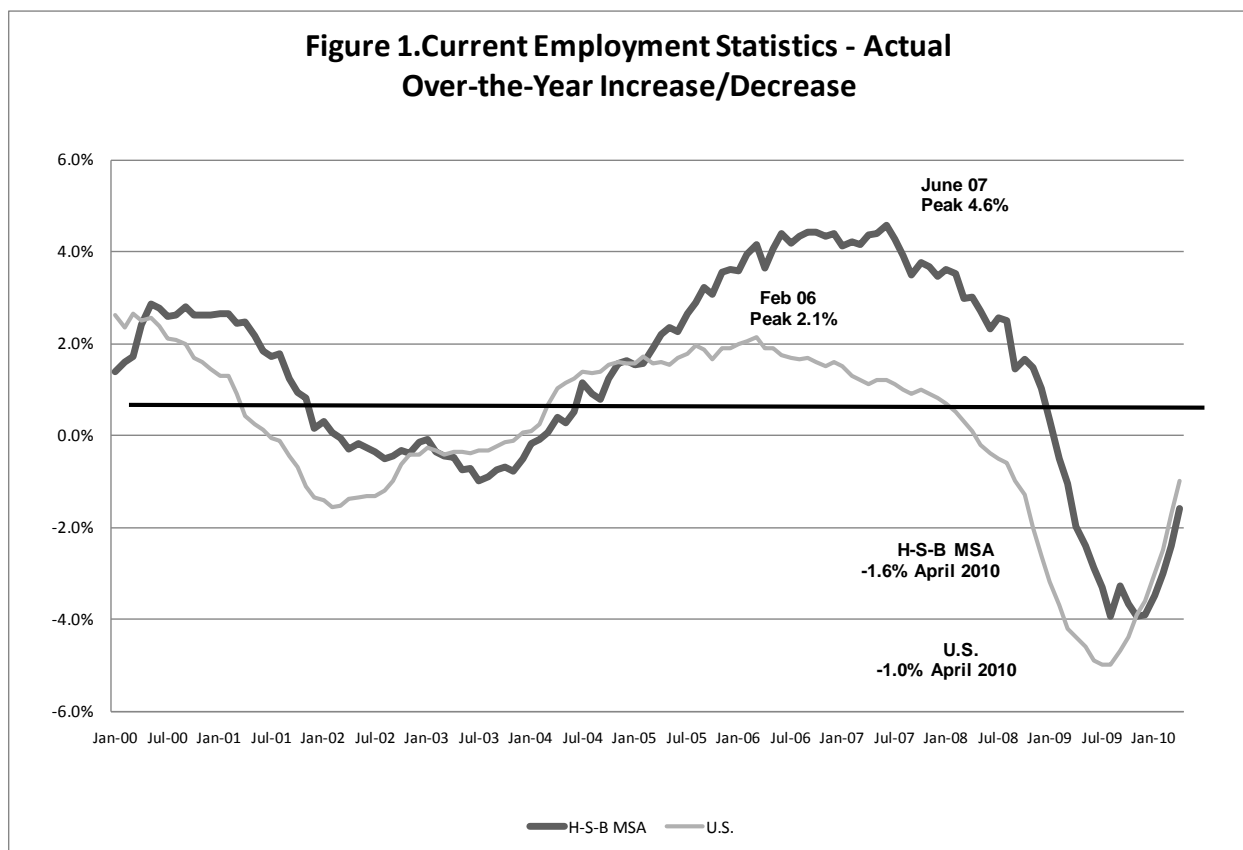
Labor Market Information  
APRIL 2010 Employment Data

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

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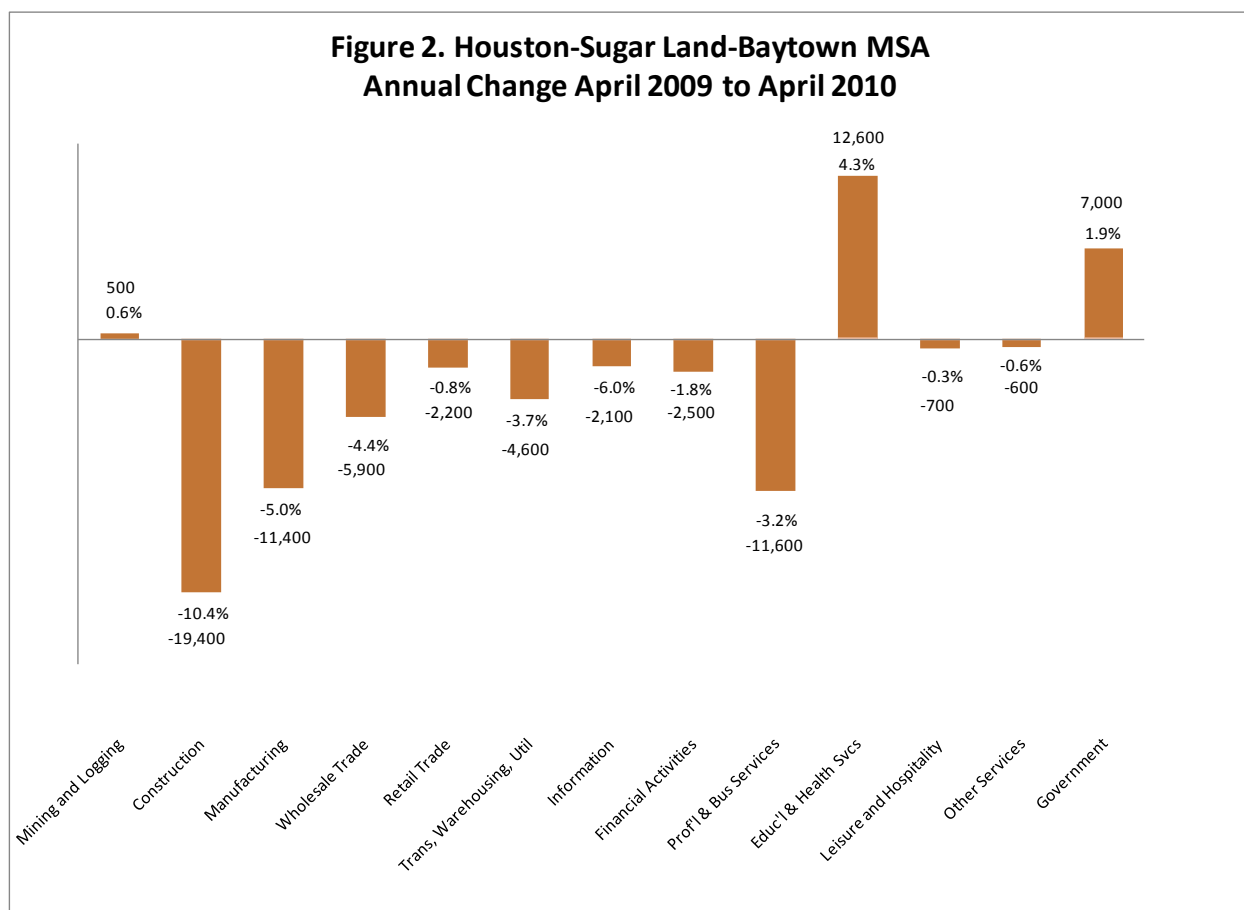
**THE UNEMPLOYMENT RATE IN THE H-S-B MSA FELL ONE-TENTH OF A PERCENTAGE POINT IN APRIL TO 8.4 PERCENT.** The rate of unemployment is down four-tenths of a percentage point from January in contrast to the same time period last year when it was up two-tenths of a percentage point. The unemployment rate at the state level also dropped one-tenth of a percentage point in April to 8.1 percent and the national rate fell even more, down seven-tenths of a percentage point to 9.5 percent.

**THE RATE OF OVER-THE-YEAR JOB LOSSES IN THE H-S-B MSA FELL TO -1.6 PERCENT, THE LOWEST LEVEL THE MSA HAS SEEN IN OVER A YEAR.** The -1.6 percent rate of decline represents a loss of 40,900 jobs from last April. 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 2.3 percentage points. While the current rate of job losses is higher than the nation's -1.0 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 and Mining and Logging are the only private sectors reporting positive over-the-year job growth in April, see figure 2. The labor market has improved considerably but continued growth in the MSA remains uncertain depending on whether or not Europe's debt crisis drags down the global economy. In addition to global economic woes, the H-S-B MSA also has to deal with cuts related to cancellation of NASA's human space flight program and the Army's contract with a local manufacturer to produce trucks.





**Mining and Logging** managed to report its first over-the-year increase since March 2009, currently up 500 jobs or 0.6 percent. Over-the-year losses in the super sector peaked at -5.7 percent in October 2009. All of the reported job gains are found in Oil and Gas Extraction, up 1,900 jobs or 4.0 percent from last April. Support Activities for Mining suffered a slight loss of jobs in April and is down 1,500 jobs or -3.9 percent over the year. The -3.9 percent rate of decline in Support Activities for Mining has fallen significantly from a -15.5 percent peak in October 2009. Conditions should continue to be favorable in the near future due to rising international drilling as well as a rising U.S. rig count.



**Construction** lost 700 jobs in April, down -0.4 percent, and remains the hardest hit super sector of the H-S-B MSA reporting a loss of 19,400 jobs over the year, down -10.4 percent. Recent job levels in the super sector have been at their lowest levels the MSA has seen since 1999. Losses remain widespread across most areas of construction. Long-term outlook for construction points towards continued weak activity particularly in the area of commercial construction.

**Manufacturing** shed 400 jobs in April, down -0.2 percent. Despite the loss, the rate of over-the-year decline fell from -6.7 percent last month to the current -5.0 percent, down 11,400 jobs from April 2009. Manufacturing lost 500 jobs over the first four months of 2010, a major improvement over a loss of 16,100 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 5,000 jobs or -10.2 percent. Employment in Nondurable Goods Manufacturing has suffered a more modest decline of -2.3 percent over the year, down 1,900 jobs.

**Trade Transportation & Utilities** lost 2,300 jobs in April. More than half of the decline was due to a loss of 1,400 jobs in Wholesale Trade, down -1.1 percent. Retail Trade also incurred a seasonal

loss of 800 jobs, down -0.3 percent. The super sector is down 12,700 jobs or -2.5 percent over the year. Largest losses are in Wholesale Trade, down 5,900 jobs or -4.4 percent, and Transportation Warehousing and Utilities, down 4,600 jobs or -3.7 percent. Retail Trade is reflecting a weaker loss of 2,200 jobs, down -0.8 percent.

Employment in **Information** steadily declined throughout most of 2009 with the rate of losses peaking at -6.3 percent in July. The rate of job losses fell to 5.4 percent in January but have since increased back to -6.0 percent in April, down 2,100 jobs over-the-year, following a loss of 500 jobs this month.

Employment in **Financial Activities** held steady in April reducing the over-the-year loss to 2,500 jobs, down -1.8 percent. Over-the-year losses in the super sector peaked last August when it was down 6,300 jobs or -4.3 percent. Most of the loss was in Finance and Insurance, down 2,300 jobs or -2.6 percent. The rate of over-the-year losses in Real Estate and Rental and Leasing continue to decline after peaking at -5.0 percent last August to -0.4 percent this month, down 200 jobs. Weak conditions are expected to continue in Financial Services until late 2010 or early 2011.

**Professional and Business Services** experienced an increase for the third consecutive month in April, up 800 jobs or 0.2 percent. Recent gains have helped reduce the rate of over-the-year losses from a peak of 33,000 jobs last August, down -8.5 percent, to the current loss of 11,600 jobs, down -3.2 percent. The steepest decline is found in Accounting, Tax Preparation, Bookkeeping, and Payroll Services, down 2,100 jobs or -10.8 percent. Computer Systems Design and Related Services and Employment Services experienced the largest loss of jobs, down 3,300 jobs each.

**Education and Health Services** added 1,600 jobs in April. The super sector continues to report positive job growth over the year as it has throughout the economic downturn, currently up 12,600 jobs or 4.3 percent from last April. The largest job gains were in Health Care and Social Assistance, up 10,800 jobs or 4.3 percent over the year. Educational Services was also reporting a 4.3 percent increase over-the-year, up 1,800 jobs. 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 1,900 jobs in April, up 0.8 percent. This was the largest April increase in three years. Leisure and Hospitality is down 700 jobs or -0.3 percent over the year due to a loss of 1,300 jobs in Accommodation and Food Services, down -0.6 percent. Arts, Entertainment, and Recreation managed an increase of 600 jobs over the year, up 2.2 percent.

**Other Services** added 700 jobs in April, up 0.8 percent. The super sector is down 600 jobs or -0.6 percent over the year with the rate of losses falling 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 1,600 jobs in April due to temporary staffing hires for the 2010 U.S. Census. Government is up 7,000 jobs or 1.9 percent over the year. Most of the growth is found in state and local government educational services. Mounting budget deficits, however, will likely cause a strain in the near future with some job losses possible in the super sector.

# NONAGRICULTURAL EMPLOYMENT

## Houston-Sugar Land-Baytown MSA

	APR 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,507,900	2,700	0.1%	-40,900	-1.6%
Total Private	2,127,300	1,100	0.1%	-47,900	-2.2%
Goods Producing	472,000	-1,100	-0.2%	-30,300	-6.0%
..Mining and Logging	87,800	0	0.0%	500	0.6%
...Oil and Gas Extraction	49,900	300	0.6%	1,900	4.0%
...Support Activities for Mining	36,800	-200	-0.5%	-1,500	-3.9%
..Construction	166,600	-700	-0.4%	-19,400	-10.4%
...Construction of Buildings	46,400	100	0.2%	-3,700	-7.4%
...Heavy and Civil Engineering Construction	35,300	-100	-0.3%	-4,400	-11.1%
...Specialty Trade Contractors	84,900	-700	-0.8%	-11,300	-11.7%
..Manufacturing	217,600	-400	-0.2%	-11,400	-5.0%
...Durable Goods	138,100	0	0.0%	-9,500	-6.4%
...Fabricated Metal Product Manufacturing	44,200	-400	-0.9%	-5,000	-10.2%
...Machinery Manufacturing	38,600	-100	-0.3%	-3,500	-8.3%
....Agriculture, Construction, and Mining Machinery Manufacturing	27,600	-100	-0.4%	-2,100	-7.1%
...Computer and Electronic Product Manufacturing	17,700	-200	-1.1%	-1,200	-6.3%
....Computer and Peripheral Equipment Manufacturing	7,500	0	0.0%	0	0.0%
...Non-Durable Goods	79,500	-400	-0.5%	-1,900	-2.3%
...Petroleum and Coal Products Manufacturing	13,800	300	2.2%	700	5.3%
...Chemical Manufacturing	36,200	-100	-0.3%	-1,000	-2.7%
Service Providing	2,035,900	3,800	0.2%	-10,600	-0.5%
..Private Service Providing	1,655,300	2,200	0.1%	-17,600	-1.1%
..Trade, Transportation, and Utilities	504,700	-2,300	-0.5%	-12,700	-2.5%
...Wholesale Trade	126,900	-1,400	-1.1%	-5,900	-4.4%
....Merchant Wholesalers, Durable Goods	75,300	-1,000	-1.3%	-5,200	-6.5%
....Professional and Commercial Equipment and Supplies Merchant	10,300	-100	-1.0%	-600	-5.5%
....Merchant Wholesalers, Nondurable Goods	39,500	-100	-0.3%	-300	-0.8%
...Retail Trade	258,600	-800	-0.3%	-2,200	-0.8%
....Motor Vehicle and Parts Dealers	32,000	100	0.3%	-400	-1.2%
....Building Material and Garden Equipment and Supplies Dealers	20,700	300	1.5%	-400	-1.9%
....Food and Beverage Stores	53,500	0	0.0%	400	0.8%
....Health and Personal Care Stores	16,600	0	0.0%	400	2.5%
....Clothing and Clothing Accessories Stores	25,800	-400	-1.5%	-200	-0.8%
....General Merchandise Stores	60,100	600	1.0%	300	0.5%
....Department Stores	22,700	100	0.4%	300	1.3%
....Other General Merchandise Stores	37,400	500	1.4%	0	0.0%
...Transportation, Warehousing, and Utilities	119,200	-100	-0.1%	-4,600	-3.7%
....Utilities	16,700	100	0.6%	-100	-0.6%
....Air Transportation	23,900	0	0.0%	-700	-2.8%
....Truck Transportation	18,200	0	0.0%	-1,300	-6.7%
....Pipeline Transportation	8,900	100	1.1%	200	2.3%
..Information	32,700	-500	-1.5%	-2,100	-6.0%
...Telecommunications	17,600	-200	-1.1%	-500	-2.8%
..Financial Activities	137,100	0	0.0%	-2,500	-1.8%
...Finance and Insurance	86,400	-200	-0.2%	-2,300	-2.6%
....Credit Intermediation and Related Activities	42,500	100	0.2%	-200	-0.5%
....Depository Credit Intermediation	29,100	0	0.0%	-300	-1.0%
....Securities, Commodity Contracts, and Other Financial Investment	12,400	-100	-0.8%	-300	-2.4%
....Insurance Carriers and Related Activities	29,000	0	0.0%	-800	-2.7%
....Insurance Carriers	13,800	0	0.0%	-600	-4.2%
...Real Estate and Rental and Leasing	50,700	200	0.4%	-200	-0.4%
....Rental and Leasing Services	14,200	-100	-0.7%	-900	-6.0%

## NONAGRICULTURAL EMPLOYMENT

### Houston-Sugar Land-Baytown MSA

	APR 2010	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	348,500	800	0.2%	-11,600	-3.2%
...Professional, Scientific, and Technical Services	169,400	-100	-0.1%	-8,200	-4.6%
....Legal Services	22,700	0	0.0%	-300	-1.3%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	17,400	-300	-1.7%	-2,100	-10.8%
....Architectural, Engineering, and Related Services	58,800	-200	-0.3%	-3,300	-5.3%
....Computer Systems Design and Related Services	23,700	300	1.3%	-500	-2.1%
...Administrative and Support and Waste Management and Remediation Services	158,900	1,000	0.6%	-3,900	-2.4%
....Administrative and Support Services	151,500	1,500	1.0%	-2,800	-1.8%
.....Employment Services	49,600	900	1.8%	-3,300	-6.2%
.....Services to Buildings and Dwellings	41,000	800	2.0%	700	1.7%
..Educational and Health Services	305,800	1,600	0.5%	12,600	4.3%
...Educational Services	43,200	100	0.2%	1,800	4.3%
...Health Care and Social Assistance	262,600	1,500	0.6%	10,800	4.3%
....Ambulatory Health Care Services	118,600	1,000	0.9%	5,600	5.0%
.....Offices of Physicians	43,200	100	0.2%	1,600	3.8%
....Hospitals	73,300	200	0.3%	1,700	2.4%
..Leisure and Hospitality	234,700	1,900	0.8%	-700	-0.3%
...Arts, Entertainment, and Recreation	27,800	700	2.6%	600	2.2%
...Accommodation and Food Services	206,900	1,200	0.6%	-1,300	-0.6%
....Accommodation	20,100	100	0.5%	-800	-3.8%
....Food Services and Drinking Places	186,800	1,100	0.6%	-500	-0.3%
..Other Services	91,800	700	0.8%	-600	-0.6%
Government	380,600	1,600	0.4%	7,000	1.9%
..Federal Government	30,200	1,100	3.8%	-900	-2.9%
..State Government	71,700	300	0.4%	1,900	2.7%
..State Government Educational Services	38,800	200	0.5%	2,700	7.5%
..Local Government	278,700	200	0.1%	6,000	2.2%
..Local Government Educational Services	191,700	-900	-0.5%	3,200	1.7%

### UNEMPLOYMENT RATE

	APR 2010	MAR 2010	APR 2009
H-S-B MSA	8.4	8.5	6.7
Texas (Actual)	8.1	8.2	6.8
United States (Actual)	9.5	10.2	8.6

**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).