

To: Gulf Coast Workforce Board Members

From: Mike Temple
Carol Kimmick
David Baggerly
Michelle Ramirez

Date: September 30, 2015

Subj: Board Meeting Materials for Tuesday, October 6, 2015

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, October 6, 2015** in H-GAC's second floor conference rooms A, B and C, 3555 Timmons Lane, Houston.

We have a fairly light agenda this month, with no items requiring Board action.

Reports. Chair Guthrie will provide his usual update to members on items of interest. Audit/Monitoring Committee Chair Joe Garcia will report on the committee's September meeting.

Information. David Baggerly will report on our performance to-date, and we will report as usual on the Board's expenditures against its budget.

We have several updates for on-going projects, and we want to remind members that October is Disability Awareness Month.

The Education Committee and chair Birgit Kamps are planning a meeting for Monday, October 26. As always, any interested Board member is invited to attend committee meetings. We'll provide more details when the meeting time and place are made final.

Ron Borski will brief us on developments in the economy, and then Parker Harvey will present data on the education services industry – one of the region's key employment sectors. We will finish up with a report from Ron on occupations requiring software coding skills.

We look forward to seeing you on October 6th. As always, please call or email us if you have questions, or if we can be of assistance.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, October 6, 2015 at 10:00 a.m.

H-GAC Conference Room A/ B/C

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review August 2015 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
 - a. *Chair's Report.* The Board Chair will discuss items of interest.
 - b. *Audit/Monitoring.* The Committee Chair will present an update from the committee's September 2015 meeting.
7. **Take Action**

There are no action items.
8. **Receive Information**
 - a. *System Performance.* Report on current performance.
 - b. *Expenditures.* Report on expenditures.
 - c. *Updates.* Updates for on-going projects and recognition of October as Disability Awareness Month.
9. **Look at the Economy**

Report on current economic data and trends in the Houston-Gulf Coast area, including information on the education services industry and occupations requiring coding skills.
10. **Take Up Other Business**
11. **Adjourn**



Workforce Solutions

Workforce Solutions is an equal opportunity employer/program.

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

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

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

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

Equal opportunity is the law.

**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, AUGUST 4, 2015**

MEMBERS PRESENT:

Ray Aguilar	Willie Alexander	Gerald Andrews
Peter Beard	Sara Bouse	Carl Bowles
Joe Garcia	Cheryl Guido	Mark Guthrie
John Hebert	Bobbie Henderson	Guy Robert Jackson
Sarah Janes	Tony Jones	Birgit Kamps
Paulette King	Ray Laughter	Kendrick McCleskey
Steve Mechler	Jerry Nevlud	Linda O'Black
Allene Schmitt	Richard Shaw	Connie Smith
Gil Staley	Shunta Williams	Toy Wood
Sarah Wrobleski	Madeleine York	

H-GAC STAFF MEMBERS PRESENT

Mike Temple
David Baggerly
Michelle Ramirez
Ron Borski

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, August 4, 2015, in the 2nd floor, H-GAC Conference Rooms A/B/C, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM JUNE 2, 2015 MEETING

Chair Guthrie asked if there were any additions or corrections to minutes for the

June 2, 2015 Board meeting and if not, for approval of the minutes as presented. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARE CONFLICTS OF INTEREST

Chair Guthrie asked for a declaration of any conflicts of interest with items on the agenda. Mr. Ray Laughter, Ms. Shunta Williams and Ms. Sarah Janes declared a conflict of interest on item 7a. Chair Guthrie reminded the members that they also were welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

Chair's Report

Chair Guthrie welcomed new Board member Ms. Paulette King and asked her to introduce herself.

Chair Guthrie gave an update on the proposed pilot project which he discussed at the April 2015 Board meeting. Chair Guthrie noted that he had proposed to place on a temporary basis a few vocational rehabilitation counselors in a busy career office to help us assess and consider how to best combine and better link career office operations and vocational rehabilitation counselors and services in anticipation of the coming transition of vocational rehabilitation services to the Texas Workforce Commission (TWC). He said that with SB 208 pending the Department of Assistive and Rehabilitative Services (DARS) management in Austin had declined in April to authorize this project. Chair Guthrie explained that with the passage of SB 208 in July he asked Executive Director, Mike Temple to again see if the Board could get approval to implement the pilot project. Mr. Temple reported that DARS' response this time was that since a Legislative Advisory Committee would be appointed this September to oversee and advise the transition, the DARS management in Austin preferred not to move forward with the pilot project. Chair Guthrie explained that he was going to write a few letters and speak with a few people to see if the Board could move forward with the project because he felt the pilot project could be useful to the Legislative Advisory Committee, TWC and the local boards when TWC and the committee starts formulating rules and regulations and procedures for the transition.

Chair Guthrie reported that TWC and DARS are sponsoring public hearings around the state related to the transfer of the DARS vocational rehabilitation programs to TWC with one to be held here in Houston on Thursday, August 13, 2015 from 4:00 pm until 7:00 pm. The public hearings will provide the public an opportunity to make recommendations and express concerns related to the transition of these programs to TWC effective September 1, 2016.

Ms. Cheryl Guido explained that the meeting will be held at the Elias Ramirez State Office Building, located at 5425 Polk Street in Rooms 3c, 3d and 3f. Mr. Temple noted that this building is the old Hughes Tool Building.

Chair Guthrie announced that the Texas Association of Workforce Boards (TAWB) will have its quarterly meeting in Fort Worth the week of August 17, 2015, both Chair Guthrie and Mr. Temple plan to attend. It is anticipated at this meeting that Mr. Temple will be elected as the Chair of the Executive Directors Council.

Chair Guthrie concluded his report and no action was taken.

Audit/Monitoring Committee Report

Chair Joe Garcia reported that the committee met on Monday, July 13, 2015 to review monitoring results from the year and to make recommendations to the Procurement Committee about contract renewals. A summary of the information from the meeting follows:

- The Quality Assurance (QA) team noted an improvement in the quality assurance rankings for career offices.
 - In 2015, eight offices rated Above Average, an increase of 100% from the four rated Above Average in 2014.
 - Overall, 21 of the 24 offices rated Average or Above Average in 2015.
- The three offices initially rated Below Average this year have all improved operations. During follow-up visits this summer, the QA teams rated the service in Baytown, Southwest, and Huntsville as Average – which means these offices offer acceptable service.
- Within the offices and operating units, the QA team noted significantly increased attention to the security of customers' personal information from previous years. Although the QA team continued to note minor instances or issues with security during the visits, the QA team felt the reviews show the system has reached an acceptable level of compliance.
- The QA team noted an improvement in several key elements of our records keeping.
 - Substantial improvement in timely opening and closing service records.
 - In general, the quality of applications in WorkInTexas has improved.
 - Improvement in required elements for the Trade Adjustment Assistance records.
 - The QA team continues to see opportunities to improve counseling notes and documentation surrounding entry into and exit from training.
 - The QA team also has seen a need to improve documentation surrounding financial aid/cash substitutes in the career offices, although the QA team has not seen questioned costs related to this issue.
- The QA team had not identified problems with eligibility.

- The Financial Aid Call Center has improved its processing time for financial aid applications and reduced the level of customer complaints.
- The Financial Aid Payment Office has increased its visits to vendors, and noted only minor instances of vendors maintaining automated attendance cards.
- Employer Service continues to provide at an acceptable level of service.
- Financial reviews of contractors have not disclosed any serious issues.

Chair Garcia concluded his report and no action was taken.

Employer Services

Chair Gerald Andrews stated that the Employer Services Committee met on Tuesday, July 8, 2015 and heard a presentation from the Employer Services contractor, Employment & Training Centers, Inc. (ETC). The presentation provided an overview of the strategic efforts used to serve employers in the Board's targeted industries. The committee had lots of questions regarding the presentation for both ETC and Board staff. Chair Andrews noted that Board staff did respond to the Committee's questions and the Committee was satisfied with staff's answers.

Employer Services Committee UpSkill Houston – Construction Sector

Chair Andrews also gave an update on the Greater Houston Partnership's UpSkill Houston initiative which focuses on seven of the regions industry sectors. Building talent pipelines of skilled workers through strong collaboration with industry, colleges and schools, and regional workforce training partners is the goal.

Chair Andrews noted that Board staff has been involved with the UpSkill initiative from its beginnings, supporting the work of sector panels and providing labor market data and information. UpSkill Houston's seven priority industry sectors include petrochemical manufacturing, industrial and commercial construction, healthcare, advanced manufacturing, ports and maritime, utilities, and upstream/midstream oil & gas.

The petrochemical and industrial/commercial construction panels are currently operational and it is anticipated that the healthcare panel will form later this year.

Chair Andrews explained that the industrial/commercial construction sector panel effort has been styled as "ConstructHouston" and meets every second Tuesday of the month, from 2pm -4pm, at various host sites. Several Board members along with two Board staff are involved: **Steve Mechler** (Balfour Beatty) and Laura Bellows (WS Bellows) both are the sector leaders, along with **Peter Beard** (GHP). Other participants include the following:

- Randy Walker, S&B Engineering
- JD Slaughter, S&B Engineering
- **Jerry Nevlud**, AGC Houston

- Russell Hamley, ABC Houston
- Matthew Clark, Jacobs, Inc.
- Scott Marshall, Jacobs, Inc.
- Dorian Cockrell, United Way
- John Stautner, Construction Citizen
- Mike Lykes, NCI
- Chuck Gremillion, Construction Career Collaborative (C3)
- Cally Graves, Gulf Coast Workforce Board
- Ann Pham, Gulf Coast Workforce Board
- Craig Beskid, East Harris County Manufacturing Association
- HISD
- Lone Star College
- Houston Community College

Chair Andrews reported that UpSkill Houston is a long-term plan. The construction sector group is gathering information on the following data points:

- Understanding current needs
 - How big is the current labor gap? What are the projections for 3 years out, 5 years out, etc?
 - What are the occupations with the greatest need?
 - How can the sector increase wages without starting a wage war?
- Training
 - Map current training capabilities of providers (SJC, LSC, HCC, High School dual credit, etc)?
 - Develop a workgroup to focus on creating a real time pipeline of entry level workers
 - Develop the skills training to support the progression from helper, to journey level, to supervisor and/or master trade
- Marketing Campaign
 - Develop and organize an awareness campaign of industry and opportunities
 - Create a website and commercials to push industry appeal and practical knowledge of career navigation
 - Leverage partnerships to push marketing efforts

The Board is currently providing staff support to the panel on labor market data, occupation and wage data, resources available for new and current worker training and upgrading, and on the Workforce Innovation and Opportunity Act.

Chair Andrews concluded his report and no action was taken.

TAKE ACTION

- a. **Procurement. The Committee Vice Chair will present recommendations to fund 2016 Workforce Solutions and Adult Education Consortium contracts for system operations in a total amount not to exceed \$196,471,200.**

Vice Chair Bobbie Henderson reported that the Procurement Committee met on Monday, July 13, 2015 to consider renewing contracts for the operation of Workforce Solutions system and the Gulf Coast Adult Education Consortium.

Vice Chair Henderson reminded the Board that the initial solicitation for contracts to operate the Workforce Solutions system was 2013. The 2016 contract year will begin on October 1, 2015 and this will be the third year of the current cycle for system contracts. The Board acted as administrative entity and grant recipient for adult education funds in a 2014 Texas Workforce Commission initiated procurement. The committee proposed renewing contracts from this award also on October 1, 2015 for the second year of that cycle.

Pending approval by the Board and the local elected officials, contracts would be in place for the year beginning October 1, 2015.

Vice Chair Henderson reminded members that the recently passed Workforce Innovation and Opportunity Act limits the maximum procurement period for funds from the Act to a total of four years. It has been the Board's recent practice to use a five-year procurement period and at this time it is not certain if the change in legislation will affect the existing Workforce Solutions system procurements. If it does, staff would need to re-procure in early 2017. Also, the adult education funds procurement is in place through mid-2016 and may also be subject to re-procurement.

Performance and Production Update

Vice Chair Henderson noted that the unemployment rate in our region for May 2015 was 4.2%. There is an anticipated rise in the unemployment rate for June which is generally the historical pattern, but overall job growth for the region is slowing. Sectors that have generated much of our employment growth over the past several years: energy, construction, and manufacturing – show slower growth or, in some cases, declines. Sectors in which employment is population driven – retail trade, hospitality/leisure, and healthcare continue to grow.

- Through May 2015, 77.3% of our customers were employed by the first quarter after exit from Workforce Solutions - above the 73.3% annual performance last year and this year's target of 73%.
- Through May 2015, 33.5% of our customers had earnings gains of 20% or more after exiting from Workforce Solutions services - below the 33.6% performance from last year and below the target of 35%.

- Through May 2015, 52.2% of our customers pursuing any education credential, and 66.4% pursuing a post-secondary credential, had achieved their goals. The first indicator is behind target, but ahead of last year's performance, and the second – for post-secondary credentials, is almost at target and significantly higher than last year.
- We are seeing a slight decline in Career Office traffic. The average monthly traffic (visits) through May 2015 was 187,003 customers. In 2014 the average monthly traffic was 203,259 customers.
- We are seeing an increase in the number of job postings. The average number of monthly job postings through May 2015 was 10,375. In 2014 the average monthly job postings was 8,748.

We are behind on one of the ten state's production measures:

1. Education Achievement – This measure is slightly different from the Board performance measures for education credentials. It counts individuals in the third quarter after exit, while the Board performance looks at the first quarter after exit. The state has set the target for this measure higher than the Board has set its target. While we are showing recent improvement, we anticipate continued difficulty meeting this measure during the course of this next year.

The Workforce Solutions System

Vice Chair Henderson explained that Workforce Solutions consists of several interrelated and integrated units, early education quality improvement providers and youth providers. The major system units include Employer Service, the Career Offices, the Financial Aid Call Center, the Financial Aid Payment Office, and our training and development contractor. The following is an update.

Employer Service

Employment and Training Centers, Inc. operates Workforce Solutions' Employer Service which markets and provides a range of services to business. The 88 staff members are located in career offices and a central unit in Houston. For 2015, ETC will work with almost 25,500 employers. Through May, we provided services to just over 23,200 employers.

Career Offices

Two contractors operate 24 offices and four information centers.

Neighborhood Centers manages 285 staff to operate 11 offices:	Astrodome, Baytown, East End, Lake Jackson, Northeast, Northline, Northshore, Rosenberg, Southeast, Southwest, and Texas City Information Centers: Houston Public Library-Downtown, Winnie, City of Houston Metropolitan Multi-Services Center
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Interfaith of the Woodlands manages 218 staff to operate 13 offices:	Bay City, Columbus, Conroe, Cypress Station, Humble, Huntsville, Katy Mills, Liberty, Sealy, Waller, Westheimer, Wharton and Willowbrook Information Center: Ring Neighborhood Library
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Call Center

Interfaith of The Woodlands employs 84 staff to operate our Financial Aid Call Center. This unit receives applications for financial aid from our customers, determines the eligibility for financial aid and communicates with our customers regarding the status of their applications, and for those who we approve for assistance, how to access their work, education or work search support.

Currently this unit receives approximately 7,560 applications for financial aid and 25,800 calls every month.

Payment Office

Neighborhood Centers, Inc. employs 36 staff to operate our payment office and manage Workforce Solutions' vendor networks. This unit tracks, manages, and pays out financial aid to vendors on behalf of our customers. The Payment Office also has staff that investigates alleged fraud.

For 2015, we expect that the payment office will pay out more than \$125 million in financial aid for scholarships; help with child care expenses and transportation costs; and other education, work and work search expenses. The payment office works with about 2,800 vendors.

Early Education Quality

Two contractors provide quality resources to child care providers

Texas Association for the Education of Young Children (TAEYC) employs two staff to award scholarships to 35 customers for their Associate's Degree in Child Development or Child Development Associate Credentials (CDA).

Collaborative for Children, Inc. (CFC) employs 37 staff to provide quality resources to child care providers. CFC provides teachers and director training, equipment and material grants, intensive quality improvement services, support Texas Rising Star and National Accreditation, support for children with disabilities, support for infant/toddler care, child care resource and referral, resources for listed home providers, parenting support, and securing local match funds to match federal Child Care Development Block Grant funds.

Youth

Three contractors currently deliver services for young people who completed their High School Education or dropped out. All counties of the region receive these services.

SER employs 5.5 staff to provide workforce development services, education, training, career coaching and employment opportunities for young people in Brazoria, Chambers, Fort Bend, Galveston, Harris and Liberty counties.

Dynamic Educational Systems, Inc. employs 2.5 staff to provide services to help young people obtain an education credential, employment, or enrollment in postsecondary education in Austin, Colorado, Matagorda, Montgomery, Walker, Waller and Wharton counties.

Gulf Coast Trades Center employs 4 staff to provide educational and vocational training and support services to youth offenders referred from County Juvenile Probation Departments. There were fewer referrals this year and we reduced the 2015 budget by \$70,000 to \$212,000.

- Additionally, there are five contractors providing services to assist youth with attaining their high school diploma and move on to post-secondary education or employment. These contractors are just beginning services and are not up for renewal at this time.

Project Grad
Genesys Works – Houston
Knowledge-First Empowerment Center
Alliance for Multicultural Community Services
AVANCE Houston, Inc.

Staff Training and Development

The Board contracts with Learning Designs, Inc. to provide training and support to staff working within our system. This includes developing and delivering classes for contractor staff and on-site, intensive technical assistance. LDI provides critical support to the system and frequently helps address ways to improve our services to customers with five staff.

From October 1, 2014 through June 30, 2015, LDI provided 138 instructor-led classes to regional Workforce Solutions staff. During that time, LDI also provided onsite technical assistance, training and coaching to staff at 18 Workforce Solutions offices across the region. LDI staff participated in six regional workgroups designed to improve processes and service delivery across the system and developed 16 new courses and practicums for staff.

Adult Education Consortium

There are seven contractors which deliver adult education and literacy throughout our service area. The Region VI Education Service Center acts as the lead agency to provide coordination services for the regional consortium.

Provider	Service Area	Staff
Brazosport College	Brazoria County	55
College of the Mainland	Chambers and Galveston counties	81
Harris County Department of	Harris and Liberty counties	283

Education		
Houston Community College System	Fort Bend and Harris counties	269
Lone Star College System	Harris, Montgomery, and Walker counties	65
San Jacinto College	Harris and Galveston counties	33
Wharton County Junior College	Austin, Colorado, Fort Bend, Matagorda, Waller, and Wharton counties	41
Region VI Education Service Center	All 13 counties	6
System		833

Providers deliver service through 175+ different sites throughout the region, including their own campus locations, community organizations, and some Workforce Solutions offices. Staff includes instructors, a majority of whom are part-time, as well as administrative personnel.

Vice Chair Henderson explained that an estimate of available funds for 2016 Workforce Solutions operations is at approximately 95% of our current year level. As in the past, anticipated additional funding in the coming year is projected to increase overall funds to 97% of current year level.

- More adult education funds are also expected for 2016 – staff anticipated 105% of the current level.

Vice Chair Henderson noted that staff feels the system is operating and performing at an acceptable level. There are opportunities to improve service and increase performance, but overall, Workforce Solutions and the adult education consortium are sound.

- Review of contractors financial, reporting and contract systems indicates that all are functioning in compliance with applicable federal, state and local requirements.

Recommendations

Vice Chair Henderson explained that the Procurement Committee recommended renewing contracts for all 17 Workforce Solutions and adult education providers in 2016.

- Staff will negotiate final contract budgets and look to find efficiencies and reduce cost where possible.
- For 2016, the system is expected to provide a service for 375,000 to 400,000 individuals and almost 26,000 employers. This includes providing more than 26,000 individuals with adult education and literacy instruction. Approximately \$129 million in financial aid will be used to help 40,000 individuals get a job, keep a job, or get a better job.
- The Workforce Solutions system efforts will focus on:
 - increasing the job postings which we fill for employers, and
 - improving the success for individuals who receive training or education with our financial assistance, and
 - raise the level of customer service.

- The adult education system will work to:
 - further integrate providers and Workforce Solutions offices, offering more seamless access to service for customers,
 - improve the service in underserved areas of the region, and
 - improve overall performance.
- Staff expects to meet or exceed the Board's performance targets, as well as state and federal production requirements for Workforce Solutions and the adult education consortium. In addition, staff will:
 - Increase the number of job openings and the percentage of job postings to meet and exceed state production requirements;
 - Meet and exceed the Board's performance measures for attaining education credentials; and
 - Meet adult education enrollment targets for counties underserved in 2015.

Performance Measures	2016
Employers who use Workforce Solutions	25,757
Employers who are repeat customers	63.0%
Individuals employed after exit	75.0%
Individuals with earnings gains	45.0%
Individuals with earnings gains of more than 20%	36.0%
Individuals attaining education credential	62.0%
Individuals attaining post-secondary education credential	68.0%
New Jobs Created as a direct result of working with business organizations	3,000
Production Measures	
Employment Retention of Customers with At-Risk characteristics	78.0%
Youth Placed in Employment or Education	67.0%
Annual Gains in Literacy/Numeracy Functioning Levels for Youth	53.0%
Total Educational Achievement	78.9%
Customers who received staff guidance – employed after exit	80.0%
Number of Job Openings Filled	31,000
Job Postings Filled	25.0%
TANF Full Work Rate	45.0%
Number of child care providers trained through online training	3,012
Number of child care providers and individuals receiving scholarships, equipment grants, training	6,570
Helping providers become/maintain Texas Rising Star provider status	200
Percent of Adult Education and Literacy customers achieving a gain in Education Functioning Level – Eleven categories	63% - 74%
Individuals receiving Adult Education and Literacy for 12+ hours	25,873
Adult Education and Literacy Customers transitioning to post-secondary education	1,271
Adult Education and Literacy Customers participating in career pathways	1,271

Vice Chair Henderson presented the following recommended 2016 contract funding levels.

	Current	Proposed
Workforce Solutions Operations		
Neighborhood Centers, Inc.	\$ 23,316,514	\$ 22,617,000
Interfaith of the Woodlands	19,093,577	18,521,000
Employment and Training Centers	6,274,000	6,090,000
SER-Jobs for Progress	621,851	603,200
Dynamic Education Systems, Inc.	239,900	232,700
Gulf Coast Trades Center	212,000	206,000
Collaborative for Children	4,050,000	3,930,000
Texas Association for the Education of Young Children	51,000	49,500
Learning Designs, Inc.	681,125	661,000
Subtotal, Operations	54,539,967	52,910,400
Adult Education Consortium		
Houston Community College	5,915,921	6,211,700
Harris County Department of Education	3,617,265	3,798,100
Lone Star College System	1,155,823	1,213,600
Wharton County Junior College	602,775	632,900
College of the Mainland	592,686	622,300
Region 6	593,153	622,800
Brazosport	519,459	545,400
San Jacinto College System	394,307	414,000
Subtotal, Adult Education	13,391,389	14,060,800
Financial Aid	133,595,603	129,500,000
Total	\$201,526,959	\$196,471,200

Chair Guthrie asked for questions and hearing none asked for a motion to approve the recommendations.

Mr. Tony Jones stated that he wanted to remind contractors that TWC and DARS will be merging, and with that, people with disabilities will need to be served better than they are now.

A motion was made and seconded to adopt the Procurement Committee recommendations to fund 2016 Workforce Solutions and adult education contracts in amounts with each contractor not to exceed those shown above and not to exceed the total of \$196,471,200. The motion carried. Ms. Shunta Williams, Ms. Sarah Janes and Mr. Ray Laughter abstained from voting.

Chair Guthrie encouraged new Board members to review the Procurement item to help them understand the Workforce Solutions system and how the Board operates.

Vice Chair Henderson concluded her report and no further action was taken.

b. Early Education and Care Committee. Committee Chair will present recommendation to approve tiered Texas Rising Star rates for child care providers.

Chair Henderson reported that the Early Education and Care Committee met prior to the Board meeting to discuss Texas Raising Star and provider reimbursement rates.

Chair Henderson stated that for the past year, the Texas Workforce Commission has worked with Boards and the provider community around the state to design and implement a revised, three-tiered quality rating system for early education providers. This is the result of direction from the Legislature after its 2013 session.

As a part of the redesign, a provider that wants Texas Rising Star accreditation must qualify under the revised guidelines, even if that provider had a rating under the previous system. The new rating system goes into effect September 1, 2015.

Chair Henderson explained that Gulf Coast has 154 providers who are Texas Rising Star accredited under the old standards. This represents about 8% of the approximately 2,000 vendors in our early education/care network.

- 109 of these, or 71%, have applied for accreditation under the new standards.
- 52 of the 109 have achieved a quality rating. Staff is in the process of assessing the remaining 57 providers.
- Five of those 57 have licensing deficiencies which may prevent them from attaining accreditation

Currently the Gulf Coast area pays 5 % more to providers that have a Texas Rising Star certification, whether that provider is rated 4-star, 3-star, or 2-star. Beginning September 1, 2015, 2-star rated providers will be paid five percent more than regular rates; 3-star providers will be paid at least seven percent more; and 4-star providers will be paid approximately nine percent more.

The Legislature set these payment differentials when it required the redesign on the rating system.

The Workforce Commission has requested that Boards approve the new rate differentials for Rising Star providers. The Board has the option to increase the differentials beyond the legislative-required levels.

Chair Henderson noted that the Board packet included a side-by-side comparison of the current rates and the proposed new rates at the legislative-required levels, along with the Texas Rising Star Requirements. The proposed new rate increase is only for the 3-star and 4-star rated providers. The committee recommended revisiting all rates later in the year to consider the possible need for adjustments.

Several Board members had questions and discussion followed.

A motion was made and seconded to approve the Texas Rising Star tiered reimbursement rates for 2-star, 3-star and 4-star designated providers as shown on the chart in the Board packet. The motion carried.

Chair Henderson concluded her report and no further action was taken.

RECEIVE INFORMATION

System Performance

Mr. David Baggerly reviewed the Year End System Performance measures for October 2014 through June 2015. 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.

For Workforce Solutions *More Competitive Employers –*

Employers Receiving Services (Market Share) – we expected to provide services to 25,452 employers this year which is almost 18% of the 144,799 employers identified for the Gulf Coast area. We provided services to 24,696 employers through June 2015.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,719 employers, 13,374 returned to The Workforce Solutions for additional services through June 2015.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. Customers employed by the 1st quarter after exit – Reporting for the quarter ending September 2014, 231,159 of the 296,222 customers who exited from services were employed by the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - Reporting for the quarter ending March 2014, 105,581 of the 312,258 customers 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 - Reporting for the quarter ending March 2015, 2,177 customers pursuing an education diploma, degree or certificate exited in the period July 2014 – March 2015. 1,003 achieved a diploma, degree or certificate by the quarter after exit.

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, 2014, the state reports we are meeting or exceeding the target for six of the ten measures. The measures we are not meeting are:

- Total Education Achievement. The target for this measure is 80.9%. Our performance in the year was 67.1%. The Board is working with contractor to improve services to help customers attain their educational goal.
- WIA Youth Placement in Employment or Education. The target for this measure is 67.0%. Our performance in the year was 53.3%. The Board is working with contractors to improve services to help customers attain their educational and employment goals.
- Jobs Opening Filled. The target for this measure for the first three quarters is 22,367. Our performance so far this year is 20,856. The Board is working with contractors to improve this essential service to our employers.
- Placement of registered Claimants with 10 weeks. The target for this measure is 55.0%. Our performance in the first nine months slipped from 54.72% to 53.7%. The Board is working with contractors to improve this essential service to our employers and our customers receiving unemployment compensation.

We also have twenty-four Adult Education measures.

- This past year served as a transition year for the adult education system. 6,746 students received Adult Basic Education services, 6,746 students received Adult Basic Education services, 13,338 received English as a Second Language services, and 446 students received Adult Secondary Education services. All of these students participated at least 2 hours. Although the data is not final, we generally know our performance outcomes.
- There are eleven measures pertaining to the improvement of education levels. Some of the providers within the consortium met targets for these measures; however, as a system, we have not achieved the performance we expected.

Measure	Target	2015 Actual
Adult Basic Education – Beginning Literacy	74%	58.5%
Adult Basic Education – Beginning Basic Education	63%	50%
Adult Basic Education – Intermediate Low	63%	48.3%
Adult Basic Education – Intermediate High	63%	42.3%
English as a Second Language – Beginning Literacy	65%	48.6%
English as a Second Language – Beginning Low	72%	53.6%
English as a Second Language – Beginning High	73%	53.3%
English as a Second Language – Intermediate Low	77%	53%

English as a Second Language – Intermediate High	66%	39.3%
Advanced English as a Second Language	74%	40%
Adult Secondary Education	65%	47.7%

- There are ten enrollment targets. The system has met seven of the enrollment targets. We have not met the target for Total Students, the target for Federal/State English-Literacy-Civics Funded Students, or the target for TANF Funded Students.

Enrollment	Target	2015 Actual
Total Students – All Funds	25,540	22,853
Fed/ State (English-Literacy-Civics funds) Students	24,263	22,110
TANF Funded Students	1,277	1,037

- There are four long-term measures regarding the outcomes of customers who received services, including; attainment of a high school diploma or equivalent, entering post-secondary education and employment retention. Data for these measures will not be available until October 2015.
- We are working with Region VI, the consortium lead agency, and the seven providers to better understand our system performance for this year and what we will do to ensure we meet the targets for the coming year.

Mr. Temple noted that the adult education performance was not at the performance level it needed to be. Some of the individual providers in the consortium were meeting their targets, and as a whole, the consortium is working to make this a productive and effective effort and the providers know where improvements need to be made. Mr. Temple explained that this has been a transition year, as adult education moved from being funded through the Texas Education Agency to now being funded through the Board.

Chair Guthrie asked about not meeting enrollment targets. Mr. Temple reported that due to the transition the enrollment started later than expected. The providers in this current year and years past have shutdown their enrollments at the end of the year due to management information system issues. This issue was recently identified and it was determined that continuous enrollment is necessary to meet enrollment targets.

Several Board members had questions and discussion followed.

Chair Guthrie asked for staff to convene the Education Committee to look at adult education enrollment targets before the next Board meeting.

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for six months ending June 30, 2015 and stated that everything is on target and looks good. Mr. Temple also noted that Financial Aid expenditures are running slightly ahead largely due to providing early

education assistance to the parents of approximately 25,000 to 27,000 children daily. This line item should not be a problem by the end of the year and staff is keeping a watchful eye on the budget.

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

Update – Information on various system activities and the Workforce Innovation and Opportunity Act

Ms. Michelle Ramirez reported that the Workforce Innovation and Opportunity Act took effect on July 1, 2015. It is the reauthorization and revision of the Workforce Investment Act of 1998, which created the public workforce system as it currently exists.

The Workforce Innovation and Opportunity Act emphasize the role of regional workforce boards led by industry in guiding the strategic investment of workforce funding. Our High-Skill, High-Growth list of target industries and occupations is the result of local industry-led efforts.

The Gulf Coast Workforce Board is the largest of the 28 Boards in Texas and one of the largest of the 500+ Boards across the United States. In the coming year, Workforce Solutions anticipates serving 400,000 individuals and 26,000 employers using a combination of funds including:

- Workforce Investment Act/Workforce Investment and Opportunity Act
- Wagner-Peyser
- Veterans Employment and Training Service
- Temporary Assistance for Needy Families
- Supplemental Nutrition Assistance Program
- Child Care and Development
- Adult Education and Literacy

In 2016 the integration of Vocational Rehabilitation and Blind Services into the regional workforce system will take place.

Ms. Ramirez explained that the teacher recruitment project now has a total of 68 individuals in Alternative Teacher Certification training and at least 30 new teachers will be in classrooms when school starts this August.

The Construction Industry is another sector partnership in development. Staff has engaged in conversations with a major industrial construction contractor to develop a company-sponsored pre-employment training program in the Baytown office. Workforce Solutions will recruit and screen prospective participants. Candidates who successfully complete the six-weeks training are guaranteed entry-level employment with the contractor. Those new employees will then enter into a long-term training program to develop higher-level proficiency in a skilled trade.

Ms. Ramirez concluded her report and no action was taken.

Mr. Temple reported on several of updates:

During the Building An Educated Workforce procurement, the Board approved the use of monies in a venture fund in which small grants would be made to smaller rural community organizations in our region to help serve youth.

Work has begun with Houston Housing Authority on a partnership project with additional funds from the U.S. Housing and Urban Development to put career services into a housing authority development – Cuney Homes. With an onsite career services location the goal is to get the residents into good or better jobs.

Linda O'Black of the United Way, Peter Beard of the Greater Houston Partnership and Workforce Solutions has combined efforts to work with several United Way agencies to support workforce development activities for their clients.

Summer externship program – 32 counselors and teachers from Deer Park ISD, Pasadena ISD and Sanchez Charter School were introduced to nine employers in the logistics industry. This experience will help teachers introduce the logistics industry to their students.

For a second year in a row – the Veterans Employment and Training staff in cooperation with the staff in Workforce Solutions career offices have won the Best in State for placing the most veterans.

Peter Beard reported that Mr. Temple is a part of a boarder team from the region that was part of a competitive application to the Aspen Institute.

Chair Guthrie noted that the real value of the Board is not just in operating the programs it operates; it is all the other connections that are made and leveraged and the good that can come from it.

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

LOOK AT THE ECONOMY

Mr. Ron Borski explained that the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) unemployment rate for June rose to 4.5%. The state is at a 4.4% unemployment rate, and the national unemployment rate is at 5.5%. The job growth in the H-W-S MSA increased by 0.1 percent, this was the weakest job growth for the month of June since 2010. This year the region's source of job growth has been primarily tied to population growth. Since late 2014, industry sectors with ties to energy have seen growth come to a standstill. Several industry sectors were reporting over-the-year losses; Mining and Lodging, Manufacturing and Financial Activities. Healthiest over-the-year growth has been in population driven industries such as Retail Trade, Educational and Health Services (Private) and Leisure and Hospitality.

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

Workforce Demands – In the Health Care Industry

Mr. Borski explained that the Gulf Coast Region's economy is often focused on the oil and gas industry, but the Health Care Industry remains one of the region's most powerful economic forces.

The Health Care Industry is currently undergoing a major transition period with the implementation of the Affordable Care Act, an aging population, and advances in technology.

The region is home of the Texas Medical Center, the world's largest medical complex that boasts some impressive figures:

- More than 7.2 million visits per year from all over the world
- One baby delivered about every 20 minutes
- 7,000 patient beds
- 106,000 employees

The Health Care Industry provides an extensive range of career opportunities. Growth is projected for numerous occupations throughout the industry, from nursing assistants to medical physicians. Many of these positions offer good wages and have varying education and training requirements ranging anywhere from short term on-the-job training to post-secondary degrees and professional licenses.

The Health Care Industry has continued to prosper throughout historical recessions including the most recent which ended June 2009.

There are three subsectors of the Health Care Industry: Ambulatory Health Care Services, Hospitals, and Nursing and Residential Care Facilities.

- Ambulatory Health Care Services includes physicians, dentists, outpatient care centers, imaging and diagnostic facilities, and home health care services
- Hospitals include general medical and surgical hospitals, psychiatric and substance abuse hospitals, and other (specialty) hospitals
- Nursing and Residential Care Facilities provide residential care combined with either nursing, supervisory, or other types of care as required by the residents

While all three subsectors of the Health Care Industry continue to grow, Ambulatory Health Care Services has replaced Hospitals as the number one job producer in the region.

Roughly one-third of the employment in Ambulatory Health Care Services is found in Home Health Care, the fastest growing detailed industry which added more than 35,000 jobs from 1990 to 2014. As the average life expectancy increases, consumers are looking for care that allows them to stay in their homes. Another one-third of the employment is found in Offices of Physicians, which added more than 29,000 jobs from 1990 to 2014.

Outpatient Care Centers was the second fastest growing detailed industry from 1990 to 2014. Growth at outpatient care centers is also related to increased life expectancies as well as population growth as more and more people seek treatment for chronic conditions.

Hospitals account for the second largest number of jobs in healthcare. The industry has added jobs at a steady but much slower pace than Ambulatory Health Care Services. The majority of employment in Hospitals is found in General Medical and Surgical Hospitals where payrolls increased by nearly 30,000 from 1990 to 2014. Other Hospitals was the fastest growing detailed industry with payrolls rising some 97 percent from 1990 to 2014. Hospitals providing long-term care for the chronically ill, rehabilitation, and restorative services to physically-challenged or disabled people are included in this industry.

Representing the smallest portion of jobs in the Health Care Industry in 2014, about 12 percent, Nursing and Residential Care Facilities added jobs at the second fastest pace from 1990 to 2014. More than half of the employment was in Nursing Care Facilities where businesses providing extended care in-patient nursing and rehabilitative services are found. Community Care Facilities for the Elderly added jobs at a pace that triples any other detailed industry sectors in Nursing and Residential Care Facilities from 1990 to 2014.

Hospitals have the largest concentration of high skilled workers thus offering the highest average pay of \$1,306.61 per week in 2014. Average wages at hospitals also increased at the highest pace since 1990, up 216 percent.

Ambulatory Health Services paid the average worker \$929.60 per week in 2014. Average weekly wages in ambulatory health services increased at a much slower pace than hospitals since 1990, up 78.8 percent.

Average weekly wages in Nursing and Residential Care Facilities were much lower, \$549.60 in 2014. This industry sector has a high concentration of occupations that help patients perform many basic daily tasks thus requiring lower entry requirements resulting in a much lower average weekly wage.

A large factor which has contributed to recent workforce shortages is an aging population. The percentage of the population that is 55 and over has risen by 6 percent since 2000 and is expected to rise another 2 percent by 2018 to 23.4 percent.

Population by Age								
	2000 Census		2010 CENSUS		2014 ESTIMATE		2018 FORECAST	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	4,854,389	100.00%	6,087,133	100.00%	6,499,962	100.00%	7,064,464	100.00%
Age 55+	739,122	15.2%	1,156,059	19.0%	1,378,021	21.2%	1,650,040	23.4%

The age of the health care workforce is increasing rapidly with the number approaching retirement age compounding the severity of workforce shortages in the region over the

recent expansion period. The percentage of workers ages 55 and over in the health care industry nearly doubled from 12 percent in 2000 to 21 percent in 2014.

Technological advances are affecting the delivery of health care and prompting changes in the skills required for many health occupations.

- New technologies and medical treatments are becoming more complex with many healthcare workers taking on new roles and new responsibilities
- Advances in health informatics are changing the skills requirements of many healthcare workers and fostering specializations in the industry helping to improve the quality and safety of patient care

The Affordable Care Act (ACA) is expected to create more demand for healthcare services and change the way services are delivered. The need for primary care workers such as nurses, medical doctors, and nurse practitioners are expected to increase.

A lack of training capacity continues to be a problem with long waiting lists for many programs. Expansion of local educational opportunities has been difficult due to funding, faculty, classroom, laboratory and clinical space. The Health Care Industry has been a stable career choice for decades. This is in part due to the fact that people need health services regardless of the state of the economy. Add in the rapidly growing population and the result is a much higher than average pace of growth than most industries.

In 2012, there were more than 268,000 jobs in the Health Care Industry according to estimates produced by the Texas Workforce Commission. It is projected to add more jobs, nearly 88,000, than any other major industry between 2012 and 2022.

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

OTHER BUSINESS

No one presented other business.

ADJOURN

There was no further business to come before the Board, and Chair Guthrie adjourned the meeting at approximately 11:05 am.

Audit/Monitoring Committee

Update for October 2015

- **QA Reviews.** The Quality Assurance Team completed its reviews in August. Highlights include:
 - Follow-up visits to the Baytown and Southwest offices resulted in acceptable ratings for both locations.
 - All other office locations had acceptable ratings, with four of the smaller offices – Columbus, Sealy, Liberty, and Katy Mills – rating as above average.
 - Employer Service, operated for us by Employment and Training Centers, had an acceptable rating.
 - Follow-up visits to NCI-operated offices with accessibility issues found that all issues had been resolved.
 - Overall, the offices and units are doing well in protecting the security of customer's personal information; however, we continue to find a small number of instances of non-compliance. There is not a pattern to these instances, and we will continue to monitor this and remind contractors to be vigilant.
- **Payment Office vendors.** From October 2014 through August 2015 we checked on 1,523 child care vendors out of a total of 2,097 vendors with agreements. Our goal is to reach all active vendors (i.e., those with children covered by our financial aid) and not all of the 2,097 are active. During our most recent visits, we issued two service improvement plans – one vendor was holding automated attendance cards for parents and another had the card reader locked in an office/not accessible to parents.
- **Financial Reviews.** As we noted in our August reports, all financial reviews for workforce contractors have been completed. There were minor findings; all of which have been resolved. We also completed all financial reviews for the adult education providers and are in the process of resolving the findings from those reports. Six of the seven providers had not submitted cost allocation plans, and there were other minor findings.
- **2016 QA Visits.** In September the Quality Assurance Team began a new round of reviews, starting with the staffing specialist units operated by Interfaith and NCI. These units are primary locations in which our system finds candidates for job openings employers post with us. We are focusing this year on improving the operation of these units and the level of service to employers who post with Workforce Solutions.

Gulf Coast Workforce Board
System Performance
October 2014 to August 2015

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 25,452 employers this year which is almost 18% of the 144,799 employers identified for the Gulf Coast area. We provided services to 26,796 employers through August 2015.	25,452	26,796	24,907
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,719 employers, 13,953 returned to Workforce Solutions for additional services through August 2015.	62%	61.4%	56.8%

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.	2,700	2,446	2,865
<u>Customers employed by the 1st Qtr after exit</u> Reporting for the quarter ending September 2014, 230,991 of the 295,960 customers who exited from services were employed by the quarter after exit.	73%	78.0%	73.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for the quarter ending March 2014, 105,504 of the 311,970 customers who exited had earnings gains of at least 20%.	35%	33.8%	33.6%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Reporting for the quarter ending March 2015, 2,156 customers pursuing an education diploma, degree or certificate exited in the period July – March 2015. 1,029 achieved a diploma, degree or certificate by the quarter after exit.	60%	47.7%	51.7%

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, 2014, the state reports we are meeting or exceeding the target for seven of nine common measures. The common measures we are not meeting are:

- Total Education Achievement - The target for this measure is 80.9%. Our performance in the year was 69.8%. We are working with contractors to improve services to help customers attain their educational goal.
- Youth Placed in Employment or Education - The target for this measure is 67.0%. Our performance in the year was 62.1%. We are working with contractors to improve services to help customers attain their educational and employment goals.

Adult Education

- Last year, 20,548 students received Adult Basic Education services. All of these students participated at least 12 hours.

	FY 15		FY 16	
	Target	Board Performance	Target	Board Performance
Total Students (12 Hour Students)*	22,986	20,548	23,429	3,938
Total Students (Total)	25,540	22,853	26,032	4,329

GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Eight Months Ended August 31, 2015

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	201,905,098	134,603,399	138,674,539	(4,071,140)
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,813,345	3,208,897	2,913,406	295,491
SYSTEM IT	270,000	180,000	211,095	(31,095)
EMPLOYER SERVICES	8,031,167	5,354,111	5,556,504	(202,393)
RESIDENT SERVICES	188,790,586	125,860,391	129,993,534	(4,133,143)
OFFICE OPERATIONS	38,394,242	25,596,161	25,192,663	403,498
FINANCIAL AID	134,338,344	89,558,896	95,893,117	(6,334,221)
SPECIAL PROJECTS	1,960,900	1,307,267	722,128	585,139
ADULT EDUCATION	14,097,100	9,398,067	8,185,626	1,212,441
<i>TOTAL WORKFORCE EXPENDITURES</i>	201,905,098	134,603,399	138,674,539	-4,071,140

VARIANCE ANALYSIS

Note: Except for Special Projects that are currently funded through September 30, 2015, the "Budget Year to Date" column reflects straight-line estimate of expenditures for the twelve-month period, assuming equal expenditures every month in order to fully expend the budget in a year.

Updates

On-Going Projects

Vocational Rehabilitation

As you recall, the Texas Legislature recently passed legislation moving responsibility for vocational rehabilitation services into the Workforce Commission. Staff from the Workforce Solutions system and the Department of Assistive and Rehabilitative Services' two divisions have been working together to improve our connections to each other with an eye to the eventual consolidation of our service delivery systems.

Together we have taken several steps:

- We have welcomed representatives from DARS Division of Rehabilitation Services and its Division of Blind Services to the Workforce Solutions Regional Management Team – the team of our contractors that works on issues related to our system operations.
- We've started the process of increasing the itinerant presence of DARS DRS and DBS counselors in Workforce Solutions career offices and providing an itinerant presence of Workforce Solutions staff in DRS and DBS locations.
- DARS staff will be providing blindness awareness training and disability awareness training for the staff in all the Workforce Solutions offices.
- The Board staff and DARS regional DRS and DBS staff are continuing to work together to support the two systems eventual integration.

Homeless Coalition

We continue to develop our relationship with the Homeless Coalition to find the best way to knit our systems together – so that individuals experiencing homelessness not only have easy access to housing, but also to employment. With some funding provided through the Coalition, as well as our basic system resources, we plan to locate a small number of Workforce Solutions staff in several of the housing access centers to make it easier for individuals looking for housing to also look for work at the same time. We will also place some additional navigators, first to help the staff at homeless service providers understand the workforce system – and the workforce system staff understand the needs of individuals experiencing homelessness – and second to help individual customers navigate from the housing access centers to our career offices when necessary.

Houston Housing Authority

The Houston Housing Authority cut the ribbon on space at its Cuney Homes property (located in Houston's 3rd Ward) for efforts to better help residents go to work. The housing authority received a major grant of funds from the U.S. Department of Housing and Urban Development for this project, and the Board and Workforce Solutions are partners in the endeavor. We will have a small office site on the property, with staff to offer our seminars, work with residents on career plans, and help residents get into jobs.

United Way

We have been working for several years with the United Way's THRIVE network – designed to help low-income families build their financial assets and attain financial resiliency. Growing out of that work is a project with the United Way, the Greater Houston Partnership, and Workforce Solutions supporting efforts of a group of area community-based organizations to expand and improve their ability to recruit, skill-up, and prepare individual clients for the middle skill jobs in our region's key industries.

Employer Projects

We are involved in a number of employer-based projects that include:

- Finding a way to build a center for construction industry occupational certifications in the western part of our region;
- Funding a prototype project with Jacobs to hire and train new industrial construction workers and then support their further development and increase their skill levels and specializations in various trades as they continue to work;
- Discussions with health care and petrochemical manufacturers about building apprenticeship programs.

please join us

October 15 & 22

We cordially invite you to celebrate the openings of our new Workforce Solutions locations – Baytown and Rosenberg.

Get a first-hand look at how Workforce Solutions helps employers meet their human resource needs, and helps individuals build careers locally to keep our region competitive globally.

The program includes remarks from community leaders, networking with local business leaders and light refreshments.

BAYTOWN

**Thursday, October 15
from 9:00AM – 10:30AM**

4308-B Garth Rd.
Baytown, Texas 77521

ROSENBERG

**Thursday, October 22
from 2:00PM – 3:30PM**

28000 Southwest Freeway, Suite D
Rosenberg, Texas 77471

RSVP to: Nina Gutierrez at
rsvp@wrksolutions.com or 713-669-5250


Workforce Solutions

NEW LOCATIONS

Workforce Solutions is an equal opportunity employer/ program. Auxiliary aids and services are available upon request to individuals with disabilities. Relay Texas Numbers: 1-800-735-2989 (TDD); 1-800-735-2988 (Voice) or 711.



Labor Market Information
AUGUST 2015 Employment Data

HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA
(H-W-S MSA)

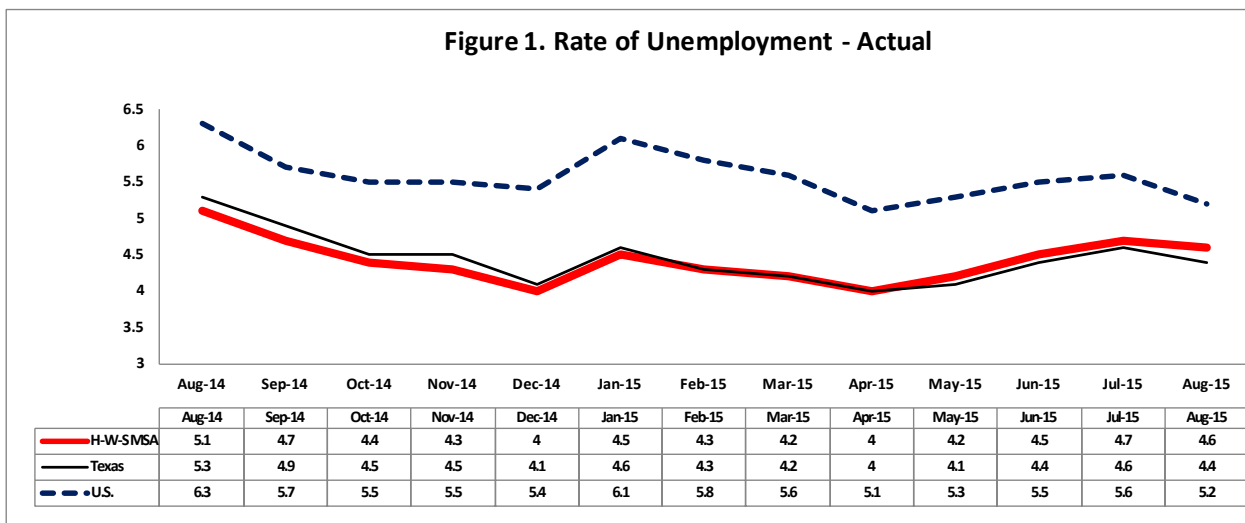
Visit our website at www.wrksolutions.com

THE RATE OF UNEMPLOYMENT IN THE H-W-S MSA EXPERIENCED A SEASONAL DECREASE IN AUGUST FALLING TO 4.6 PERCENT. The civilian labor force and the number of employed contracted over the year while the number of unemployed fell by 18,179 helping drive the rate of unemployment down by one-half of a percentage point from one year earlier. The rate of unemployment in the H-W-S MSA was lower than the nation's 5.2 percent rate but slightly higher than the state's 4.4 percent rate.

Unemployment Rate (Actual)

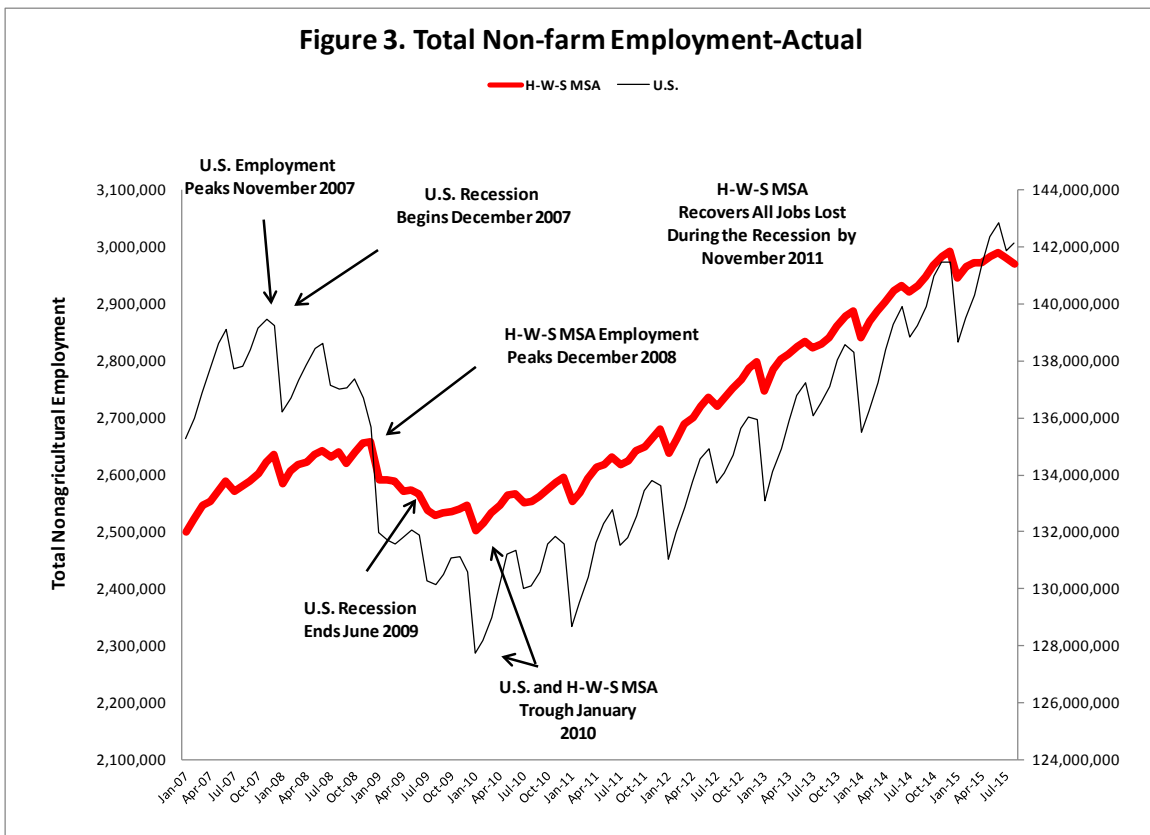
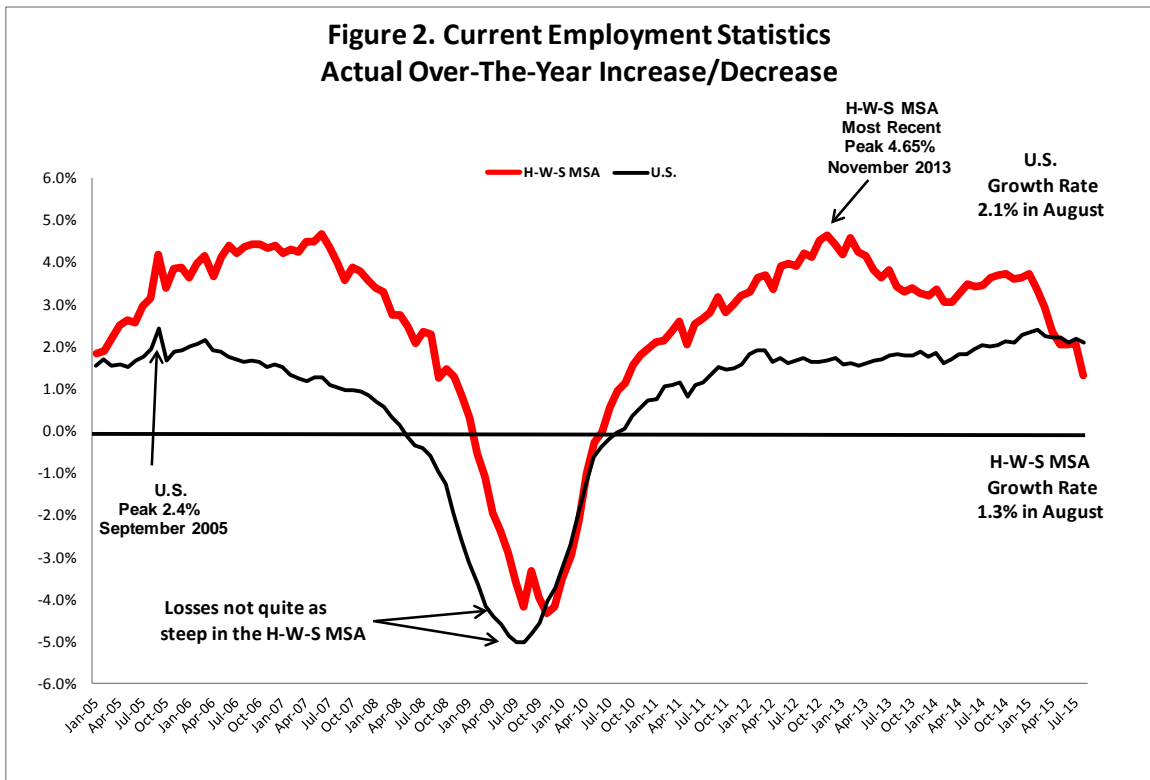
	AUG 2015	JUL 2015	AUG 2014
Civilian Labor Force	3,231,055	3,250,259	3,256,822
Total Employed	3,081,780	3,097,122	3,089,368
Unemployed	149,275	153,137	167,454
Unemployment Rate	4.6%	4.7%	5.1%

Figure 1. Rate of Unemployment - Actual

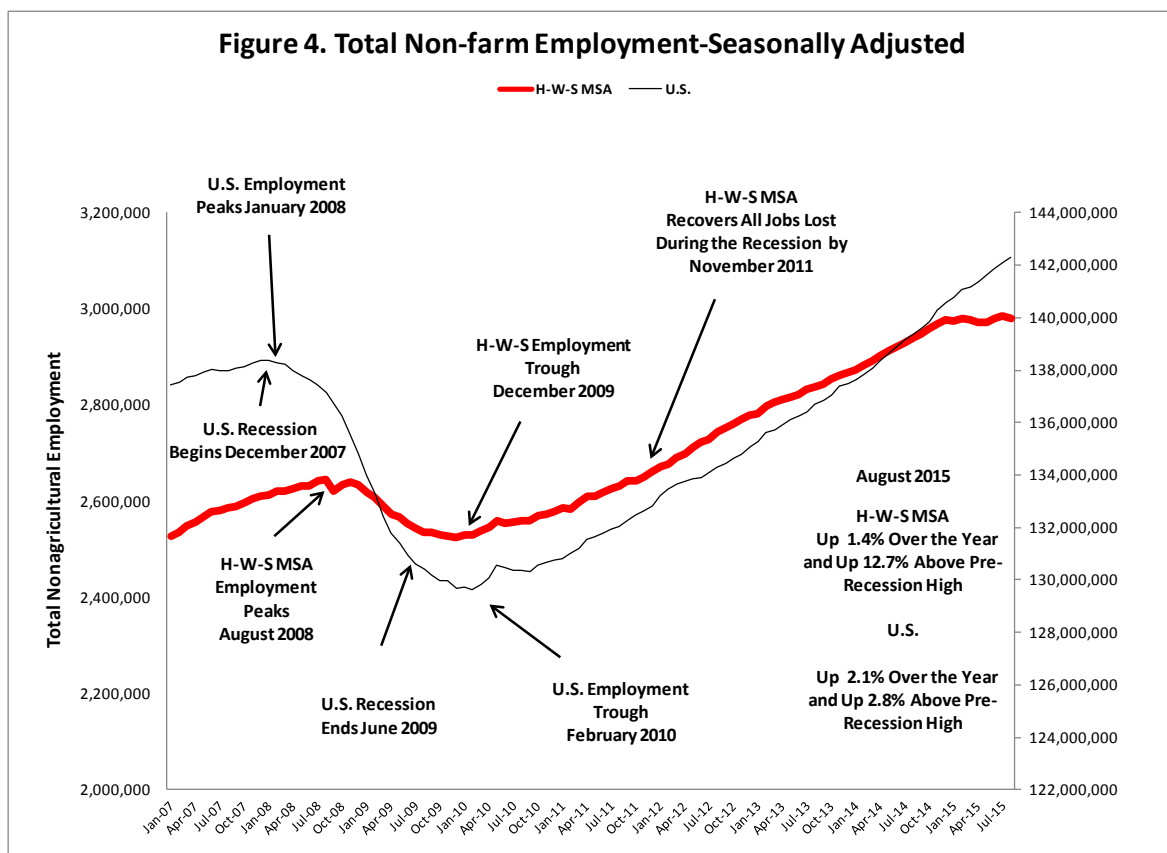


THE H-W-S MSA EXPERIENCED A LOSS OF 11,800 JOBS IN AUGUST, DOWN 0.4 PERCENT, AS COMPANIES SUPPORTING THE ENERGY INDUSTRY CONTINUE TO CUT PAYROLLS. Job losses were widespread in oil and gas exploration and production, and at energy related manufacturing companies, engineering firms, and service companies. Job losses were also revised for July resulting in a sharply reduced over-the-year growth rate of 1.3 percent. The increase of 38,400 jobs was much weaker than one year earlier when the H-W-S MSA was up 102,300 jobs over the year. Healthiest over-the-year growth has been tied to population driven sectors including Retail Trade, Educational and Health Services (Private), and Leisure and Hospitality. A rising number of industry sectors reported losses over the year including; Mining and Logging, Construction, Manufacturing, Wholesale Trade, Transportation Warehousing and Utilities,

and Financial Activities. Detailed data can be viewed on pages 6 & 7. Additional comments by super sector can be found beginning on page 3.



Seasonally adjusted data for the H-W-S MSA and U.S. seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. Seasonally adjusted job growth in the H-W-S MSA remained strong until early 2015 but has since stalled. The pace of job growth at the national level surpassed that of the H-W-S MSA in May, currently up 2.1 percent over the year compared to the H-W-S MSA's increase of 1.4 percent.

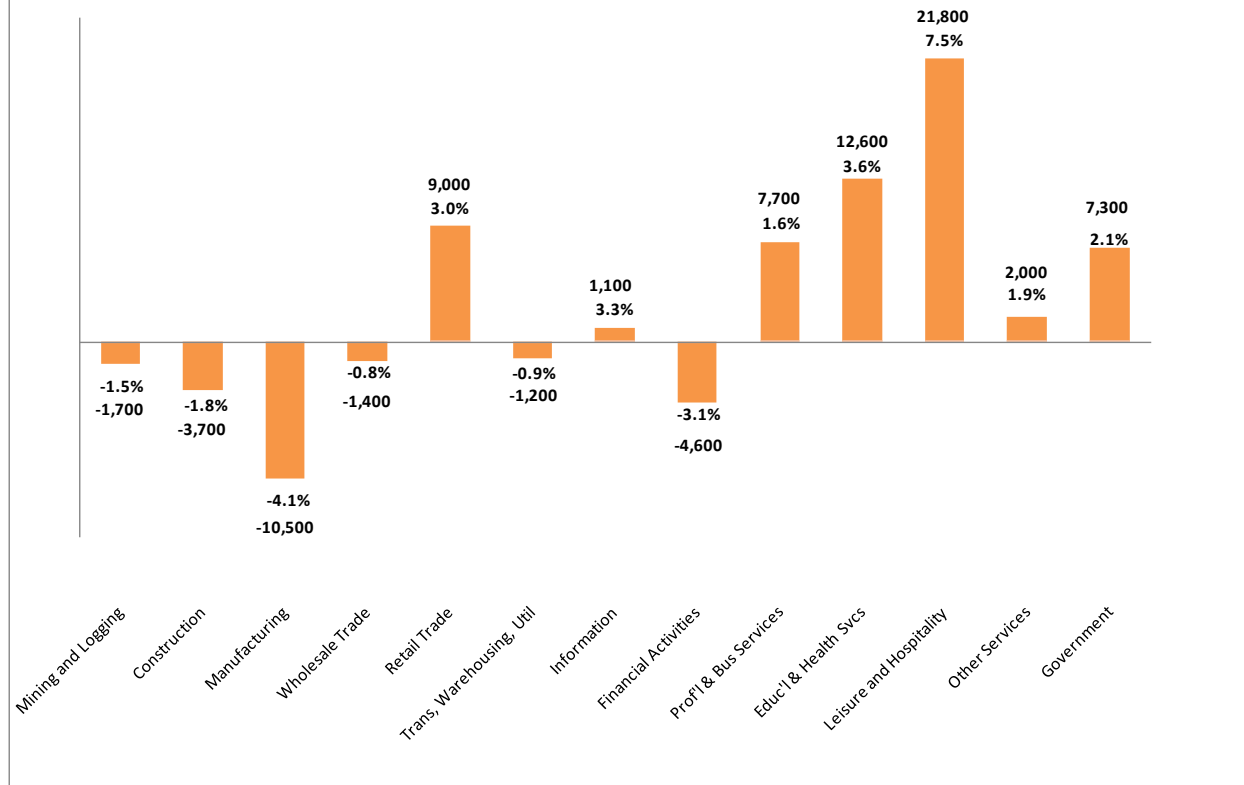


DETAILS BY SUPER SECTOR

Mining and Logging reported a loss of 500 jobs in August, down one-half of a percentage point. Over-the-year declines continued to mount rising to 1.5 percent with payrolls down 1,700 jobs from one year earlier. The average U.S. rig count was 883 in August, up 17 from July but down 1,021 (53.6%) from one year earlier. The average Texas rig count was 385 in August, up 16 from July but down 515 (57.2%) from one year earlier. WTI oil prices continue to be under \$50 per barrel dimming hopes for a quick turnaround.

Construction reduced payrolls for the second consecutive month in August, down 400 jobs. All of the loss was in Construction of Buildings where payrolls were down 2,000 jobs. Heavy and Civil Engineering Construction managed an increase of 1,600 jobs offsetting losses in Construction of Buildings. In addition to August declines, July payroll estimates for Construction were revised downward by 2,200 jobs resulting in an over-the-year loss of 3,700 jobs in the super sector, down 1.8 percent. Most of the loss has been in Construction of Buildings which has been hit especially hard over the last six months, down 2,600 jobs or 4.6 percent.

**Figure 5. Houston-The Woodlands-Sugar Land MSA
Annual Change August 2014 to August 2015**



Manufacturing resumed its course of decline in August as manufacturers tied to the oilfield reduced payrolls another 2,300 jobs or 0.9 percent. Job losses continued to mount in Manufacturing with payrolls down 10,500 jobs or 4.1 percent over the year. All of the loss was in Durable Goods Manufacturing, down 11,600 jobs or 6.6 percent over the year. Nondurable Goods Manufacturing added 1,100 jobs over the year, up 1.4 percent. The Houston Purchasing Managers Index dropped to 47.3 in August, down from 49.1 in July. Any index below 50 generally indicates contraction near term.

Trade Transportation & Utilities payrolls were basically unchanged in August, down 100 jobs. The super sector failed to add jobs in August as it usually does due to several factors; losses in wholesale trade, weak seasonal hiring at retail establishments and weak growth in the transportation, warehousing, and utilities sector. The pace of job growth in the super sector fell from 2.0 percent in July to 1.1 percent representing an increase of 6,400 jobs over the year. Retail Trade was responsible for the increase with payrolls up 9,000 jobs or 3.0 percent over the year. Strongest growth in the retail sector has been at Motor Vehicle and Parts Dealers and Building Material and Garden Equipment and Supplies Dealers. Wholesale Trade was down 1,400 jobs over the year with losses found in durable and nondurable goods sectors.

Information was basically unchanged in August, down 100 jobs, with payrolls up 1,100 jobs or 3.3 percent over the year. 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 reported a loss for the second consecutive month in August, down 1,200 jobs or 0.8 percent. Most of the loss was tied to Credit Intermediation and Related Activities, down 500 jobs, and Real Estate and Rental and Leasing, down 600 jobs. Over-the-year loss in the super sector continued to mount with payrolls down 4,600 jobs or 3.1 percent over the year. Real Estate and Rental and Leasing experienced the deepest decline, down 3,200 jobs or 5.8 percent, followed by Credit Intermediation and Related Activities, down 2,300 jobs or 5.2 percent. Securities, Commodity Contracts, and Other Financial Investments continued to report a healthy increase of 900 jobs over the year, up 5.0 percent.

Professional and Business Services reported a loss of 2,500 jobs, down one-half of a percentage point, as businesses with ties to oil and gas exploration and production are forced to reduce payrolls. This was the first loss for the month of August since 2009. Architectural, Engineering, and Related Services accounted for most of the loss, down 1,700 jobs or 2.3 percent. The pace of job growth in Professional and Business Services fell from 3.1 percent in July to 1.6 percent, an increase of 7,700 jobs. Strongest job growth has been in Legal Services, up 4.1 percent, and Accounting, Tax Preparation, Bookkeeping, and Payroll Services, up 5.0 percent. Several industry sectors were reporting over-the-year declines including: Architectural, Engineering and Related Services, Management of Companies and Enterprises (where holding companies, corporate, subsidiary, and regional managing offices are found) and Employment Services (staffing firms).

Education and Health Services added 900 jobs in August. The 0.2 percent August increase was much weaker than an average 0.9 percent over the last five years. Nearly all of the increase was in Educational Services, up 800 jobs or 1.5 percent. Payrolls in the super sector were up 12,600 jobs over the year with the pace of job growth falling from 4.5 percent in July to 3.6 percent. All subsectors were reporting healthy over-the-year increases. Ambulatory Healthcare Services accounted for more than half of the increase with payrolls up 7,400 jobs or 5.2 percent. Hospitals reported the strongest job growth, up 5,300 jobs or 6.7 percent over the year.

Leisure and Hospitality is the fastest growing super sector in the H-W-S MSA with payrolls up 21,800 jobs or 7.5 percent over the year. While all subsectors were reporting increases, most of the new jobs are found in Food Services and Drinking Places, up 19,300 jobs or 8.3 percent. Population growth continues to drive demand in the Leisure and Hospitality super sector.

Other Services added 600 jobs in August with payrolls up 2,000 jobs or 1.9 percent over-the-year. Other Services includes, as a partial list, industries such as various repair services (industrial equipment, mining machinery and equipment, and many others related to the oil and gas industry), personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Government experienced a seasonal loss in August as educational institutions continued to reduce payrolls for the summer, down 6,000 jobs or 1.6 percent. The super sector was up 7,300 jobs or 2.1 percent over the year. Most of the increases have been in Local Government, up 6,900 jobs or 2.7 percent, driven by gains in Local Government Educational Services.

NONAGRICULTURAL EMPLOYMENT		Month Change		Year Change	
Houston-The Woodlands-Sugar Land MSA		AUG 2015	Net Percent	Net Percent	
Total Nonfarm	2,970,400	-11,800	-0.4%	38,400	1.3%
Total Private	2,609,400	-5,800	-0.2%	31,100	1.2%
Goods Producing	559,500	-3,200	-0.6%	-15,900	-2.8%
.Mining and Logging	110,000	-500	-0.5%	-1,700	-1.5%
...Oil and Gas Extraction	55,400	-300	-0.5%	-100	-0.2%
...Support Activities for Mining	53,300	-200	-0.4%	-1,600	-2.9%
.Construction	203,000	-400	-0.2%	-3,700	-1.8%
..Construction of Buildings	53,800	-2,000	-3.6%	-2,600	-4.6%
..Heavy and Civil Engineering Construction	45,700	1,600	3.6%	-900	-1.9%
..Specialty Trade Contractors	103,500	0	0.0%	-200	-0.2%
.Manufacturing	246,500	-2,300	-0.9%	-10,500	-4.1%
..Durable Goods	164,900	-2,300	-1.4%	-11,600	-6.6%
...Fabricated Metal Product Manufacturing	59,700	-1,000	-1.6%	-4,800	-7.4%
...Machinery Manufacturing	57,400	-400	-0.7%	-200	-0.3%
....Agriculture, Construction, and Mining Machinery Manufacturing	40,900	-300	-0.7%	-1,200	-2.9%
...Computer and Electronic Product Manufacturing	17,300	0	0.0%	-700	-3.9%
..Non-Durable Goods	81,600	0	0.0%	1,100	1.4%
...Petroleum and Coal Products Manufacturing	9,900	-100	-1.0%	-200	-2.0%
...Chemical Manufacturing	37,900	100	0.3%	900	2.4%
Service Providing	2,410,900	-8,600	-0.4%	54,300	2.3%
.Private Service Providing	2,049,900	-2,600	-0.1%	47,000	2.3%
..Trade, Transportation, and Utilities	608,700	-100	0.0%	6,400	1.1%
...Wholesale Trade	169,300	-100	-0.1%	-1,400	-0.8%
....Merchant Wholesalers, Durable Goods	96,900	-300	-0.3%	-1,100	-1.1%
.....Professional and Commercial Equipment and Supplies Merchant Wholesale	12,800	0	0.0%	100	0.8%
....Merchant Wholesalers, Nondurable Goods	44,400	-100	-0.2%	-1,300	-2.8%
...Retail Trade	305,500	0	0.0%	9,000	3.0%
....Motor Vehicle and Parts Dealers	40,500	100	0.2%	1,600	4.1%
....Building Material and Garden Equipment and Supplies Dealers	22,700	400	1.8%	1,300	6.1%
....Food and Beverage Stores	63,200	-100	-0.2%	1,100	1.8%
....Health and Personal Care Stores	18,700	0	0.0%	300	1.6%
....Clothing and Clothing Accessories Stores	28,800	-600	-2.0%	-1,100	-3.7%
....General Merchandise Stores	66,800	700	1.1%	1,000	1.5%
.....Department Stores	22,200	400	1.8%	400	1.8%
.....Other General Merchandise Stores	44,600	300	0.7%	600	1.4%
...Transportation, Warehousing, and Utilities	133,900	0	0.0%	-1,200	-0.9%
....Utilities	16,000	-100	-0.6%	100	0.6%
.....Air Transportation	20,400	0	0.0%	-200	-1.0%
.....Truck Transportation	26,000	100	0.4%	700	2.8%
.....Pipeline Transportation	10,800	200	1.9%	300	2.9%
..Information	34,000	-100	-0.3%	1,100	3.3%
...Telecommunications	15,100	0	0.0%	0	0.0%
..Financial Activities	144,700	-1,200	-0.8%	-4,600	-3.1%
...Finance and Insurance	93,000	-600	-0.6%	-1,400	-1.5%
....Credit Intermediation and Related Activities	41,800	-500	-1.2%	-2,300	-5.2%
.....Depository Credit Intermediation	28,100	-100	-0.4%	-800	-2.8%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	18,900	0	0.0%	900	5.0%
....Insurance Carriers and Related Activities	32,000	0	0.0%	-100	-0.3%
...Real Estate and Rental and Leasing	51,700	-600	-1.1%	-3,200	-5.8%

NONAGRICULTURAL EMPLOYMENT		Month Change		Year Change	
Houston-The Woodlands-Sugar Land MSA	AUG 2015	Net	Percent	Net	Percent
..Professional and Business Services	479,200	-2,500	-0.5%	7,700	1.6%
...Professional, Scientific, and Technical Services	223,000	-2,900	-1.3%	3,700	1.7%
....Legal Services	25,100	-200	-0.8%	1,000	4.1%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	23,000	100	0.4%	1,100	5.0%
....Architectural, Engineering, and Related Services	73,500	-1,700	-2.3%	-1,300	-1.7%
....Computer Systems Design and Related Services	33,100	-200	-0.6%	0	0.0%
...Management of Companies and Enterprises	33,300	-300	-0.9%	-1,300	-3.8%
...Administrative and Support and Waste Management and Remediation Services	222,900	700	0.3%	5,300	2.4%
....Administrative and Support Services	211,800	600	0.3%	4,900	2.4%
.....Employment Services	80,600	600	0.8%	-2,800	-3.4%
.....Services to Buildings and Dwellings	51,600	200	0.4%	1,500	3.0%
..Educational and Health Services	364,900	900	0.2%	12,600	3.6%
...Educational Services	53,100	800	1.5%	800	1.5%
...Health Care and Social Assistance	311,800	100	0.0%	11,800	3.9%
....Ambulatory Health Care Services	149,800	-400	-0.3%	7,400	5.2%
....Hospitals	83,900	500	0.6%	5,300	6.7%
..Leisure and Hospitality	311,900	-200	-0.1%	21,800	7.5%
...Arts, Entertainment, and Recreation	33,800	-900	-2.6%	1,300	4.0%
...Accommodation and Food Services	278,100	700	0.3%	20,500	8.0%
....Accommodation	26,400	0	0.0%	1,200	4.8%
....Food Services and Drinking Places	251,700	700	0.3%	19,300	8.3%
..Other Services	106,500	600	0.6%	2,000	1.9%
Government	361,000	-6,000	-1.6%	7,300	2.1%
.Federal Government	27,800	-300	-1.1%	200	0.7%
.State Government	69,800	-100	-0.1%	200	0.3%
..State Government Educational Services	37,300	0	0.0%	300	0.8%
.Local Government	263,400	-5,600	-2.1%	6,900	2.7%
..Local Government Educational Services	174,800	-5,500	-3.1%	4,600	2.7%

UNEMPLOYMENT RATE	AUG 2015	JUL 2015	AUG 2014
H-W-S MSA	4.6	4.7	5.1
Texas (Actual)	4.4	4.6	5.3
United States (Actual)	5.2	5.6	6.3

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

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

Workforce Demands In the Educational Services Industry

Workforce Solutions

October 2015

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

OVERVIEW OF EDUCATIONAL SERVICES

As an institution, education provides the basis for knowledge and skill acquisition designed to prepare individuals for a lifetime of gainful employment. It is typically divided into three or four distinct stages based on the approximate age of the student and often begins with preschool. This is followed by primary school, secondary school, and postsecondary education, the last of which is increasingly recognized as important to securing higher paying jobs. Accordingly, the services component of education, i.e. the provision of instruction and other support services, follows these same divisions as part of either public or private institutions.

This report examines the educational services industry in the Gulf Coast region with an emphasis on trends among primary and secondary public school teachers including student-teacher ratios, shortages, wages, turnover, and years of experience over the past two decades in addition to standard labor market information regarding the outlook for the industry and its occupations.

Below are key figures on education in the Gulf Coast from the supply-side (schools and instructors) and the demand-side (students). See Appendix A. for institution-specific enrollment levels as of 2013.

Primary and Secondary Public Schoolsⁱ (as of fall 2013)

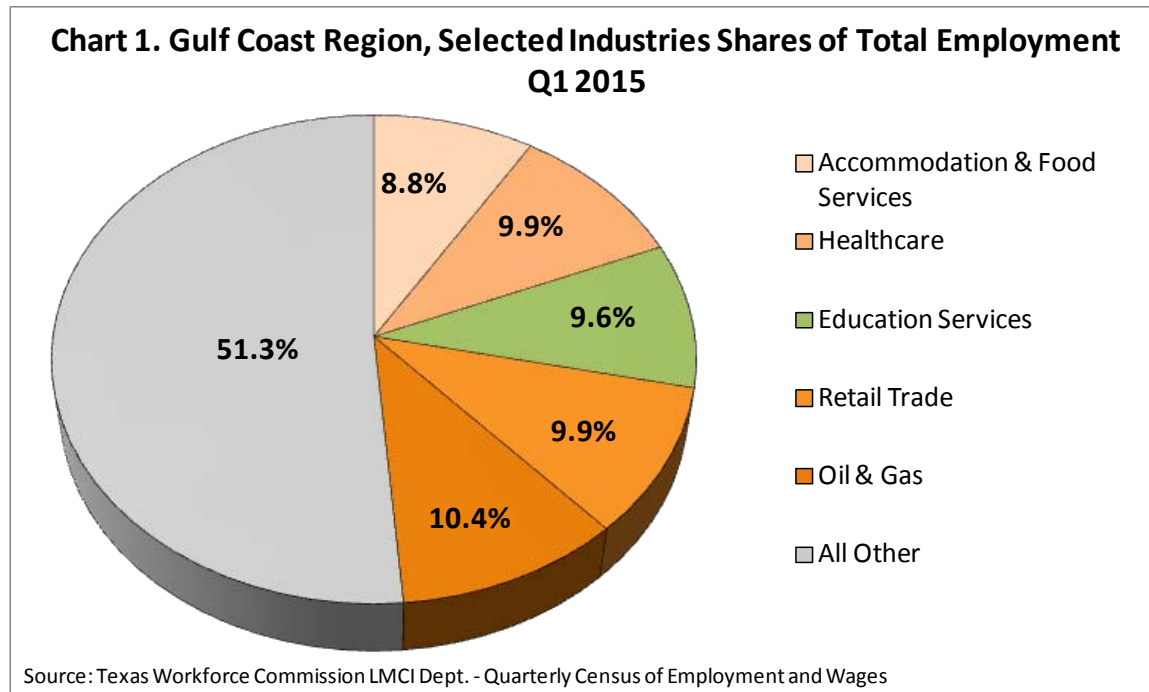
- 1,223,785 students
- 1,487 schools across 77 Independent School Districts (ISDs)
- 74,703 Fulltime Equivalent (FTE) teachers
- 149,355 FTE total staff
- Teacher turnover rate of 16.4%ⁱⁱ

Higher Educationⁱⁱⁱ (as of fall 2013)

- 330,499 students enrolled in public postsecondary education (in or out of region)^{iv}
- 137,168 students enrolled in 4-year universities (in or out of region)
- 193,331 students enrolled in public community colleges and technical schools (in or out of region)
- 8,550 students enrolled in 4-year private institutions (in region)
- 6 public 4-year universities
- 11 public community college systems
- 5 independent/private institutions

Educational Services Contribution to Job Market

In terms of contribution to total employment, educational services in the Gulf Coast region is on par with other major industries such as accommodation and food services, healthcare, retail, and energy. As of the first quarter of 2015, education comprised 9.6% of total employment, or 280,455 jobs. (See Chart 1.)

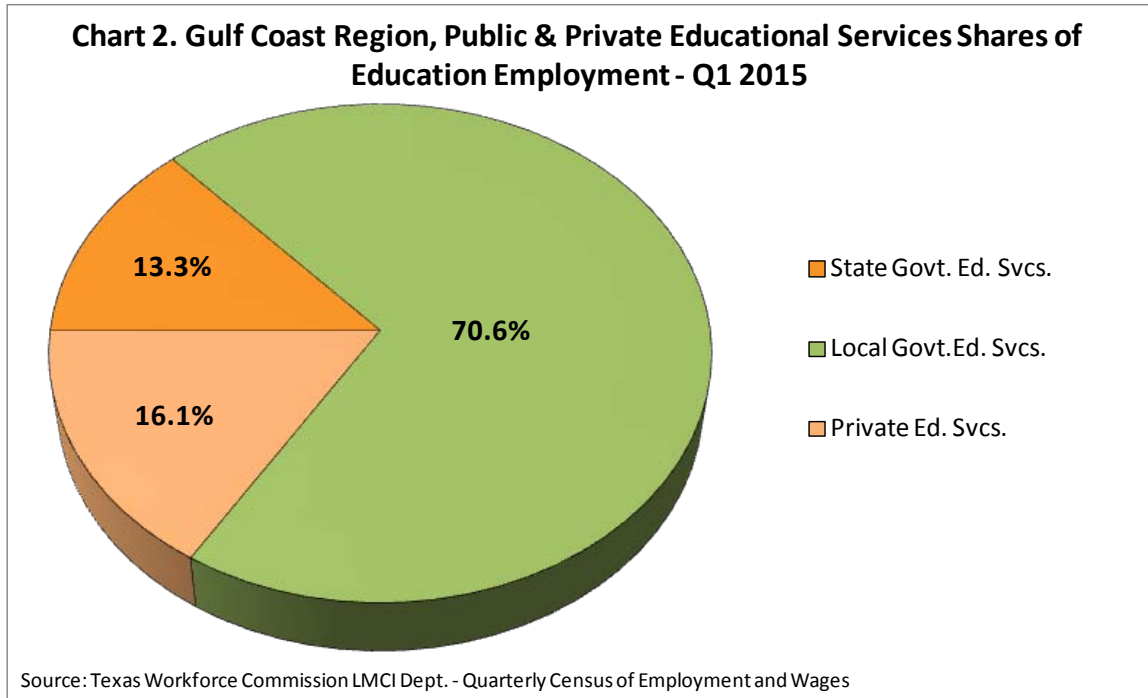


Major Types of Educational Services

Educational services can be divided into three major types based on government level of affiliation or private ownership of the entities providing services:

- **Local government educational services**
- **State government educational services**
- **Private educational services**

Of these, **local government educational services** is the largest at 70.6% of education-related employment as of Q1 2015. Within this subset of education, 92% of jobs are found in primary and secondary public schools with the remainder found in junior colleges. All of the 38,713 jobs in **state government educational services** are located within public colleges and universities. Employment in **private educational services** is spread across all levels of education from primary and secondary schools to colleges and universities to educational support services. Of the total 44,162 jobs in private education, the largest concentrations of employment are found in colleges and universities (16,605) and primary and secondary schools (13,341). (See Chart 2.)



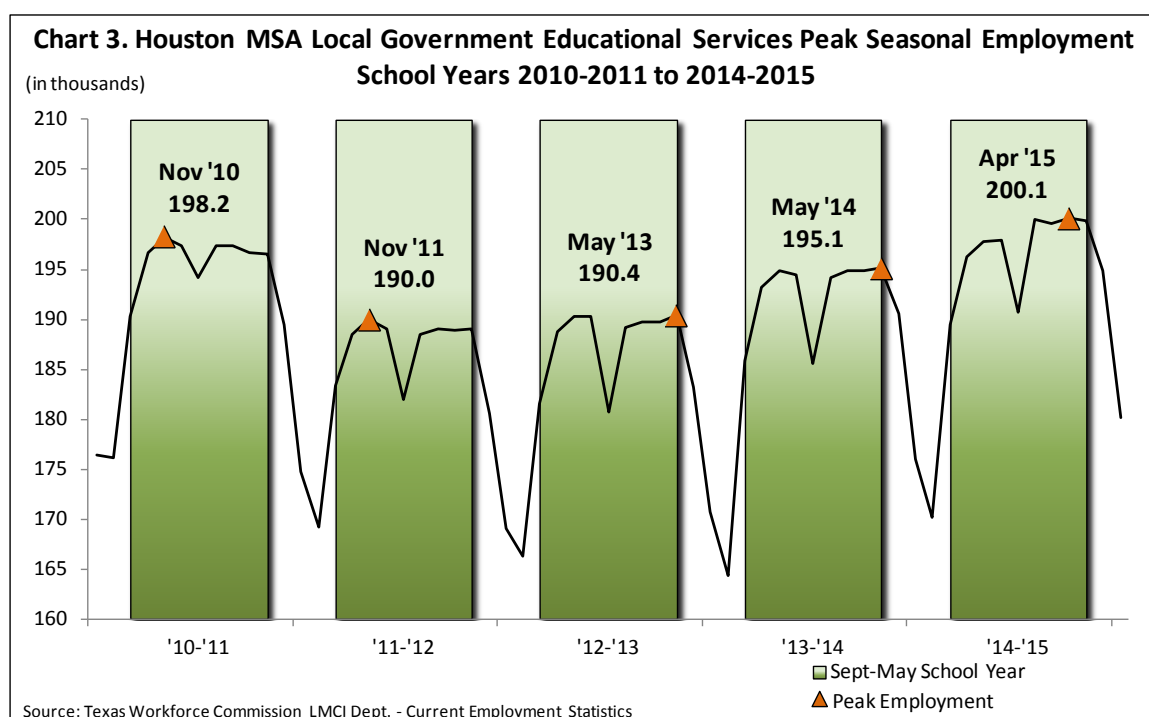
The Seasonal Nature of Education Jobs

Educational services is one of handful of unique industries that displays a highly regular seasonal pattern of employment each year. Employment begins to fall in June with the official end of the school year, experiences its steepest declines in July, and reaches its lowest levels in August as any remaining staff fall off of payrolls.¹ Fortunately, the majority of these losses are largely temporary. In the following month of September, the bulk of employment is regained coinciding with the start of the new school year. Job numbers increase throughout October and historically have peaked in November although mid to late spring has become the norm in recent years. Therefore, in order to identify long-term changes in education employment, the following section analyzes the industry based on peak job levels for individual school years.

¹ Prior to 2008, declines in educational services employment were limited to June and July only. Since that time Texas public schools are prohibited from opening before the fourth Monday in August. As a result, seasonal job losses now extend into the month of August.

Recent Trends in Local Government Educational Services Employment

As mentioned, local government educational services is the largest subset of education-related employment and includes teachers, administrators, and support staff. In 2011 Texas lawmakers cut education spending by roughly \$5.4 billion prior to the start of the 2011-2012 school year. The impact of these budget cuts was immediately felt at the local level as evidenced by an 8,200-job decline from November of the previous school year. This was followed in 2012-2013 by small rebound of 400 jobs over the previous year's peak. In May 2013 the Texas Legislature restored \$3.4 billion in education spending over the upcoming two-year budget cycle. As a result the 2013-2014 and 2014-2015 school years saw payrolls rise by 4,700 and 5,000, respectively. These job gains boosted total local education staffing levels to a new all-time high of 200,100 in April 2015, slightly surpassing the previous high of 198,200 seen back in November 2010.² (See Chart 3.)



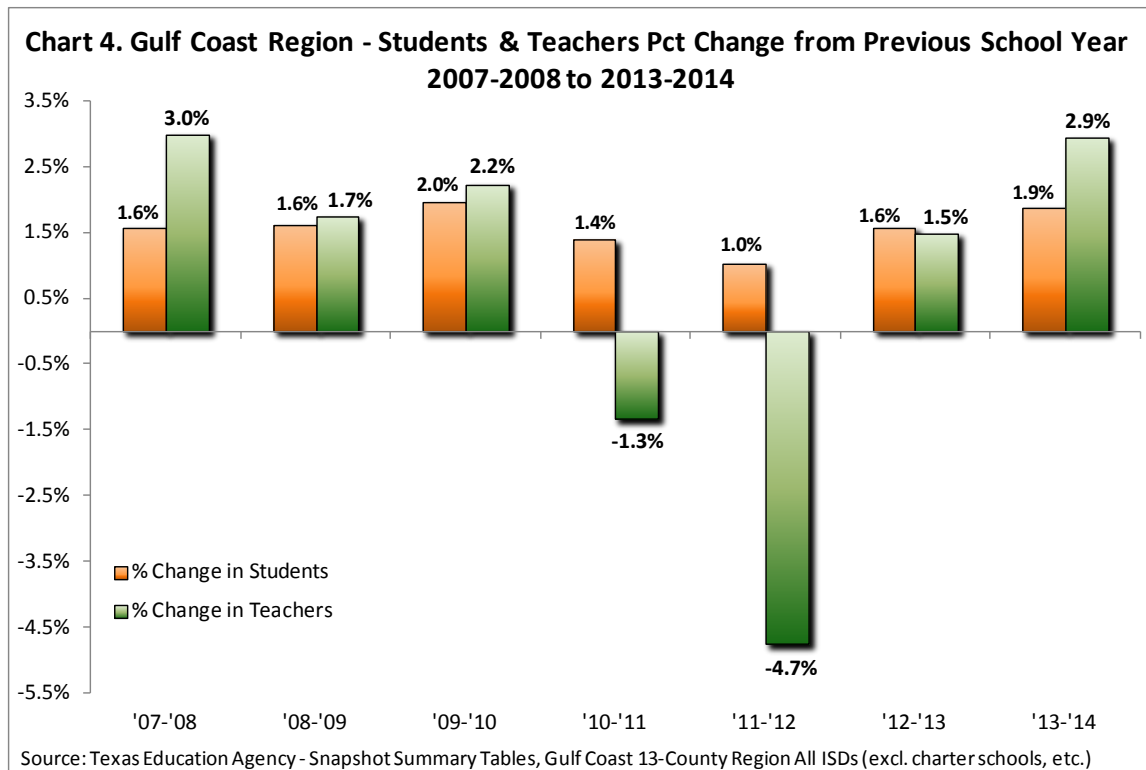
School Year	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Net Change from Previous Peak
2010-2011	190,300	196,600	198,200	197,300	194,200	197,300	197,300	196,700	196,500	-
2011-2012	183,400	188,500	190,000	189,000	182,000	188,500	189,100	188,900	189,100	-8,200
2012-2013	181,600	188,700	190,300	190,300	180,700	189,200	189,800	189,800	190,400	400
2013-2014	185,900	193,200	194,900	194,500	185,600	194,200	194,900	194,900	195,100	4,700
2014-2015	189,500	196,200	197,800	197,900	190,700	200,000	199,600	200,100	199,900	5,000

NOTE: Gray shaded figures indicate peak employment for a given school year.

² Similar patterns of employment were observed among state government as well as private educational services over this same timeframe hence analysis of these industries was omitted in the interest of brevity.

Teacher Shortages Post Recession & Budget Cuts

The period from 2007 to present is significant in that it includes the Great Recession, which impacted the Gulf Coast later than the U.S., and its after-effects on local education, particularly with regard to teachers. Over the 2007-2008 to 2013-2014 school years, the number of teachers in the Gulf Coast region rose by 1,558, or 2.1%. At the same time the student population increased by 109,278 for a faster rate of growth of 9.8%. Throughout this seven-year period students saw uninterrupted growth year-over-year and have likely never experienced declines. In contrast, teachers in the Gulf Coast experienced their first-ever recorded job losses in 2010-2011 followed by a more dramatic loss in 2011-2012 for cumulative decline of 4,565 jobs, or 6%. Despite a partially restored budget in 2013, increased hiring, and pay raises for existing teachers, back-to-back years of job losses were largely responsible for a shortfall in the number of teachers needed to keep pace with student population growth. In fact, an additional 5,614 teachers on top of the 3,192 hired over the 2012-2013 and 2013-2014 school years would have been needed in order for the seven-year growth rate of teachers to match that of students. (See Chart 4.)

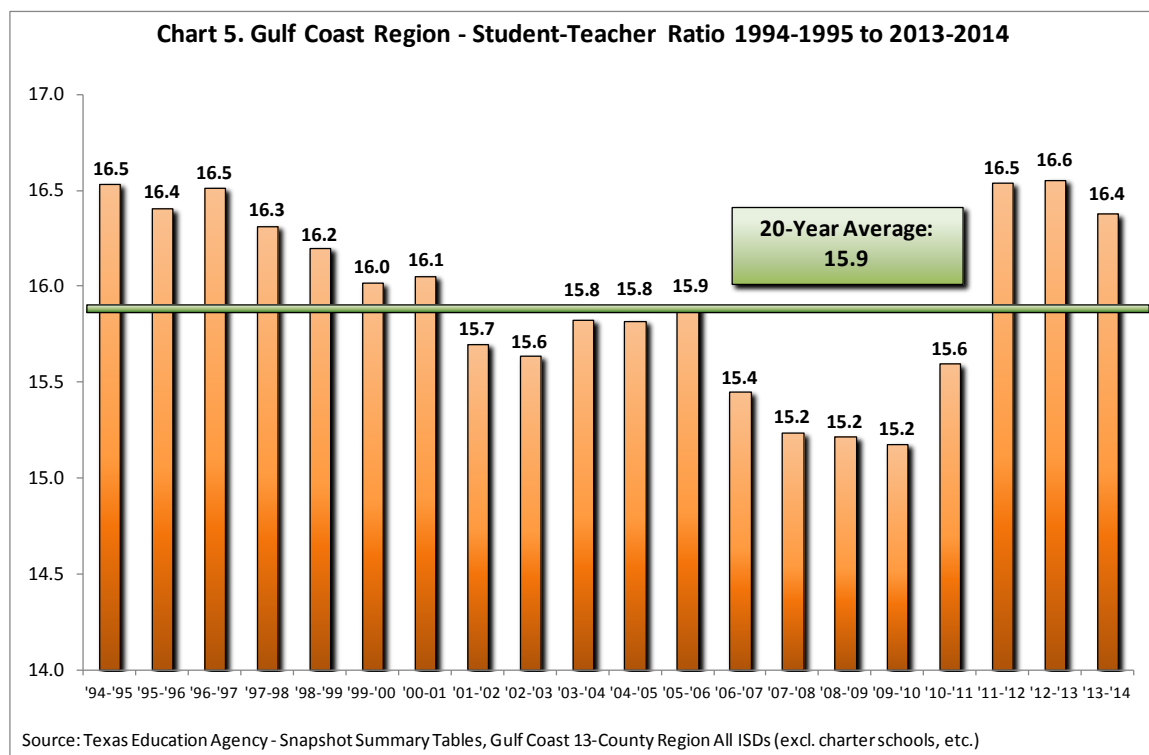


School Year	Total Students	Total Teacher FTEs	Y-O-Y Net Change in Students	Y-O-Y Net Change in Teacher FTEs	Y-O-Y Pct Change in Students	Y-O-Y Pct Change in Teacher FTEs
2007-2008	1,114,507	73,145	17,192	2,120	1.6%	3.0%
2008-2009	1,132,584	74,423	18,077	1,278	1.6%	1.7%
2009-2010	1,154,788	76,076	22,204	1,653	2.0%	2.2%
2010-2011	1,170,930	75,067	16,142	-1,009	1.4%	-1.3%
2011-2012	1,182,900	71,511	11,970	-3,556	1.0%	-4.7%
2012-2013	1,201,343	72,569	18,443	1,057	1.6%	1.5%
2013-2014	1,223,785	74,703	22,442	2,134	1.9%	2.9%

Student-Teacher Ratios: A Historical Perspective

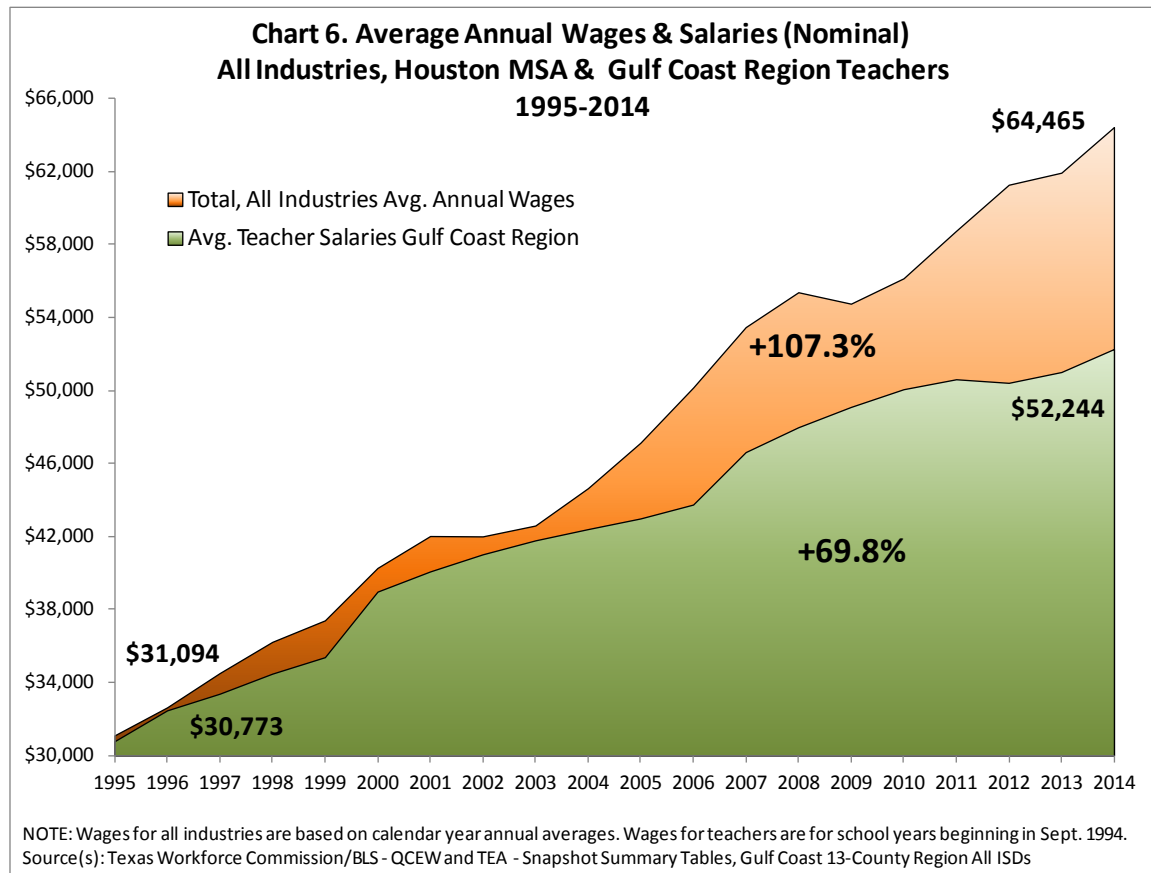
A natural consequence of fewer teachers serving a growing number of students is a rising student-to-teacher ratio. Over the past two decades, this ratio declined across the Gulf Coast region reaching a 20-year low of approximately 15.2 students per teacher during the three school years between 2007 and 2010. In the wake of layoffs related to budget cuts in 2011, the ratio rose dramatically reaching an all-time high of 16.6 in 2012-2013. In the following year the student-teacher ratio fell slightly to 16.4 yet this remained above the 20-year average of 15.9 students for every teacher.

While in reality the exact magnitude of any teacher shortages may have been more or less pronounced among certain grades, schools, districts, etc., on average an additional 2,110 teachers would have needed for the 2013-2014 school year in order lower the student-teacher ratio from 16.4 down to the 20-year average. Currently, data for the 2014-2015 school year are not yet available however recent reports of aggressive hiring initiatives suggest that the ratio will continue to fall. Nonetheless multiple years of intensive recruitment efforts may be required in order to lower the ratio back to the historical average. (See Chart 5.)



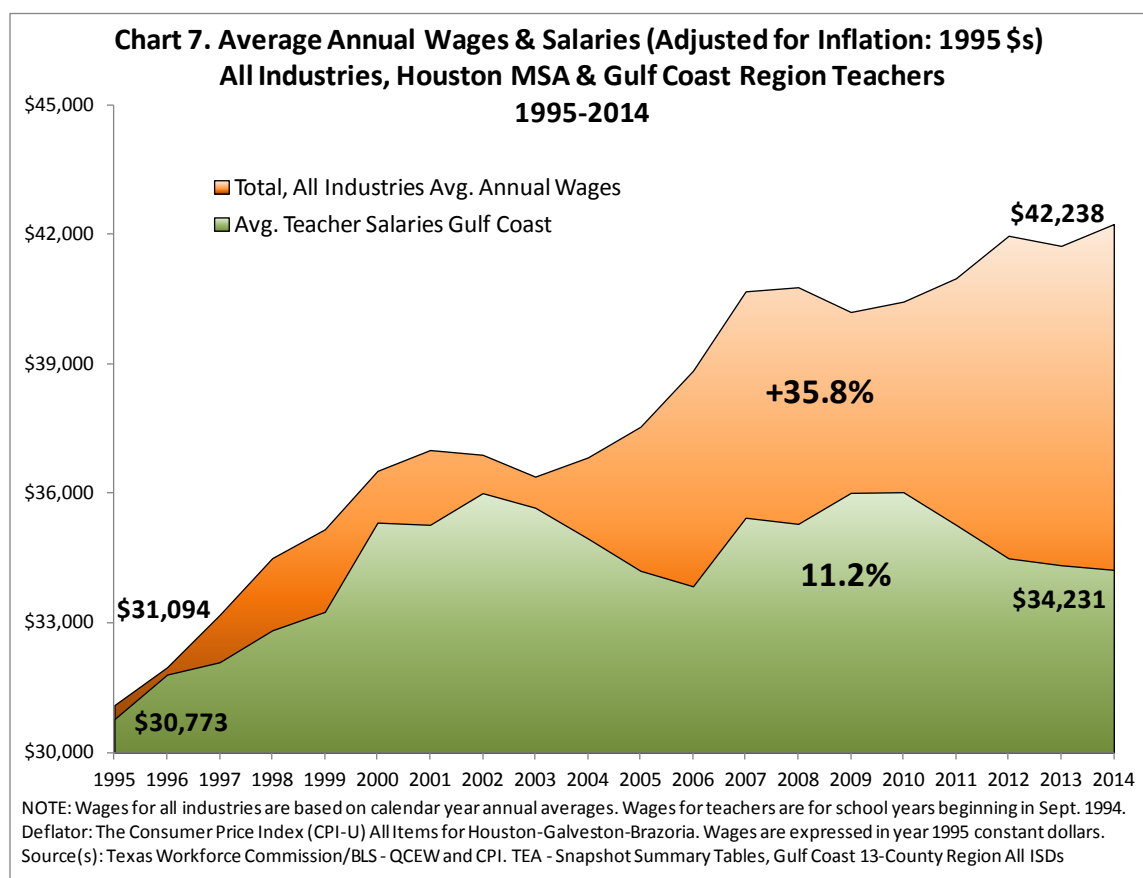
The Wage Gap

Teachers' wages in the Gulf Coast have historically fallen below the average for all industries in the area. In 1995, the wage differential between these groups was a mere \$321. By 2014 the gap had widened to \$12,221. This was the result of average wages across all industries rising substantially faster at 107.3%, more than doubling over two decades compared to teachers who saw an increase of only 69.8% over this same timeframe. (See Chart 6.)



Wages and Inflation

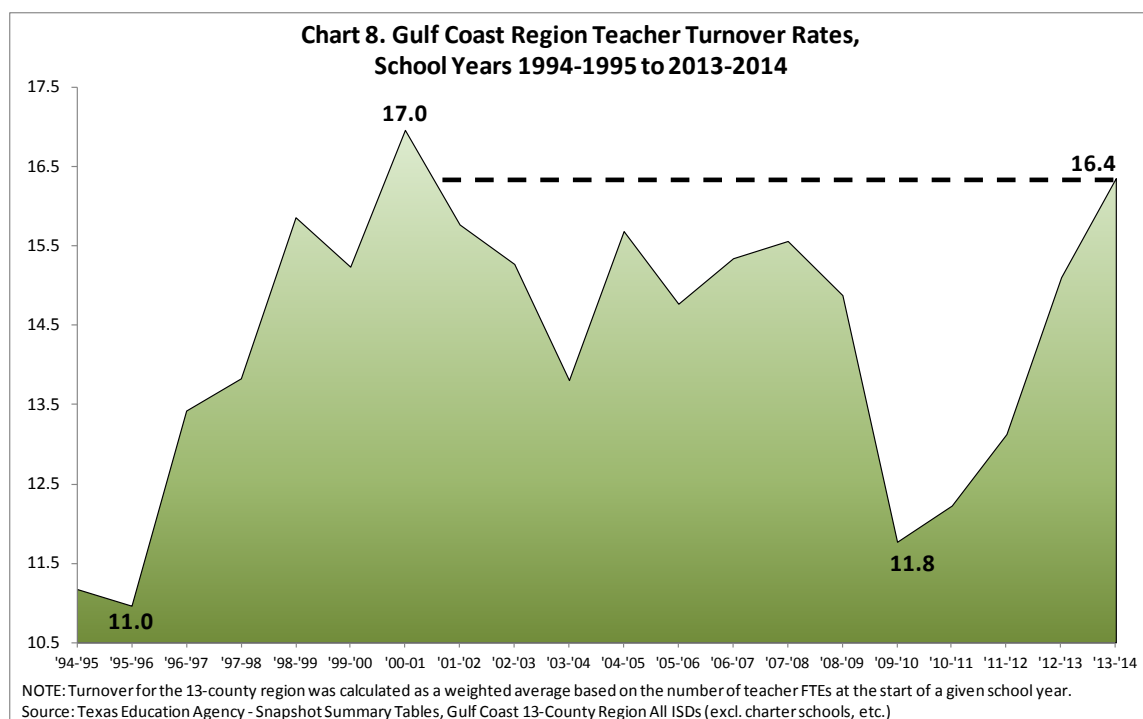
One consequence of relatively faster and slower rates of wage growth was a notable difference in gains of purchasing power over the 20-year period. After adjusting for inflation, workers across all industries earning an average of \$31,094 in 1995 were earning the equivalent of \$42,238 as of 2014. This translates to a 35.8%-gain in purchasing power. In contrast, teachers earning an average \$30,773 in 1995 were earning the equivalent of \$34,231 two decades later for a comparatively smaller real gain of 11.2%. It is worth noting that these long-term wage gains among teachers belie the likelihood that individuals entering the profession during the 2000s in many cases would have been earning less in real terms by 2014. (See Chart 7.)



Turnover and the Impact on Teachers' Years of Experience

Teacher turnover, which can be voluntary or involuntary, is a complex phenomenon influenced by various factors such as burnout, poor working conditions, pressure to raise student test scores, budget-related layoffs, and wages that fail to keep up with the cost of living. An increase in turnover is of concern as it can adversely impact the pipeline of future talent and lead to an inconsistent quality of instruction from one school year to the next. After a steep increase in the mid-1990s, teacher turnover oscillated between 13.8% and 17%, the latter rate registering as the 20-year high, until the onset of the Great Recession in late 2007. As the effects of the recession intensified, many teachers opted to remain in their positions given the level of economic uncertainty, and consequently turnover rates plunged reaching the second-lowest level in 20 years at 11.8% in 2009-2010. Since that school year, turnover has once again surged, hitting 16.4% and reaching levels not seen in almost 15 years. Unlike the modest improvements in staffing and student-teacher ratios related to a partially restored education budget, teacher turnover has shown no signs of abating as of the 2013-2014 school year. (See Chart 8.)³

³ Two ISDs were disbanded and absorbed into neighboring ISDs: North Forest ISD into Houston ISD in 2013 and Kendleton ISD into Lamar CISD in 2010. In years immediately prior to the dissolution of these districts, turnover rates rose dramatically. Nonetheless, the impact of their turnover on the overall rate in the 13-county region was negligible as their respective numbers of teacher FTEs comprised 0.5% and 0.01% of all teacher FTEs in the region at the time of dissolution.

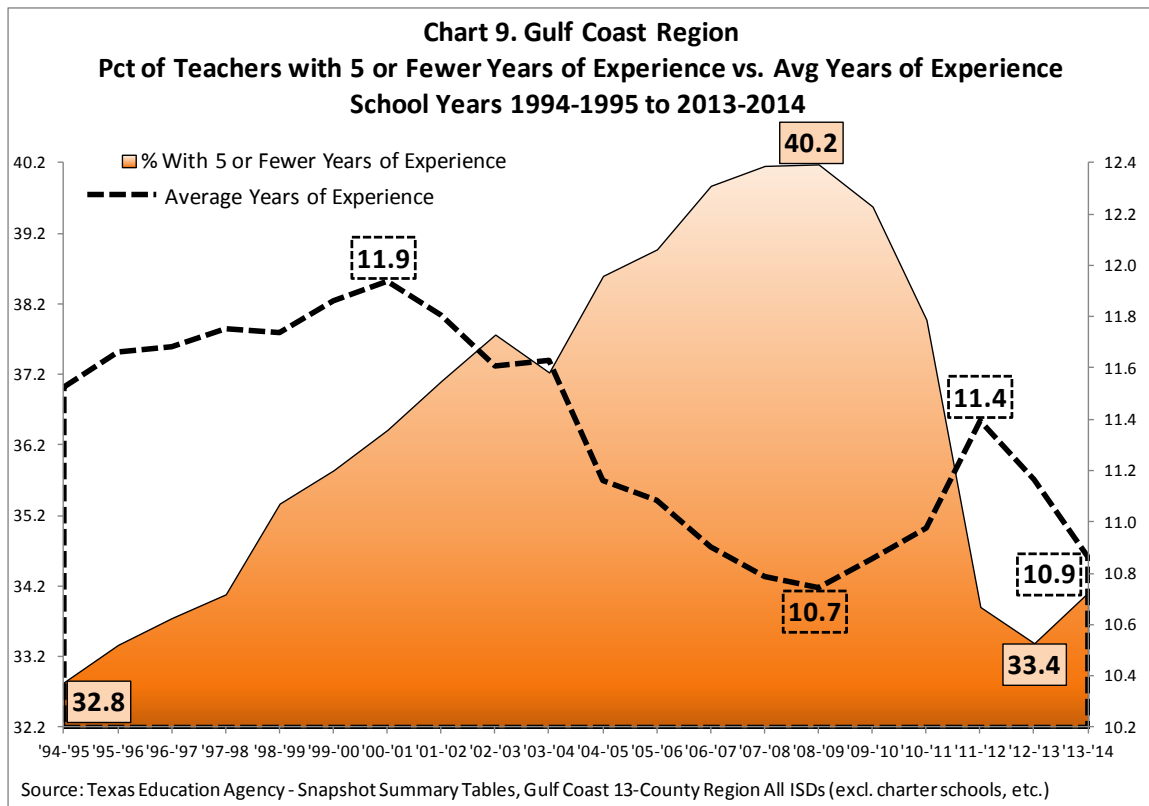


Studies have shown that teachers begin to achieve significant gains in effectiveness as instructors at around the five-year mark.^v Unfortunately, 40% to 50% of new teachers also leave the profession within the first five years.^{vi} For this reason there has been a growing emphasis not only on recruitment of new teachers, but also reducing turnover and increasing retention, particularly during the early stages of teachers' careers. For most of the past 20 years, the proportion of teachers with five or fewer years of experience in the Houston area rose steadily from a low of 32.8% in 1994-1995 to an a high of 40.2% in 2008-2009. On one hand this resulted in an overall teacher workforce with relatively less experience, which was also reflected in the declining average years of experience reaching an all-time low of 10.7. In other words, there was an inverse relationship between the share of new teachers and the average years of experience across all teachers. At the same time this indicated that new teachers were entering the field in growing numbers, potentially creating a pipeline of future talent for years to come.

The following school year a precipitous drop in teachers with five or fewer years of experience began, culminating in the second-lowest share of new teachers in 20 years with 33.4% in 2012-2013. This suggests that new teachers left the profession in significant numbers over a relatively brief period. In fact, it took 15 years for the proportion of new teachers to rise 7.3 percentage points and only 5 years to undo the vast majority of those gains. Despite a slight recovery in 2013-2014, the share of teachers with five or fewer years of experience remained well-below the levels seen just a few years earlier.

A brief by-product of the surge in attrition of new teachers was a temporary spike in the average years of experience to 11.4 during the 2011-2012 school year. Note that the magnitude of this spike was relatively weak compared to the levels observed just over a decade earlier, and despite a far steeper decline in teachers with five or fewer years of

experience. Interestingly, a new phenomenon has emerged in recent years wherein the proportion of new teachers *and* the average years of experience hover near all-time lows. This suggests that a) the inverse relationship between the share of new teachers and average experience observed throughout much of the past 20 years is now in question and b) new teachers have failed to return in significant numbers even after increased education budgets and intensive hiring initiatives. At the same time the most highly tenured educators have also begun leaving the field due to retirement, career changes, or other reasons. This leaves teachers that are relatively more experienced on average (i.e. more than five years) but are not yet eligible for retirement as a fast-growing contingent within the educator workforce. Consequently, a failure to attract and retain sufficient numbers of new teachers in the short to medium-term may result in acute shortages in the future. (See Chart 9.)



Projected Growth in the Educational Services Industry

The demand for qualified educators in the Gulf Coast will remain strong into the foreseeable future as our young population continues to grow and more individuals recognize the importance of postsecondary education.

As of 2012, there were 277,420 jobs in educational services (public and private) according to estimates produced by the Texas Workforce Commission. (See Table 1. and Chart 10.) This sector is projected to add 70,260 jobs between 2012 and 2022 for an above average growth rate of 25.3%.

Elementary & Secondary Schools, Public & Private are expected to increase payrolls by 51,550 from 2012 to 2022 and will account for the largest number of jobs in education representing two-thirds of total educational services employment by 2022. This industry is projected to grow 28.3% over the decade for the third-highest growth rate of any education-related industry.

Colleges and Universities, Public & Private are expected to increase payrolls by from 62,340 in 2012 to 74,480 in 2022. This industry is the second-largest within educational services and is projected to account for one out every five education-related jobs in the region throughout the decade despite a slower-than-average growth rate of 19.5%.

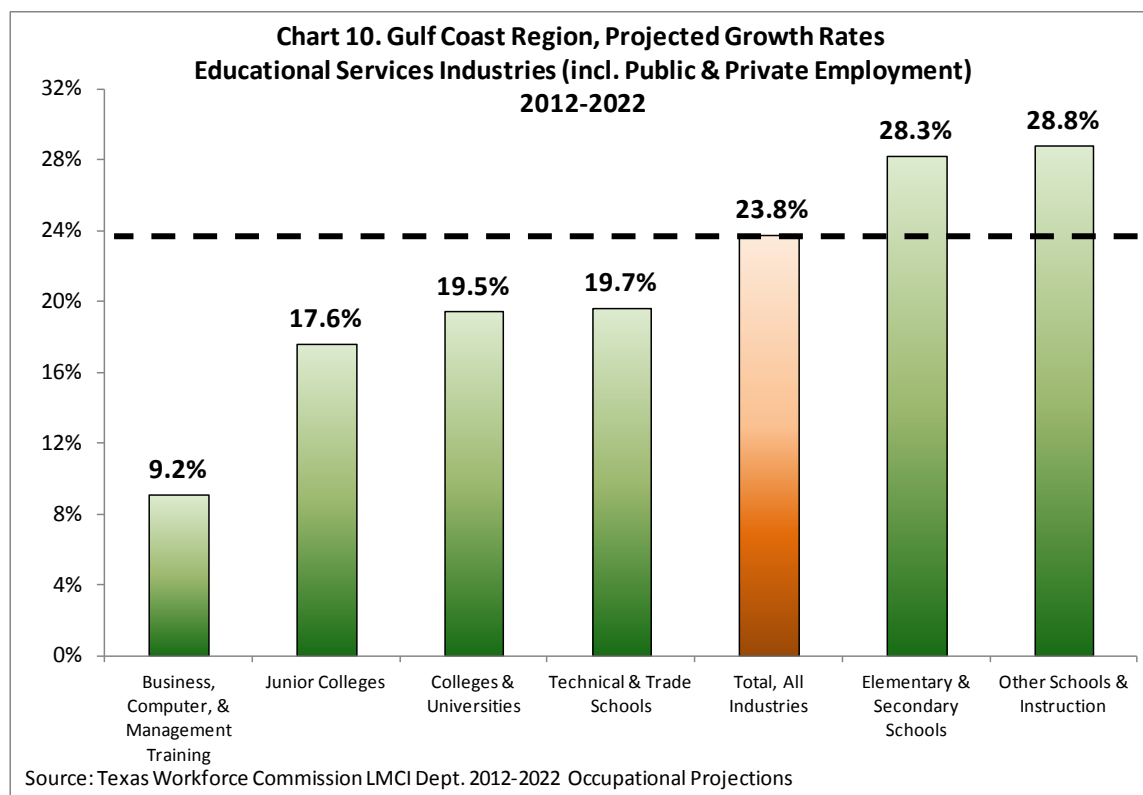
Junior Colleges, Public & Private are expected to add 3,520 jobs between 2012 and 2022 and will account for about 7% of total education employment throughout the decade. Similar to colleges and universities, this education industry is projected to grow slower than average at 17.6%.

All other educational services industries (public and private) combined, are projected to grow from 12,670 to 15,710 jobs between 2012 and 2022. Within this group, **Educational Support Services, Public & Private** are projected to have the fastest growth rate of any education-related industry at 29.5% however this industry also has some the lowest employment levels making up only 0.5% of education employment throughout the decade.

Table 1. Gulf Coast Region Educational Services Industries Projections 2012-2022

Industry Code	Industry Title	Annual Average Employment 2012	Annual Average Employment 2022	Net Change	Percent Change
61	Educational Services, Public & Private	277,420	347,680	70,260	25.3%
611	Educational Services	277,420	347,680	70,260	25.3%
6111	<i>Elementary & Secondary Schools, Public & Private</i>	182,450	234,000	51,550	28.3%
6112	<i>Junior Colleges, Public & Private</i>	19,970	23,490	3,520	17.6%
6113	<i>Colleges & Universities, Public & Private</i>	62,340	74,480	12,140	19.5%
6114	<i>Business, Computer, & Management Training, Public & Private</i>	1,420	1,550	130	9.2%
6115	<i>Technical & Trade Schools, Public & Private</i>	3,710	4,440	730	19.7%
6116	<i>Other Schools & Instruction, Public & Private</i>	6,250	8,050	1,800	28.8%

Source: Texas Workforce Commission LMCI Dept.



Projected Growth in Primary & Secondary School Teacher & School Counselor Occupations

As of 2012, there were 90,900 **Preschool, Primary, Secondary, & Special Education Teachers** in the Gulf Coast region according to estimates produced by the Texas Workforce Commission. (See Table 2. and Chart 11.) Collectively these occupations are projected to add 28,270 jobs between 2012 and 2022 for an above average growth rate of 31.6%.

Elementary School Teachers Ex. Special Education are the largest subset of Preschool, Primary, Secondary, & Special Education Teachers, comprising 36.3% of employment. This detailed occupation is expected to grow by 11,650 jobs between 2012 and 2022 for the second-highest growth rate among this group of occupations at 35.3%.

Secondary School Teachers, Ex. Special & Career/Technical Education are the second-largest subset of Preschool, Primary, Secondary, & Special Education Teachers accounting for one in four jobs in this group. Secondary School Teachers are expected to add 6,240 jobs over the 10-year projection period for an above average growth rate of 27%.

Middle School Teachers, Ex. Special & Career/Technical Education are the third-largest occupation with 16,470 jobs or 18.1% of total employment among Preschool, Primary, Secondary, & Special Education Teachers. Middle School Teachers had the highest projected growth of 35.4% between 2012 and 2022.

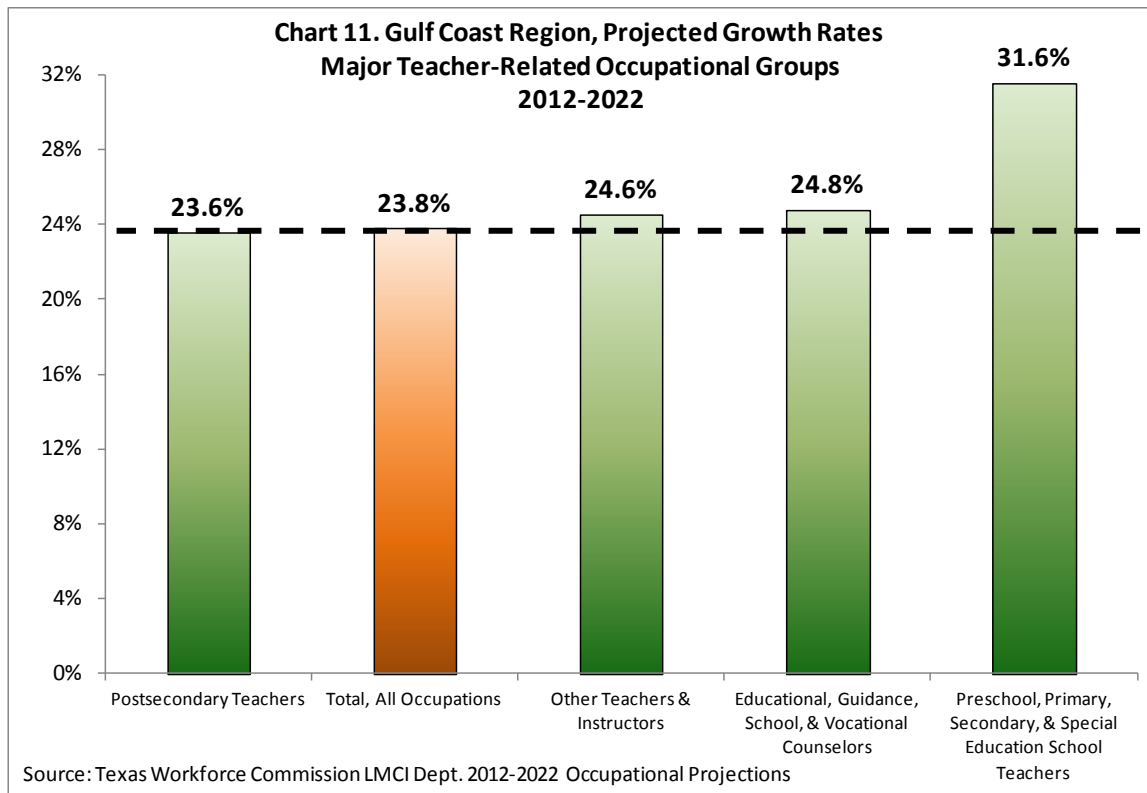
In 2012, there were 5,200 Educational, Guidance, School, & Vocational Counselors in the Gulf Coast region. This detailed occupation is expected to add a total of 1,290 jobs by 2022 for a slightly above average growth rate of 24.8%.

Table 2. Gulf Coast Region Preschool, Primary, Secondary, Special Education, Other Teachers & Counselors Occupations

Occupation Code	Industry Title	Annual Average Employment 2012	Annual Average Employment 2022	Net Change	Percent Change	Total Job Openings	Mean Annual Wage 2014
25-2000	<i>Preschool, Primary, Secondary, & Special Education School Teachers</i>	90,900	119,620	28,720	31.6%	5,025	-
25-2021	Elementary School Teachers, Ex. Special Education	33,010	44,660	11,650	35.3%	1,890	\$52,681
25-2031	Secondary School Teachers, Ex. Special & Career/Technical Education	23,110	29,350	6,240	27.0%	1,255	\$53,865
25-2022	Middle School Teachers, Ex. Special & Career/Technical Education	16,470	22,300	5,830	35.4%	945	\$52,669
25-2011	Preschool Teachers, Ex. Special Education	6,040	7,500	1,460	24.2%	315	\$34,287
25-2012	Kindergarten Teachers, Ex. Special Education	3,260	4,400	1,140	35.0%	205	\$49,470
25-2052	Special Education Teachers, Kindergarten & Elementary School	2,800	3,550	750	26.8%	125	\$52,932
25-2032	Career/Technical Education Teachers, Secondary School	2,300	2,920	620	27.0%	125	\$55,992
25-2054	Special Education Teachers, Secondary School	1,920	2,420	500	26.0%	85	\$52,995
25-2053	Special Education Teachers, Middle School	1,290	1,630	340	26.4%	55	\$51,416
25-2023	Career/Technical Education Teachers, Middle School	340	440	100	29.4%	20	\$52,565
25-2051	Special Education Teachers, Preschool	230	300	70	30.4%	10	\$51,823
25-2059	Special Education Teachers, All Other	140	170	30	21.4%	5	\$52,062
25-3000	<i>Other Teachers & Instructors</i>	21,520	26,810	5,290	24.6%	895	-
25-9041	Teacher Assistants	18,250	23,080	4,830	26.5%	900	\$20,951
25-3098	Substitute Teachers	12,710	16,010	3,300	26.0%	545	\$22,974
25-3021	Self-Enrichment Education Teachers	3,630	4,560	930	25.6%	155	\$42,035
25-3099	Teachers & Instructors, All Other	3,210	3,930	720	22.4%	125	-
25-3011	Adult Basic & Secondary Education & Literacy Teachers & Instructors	1,960	2,320	360	18.4%	70	\$53,562
21-1012	<i>Educational, Guidance, School, & Vocational Counselors</i>	5,200	6,490	1,290	24.8%	240	\$56,911

Source: Texas Workforce Commission LMCI Dept.

Educational, Guidance, School, & Vocational Counselors are currently on the Gulf Coast Workforce Board's list of targeted high-skill high-growth occupations. Occupations under **Other Teachers & Instructors** are excluded.



Projected Growth in Postsecondary Teacher Occupations

As of 2012, there were 30,750 **Postsecondary Teachers** in the Gulf Coast region according to estimates produced by the Texas Workforce Commission. (See Table 3. and Chart 11.) Collectively these occupations are projected to add 7,250 jobs between 2012 and 2022 for a slightly below average growth rate of 23.6%.

Health Specialties Teachers are the largest subset of Postsecondary Teachers comprising 16.6% of employment in this occupational group. Over the 10-year projection period Health Specialties Teachers are expected to add 2,100 jobs for a growth rate that is 75% higher than the average of all occupations at 23.8%.

Table 3. Gulf Coast Region Postsecondary Teacher Occupations

Occupation Code	Occupation Title	Annual Average Employment 2012	Annual Average Employment 2022	Net Change	Percent Change	Total Job Openings	Mean Annual Wage 2014
25-1000	<i>Postsecondary Teachers</i>	30,750	38,000	7,250	23.6%	1,185	-
25-1071	Health Specialties Teachers	5,090	7,190	2,100	41.3%	285	\$143,874
25-1194	Vocational Education Teachers	3,200	3,820	620	19.4%	110	\$52,255
25-1121	Art, Drama, & Music Teachers	1,470	1,780	310	21.1%	50	\$65,895
25-1011	Business Teachers	1,420	1,720	300	21.1%	50	\$106,985
25-1123	English Language & Literature Teachers	1,250	1,480	230	18.4%	45	\$69,332
25-1022	Mathematical Science Teachers	1,130	1,340	210	18.6%	35	\$77,186
25-1072	Nursing Instructors & Teachers	1,070	1,530	460	43.0%	60	\$76,191
25-1042	Biological Science Teachers	1,040	1,270	230	22.1%	40	\$95,878
25-1081	Education Teachers	1,020	1,230	210	20.6%	35	\$61,117
25-1199	Postsecondary Teachers, All Other	990	1,180	190	19.2%	35	\$61,963
25-1032	Engineering Teachers	940	1,110	170	18.1%	30	\$101,836
25-1066	Psychology Teachers	720	870	150	20.8%	25	\$76,245
25-1122	Communications Teachers	590	710	120	20.3%	20	\$57,095
25-1125	History Teachers	590	700	110	18.6%	20	\$73,376
25-1021	Computer Science Teachers	540	650	110	20.4%	20	\$82,207
25-1124	Foreign Language & Literature Teachers	470	570	100	21.3%	15	\$58,536
25-1193	Recreation & Fitness Studies Teachers	450	530	80	17.8%	15	\$62,836
25-1041	Agricultural Sciences Teachers	440	510	70	15.9%	10	\$71,555
25-1065	Political Science Teachers	440	530	90	20.5%	15	\$73,234
25-1052	Chemistry Teachers	390	470	80	20.5%	15	\$88,378
25-1126	Philosophy & Religion Teachers	340	420	80	23.5%	15	\$77,697
25-1067	Sociology Teachers	290	350	60	20.7%	10	\$76,047
25-1054	Physics Teachers	280	330	50	17.9%	10	\$90,066
25-1069	Social Sciences Teachers, All Other	250	310	60	24.0%	10	\$53,931
25-1111	Criminal Justice & Law Enforcement Teachers	250	300	50	20.0%	10	\$57,206
25-1051	Atmospheric, Earth, Marine, & Space Sciences Teachers	240	290	50	20.8%	10	\$86,189
25-1063	Economics Teachers	240	280	40	16.7%	10	\$108,258
25-1031	Architecture Teachers	210	260	50	23.8%	10	\$76,215
25-1112	Law Teachers	200	250	50	25.0%	10	\$102,157
25-1113	Social Work Teachers	190	230	40	21.1%	10	\$67,263
25-1062	Area, Ethnic, & Cultural Studies Teachers	170	210	40	23.5%	10	\$71,321
25-1082	Library Science Teachers	110	130	20	18.2%	0	\$67,688
25-1061	Anthropology & Archeology Teachers	70	90	20	28.6%	0	\$87,453
25-1064	Geography Teachers	70	80	10	14.3%	0	\$54,878
25-1192	Home Economics Teachers	70	80	10	14.3%	0	\$55,596
25-1053	Environmental Science Teachers	40	40	0	0.0%	0	\$59,915
25-1043	Forestry & Conservation Science Teachers	20	20	0	0.0%	0	-

Source: Texas Workforce Commission LMCI Dept.

NOTE: **Postsecondary Teachers** occupations are currently excluded from the Gulf Coast Workforce Board's list of targeted high-skill high-growth occupations.

**Appendix A. Gulf Coast Region Institutions of Higher Education - 2013 Enrollment in
Region per The Texas Higher Education Coordinating Board***

Public Community and Technical Colleges

Name/System	Enrollment as of 2013
Alvin Community College	5,092
Blinn College**	8,925
Brazosport College	4,124
College of the Mainland	4,270
Galveston College	1,866
Houston Community College	51,279
Lee College	5,821
Lone Star College	70,096
San Jacinto College	32,486
Texas State Technical College***	N/A
Wharton County Junior College	7,258
Total	182,292

Four-Year Public Institutions

Name/System	Enrollment as of 2013
Prarie View A&M University	4,719
Sam Houston State University	11,888
Texas A&M University at Galveston	1,037
Texas Southern University	6,055
University of Houston-Clear Lake	6,975
University of Houston (main & downtown campuses)	50,413
Total	74,112

Independent Institutions

Name/System	Enrollment as of 2013
Houston Baptist University	2,469
Rice University	2,129
South Texas College of Law	857
Texas Chiropractic College	104
University of St. Thomas	2,991
Total	8,550

Source: The Texas Higher Education Coordinating Board Regional Data - 2014 (fall 2013 enrollment)

*Totals for each category of institution are based on enrollments in the Gulf Coast by students from the region and include satellite locations and campuses.

**Blinn College provides services to students in Austin County however its enrollment totals were not included in the overall total as the majority of its students fall within the Central Texas rather than Gulf Coast region.

*** THECB reported no enrollment data for Texas State Technical College in the Gulf Coast as of 2013.

Definitions and Notes

The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.

The Current Employment Statistics (CES) program of the Bureau of Labor Statistics produces nonfarm industry employment estimates for the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (MSA) based on a monthly employer's survey. While the data is more current, the level of detail is insufficient to perform an in-depth analysis of the educational services sector. (See Chart 3.)

Payroll data acquired from the Texas Workforce Commission enables a more detailed view of employment for the region. Historical data in this report was compiled from quarterly employment reports submitted by employers subject to the Texas Unemployment Compensation Act. (See Charts 1. and 2.)

The Texas Education Agency "Snapshot" summary tables provide general information about the characteristics of public schools in Texas. See bullet points below for item definitions and concepts.

- **TOTAL NUMBER OF SCHOOLS:** A count of schools in a district that have a unique state-assigned nine-digit identifier and had students enrolled as of October of a given school year.
- **TOTAL STUDENTS:** The number of students in membership as of October of a given school year, at any grade, from early education through grade 12. Membership is defined as the count of students enrolled with an average daily attendance status code that is not equal to zero. Students with a status code of zero, meaning they are enrolled but not in membership, are not included in this item.
- **TOTAL TEACHER FTE:** The FTE count of personnel categorized as teachers, including special duty and permanent substitute teachers. Substitute teachers should not be confused with persons hired on a daily basis to substitute teach.
- **AVERAGE TEACHER SALARY:** The sum of all the salaries of teachers divided by the total FTE count of teachers. The salary amount is pay for regular duties only; supplemental payments for activities such as coaching, band and orchestra assignments, and club sponsorships are excluded.
- **NUMBER OF STUDENTS PER TEACHER (STUDENT-TEACHER RATIO):** The total number of students divided by the total teacher FTE count.

- **TEACHER % WITH 5 OR FEWER YEARS OF EXPERIENCE:** The FTE count of teachers with zero through five years of total professional experience expressed as a percent of the total teacher FTE count. Total years of professional experience include experience earned in another Texas school district or in another state.
- **TEACHER AVERAGE YEARS OF EXPERIENCE:** A weighted average obtained by multiplying each teacher's FTE count by his or her years of experience, summing for all weighted counts, and then dividing by total teacher FTEs. Adjustments are made so that teachers with zero years of experience are appropriately weighted in the formula.
- **TEACHER TURNOVER RATE:** The FTE count of teachers not employed in the district in the fall of a given school year, who were employed in the district in the fall of the previous school year, divided by the teacher FTE count for the fall of the previous school year. Social security numbers of reported teachers are checked to verify their employment status in the same district in the fall of the given school year.

Projection Limitations

Industry and occupation projections are funded by the Employment and Training Administration, U.S. Department of Labor and updated every two years. The methodology involves four primary steps:

- Identify industry historical trends
- Develop industry employment projections
- Develop occupation staffing patterns for each industry
- Develop occupation employment projections

The projections will foretell the general industry and occupational trends and act as an indicator of relative magnitude and probable direction as opposed to an estimate of absolute values. Additional detail on projection methodology and its limitations can be found at: <http://www.tracer2.com/?PAGEID=67&SUBID=114>

ⁱ Source: Texas Education Agency– Includes all independent school districts located in the 13 counties of the Gulf Coast region irrespective of Education Service Center affiliation. Charter schools, academies, and other alternative schools were excluded for the purposes of this report. <http://ritter.tea.state.tx.us/perfreport/snapshot/>

ⁱⁱ Teacher turnover for the 13-county region was calculated using a weighted average based on the number of teacher FTEs at the start of a given school year. This was due to the lack of detailed data on the number of teachers that were not employed within the same district from one school year to the next. See definition of teacher turnover in Definitions and Notes section at end of report.

ⁱⁱⁱ Source: Texas High Education Coordinating Board, 13-county Higher Education Region 6 shares identical geography with the 13-county Gulf Coast Workforce Investment Board region 28. www.txhighereddata.org/reports/performance/regions/

^{iv} “In region” refers to students enrolled in postsecondary education in the same Texas Higher Education Region in which they maintain a permanent address. “Out of region” refers to students enrolled in postsecondary education in a Texas Higher Education Region other than the one in which they maintain a permanent address.

^v Source: New York Times, April 24, 2010 *Last Teacher In, First Out? City Has Another Idea*

^{vi} Source: Education Week, May 16, 2012, Richard M. Ingersoll *Beginning Teacher Induction: What the Data Tell Us*



Occupations Requiring Coding Skills Gulf Coast Region

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Workforce Demands of Occupations Requiring Coding Skills

“Coder” is a broad term used to reference individuals whose primary function is to write the computer code that allows software programs to run. There is a long list of occupations that require the ability to write computer code.

Computer programming projects vary widely and can require as little as a few days or a year. The work is highly detailed and requires very specific knowledge of programming languages depending on the purpose of the program. A coder’s task usually begins after the computer programmer, software developer or engineer completes design specifications for a particular program.

While a computer programmer typically complete tasks of a much larger scale than a coder, they are often the first that comes to mind when referencing coding. In the job market, programmers often are referred to by the language they specialize in or by the type of function they perform or environment in which they work—for example java programmer, COBOL programmer, database programmers, mainframe programmers, or Web programmers.

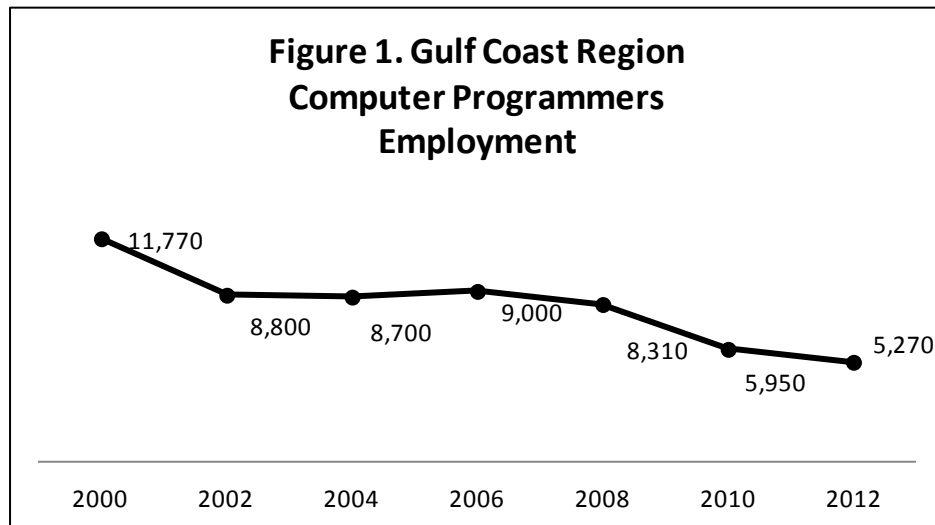
The following pages provide some data related to occupations requiring coding skills including:

- Past and future employment estimates
- Job advertisement data; hiring trends - Wanted Analytics
- Wages
- Education

Past and Future Employment

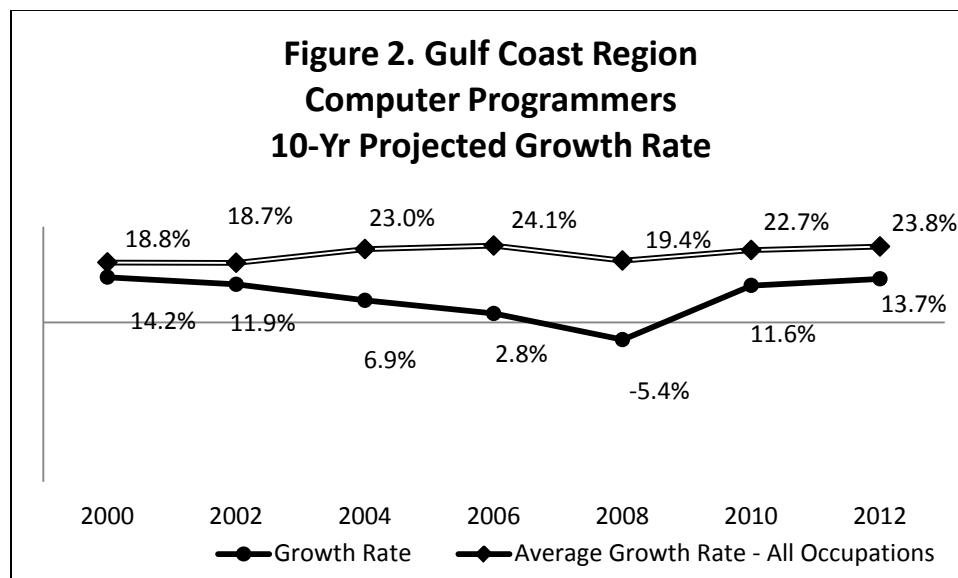
Computer Programmers

The number of computer programmers working in the Gulf Coast Region peaked at the end of the dot-com boom in 2000 at 11,770. As Figure 1 illustrates, by 2012 the number of computer programmers in the region had declined to less than half of what they were in 2000.



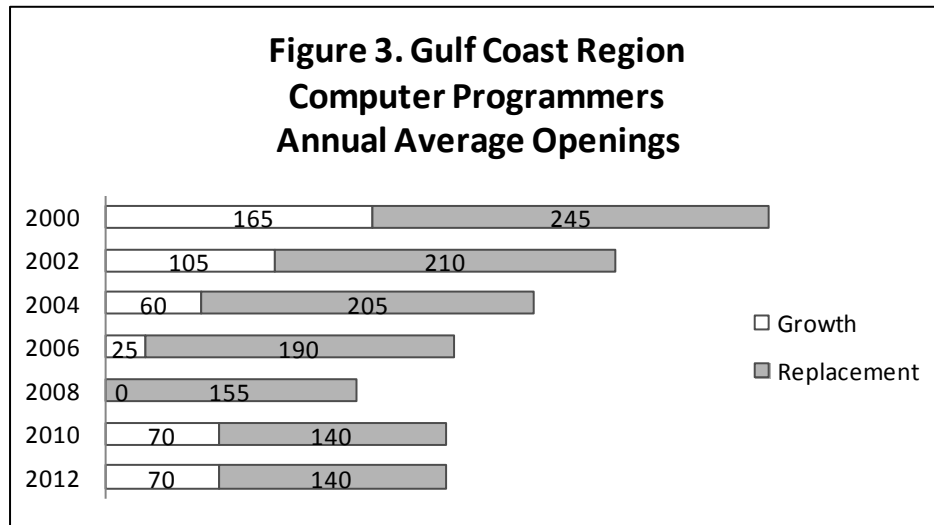
Source: Texas Workforce Commission LMCI Dept.

As Figure 2 illustrates, the projected growth rate for computer programmers, while mostly positive, have been well below the projected growth rate for all occupations across the region.



Source: Texas Workforce Commission LMCI Dept.

Just as in Figures 1 and 2, Figure 3 illustrates a gradual decline in the number of annual average openings for computer programmers in the region. Most of the annual demand has been due to replacement needs.



Source: Texas Workforce Commission LMCI Dept.

A summary of historical estimated projections for computer programmers is provided below. While the ten year projected growth rate bottomed out at -5.4% in 2008 it has increased to 13.7% by 2012. Most projections have been positive since 2000 but the number of computer programmers in the region continues to decline as illustrated in Figure 1.

Gulf Coast Region

10 Year Projections from the Texas Workforce Commission LMCI Dept.

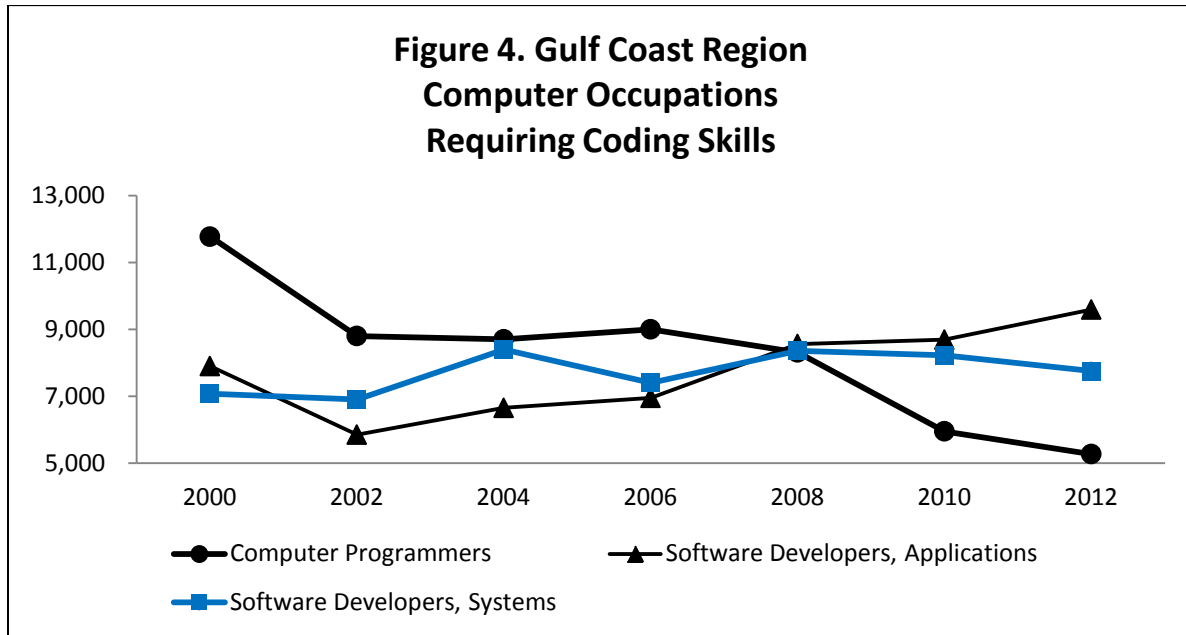
Year	Employment	Projected Employment in 10 Years	Absolute Change	10 Year Growth Rate	10 Year Growth Rate for All Occupations	Annual Average Openings		
						Growth	Replace ment	Total
2000	11,770	13,440	1,670	14.2%	18.8%	165	245	410
2002	8,800	9,850	1,050	11.9%	18.7%	105	210	315
2004	8,700	9,300	600	6.9%	23.0%	60	205	265
2006	9,000	9,250	250	2.8%	24.1%	25	190	215
2008	8,310	7,860	(450)	-5.4%	19.4%	0	155	155
2010	5,950	6,640	690	11.6%	22.7%	70	140	210
2012	5,270	5,990	720	13.7%	23.8%	70	140	210

Reasons for declining demand for computer programmers:

- Consolidation of system and application development
- Automation of programming functions and other advancements allowing users to design, write, and implement functions by other types of information workers
- Offshore outsourcing

Top Occupations Requiring Coding Skills

Figure 4 provides estimated employment for three of the top computer occupations requiring coding skills. While two of the three occupations experienced job growth from 2000 to 2012, applications software developers was the only occupation to add jobs over the last four years of available data.



	2008	2012	Number Change 2008 to 2012	Percent Change 2000 to 2012
Computer Programmers	8,310	5,270	(3,040)	-36.6%
Software Developers, Applications	8,560	9,590	1,030	12.0%
Software Developers, Systems	8,360	7,750	(610)	-7.3%

	2000	2012	Number Change 2000 to 2012	Percent Change 2000 to 2012
Computer Programmers	11,770	5,270	(6,500)	-55.2%
Software Developers, Applications	7,900	9,590	1,690	21.4%
Software Developers, Systems	7,070	7,750	680	9.6%

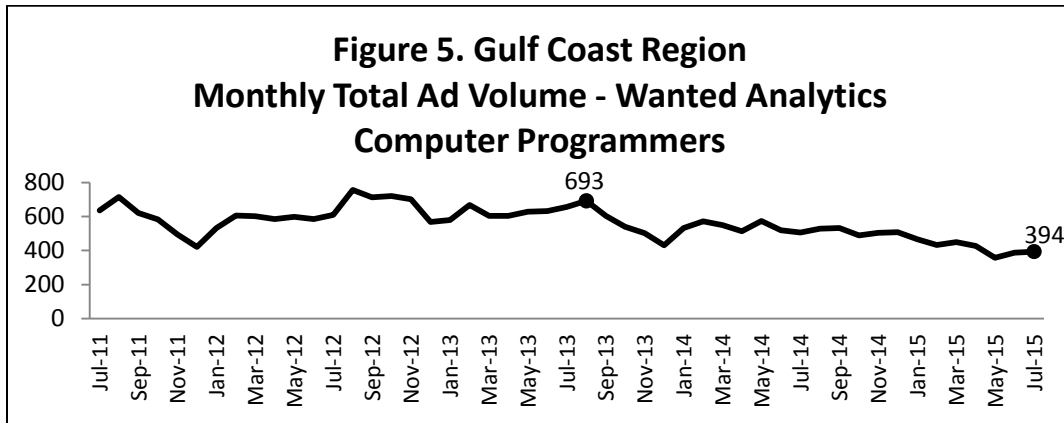
Source: Texas Workforce Commission LMCI Dept.

Web developers are another occupation requiring a substantial amount of coding skills. While historical projection data is not available, current projections estimate job growth to be above average.

	2012	2022	Number Change 2012 to 2022	Percent Change	Annual Average Openings		
					Growth	Replacement	Total
Web Developers	2,500	3,130	630	25.2%	65	40	105
Total All Occupations	2,987,190	3,699,620	712,430	23.8%	71,245	69,790	141,035

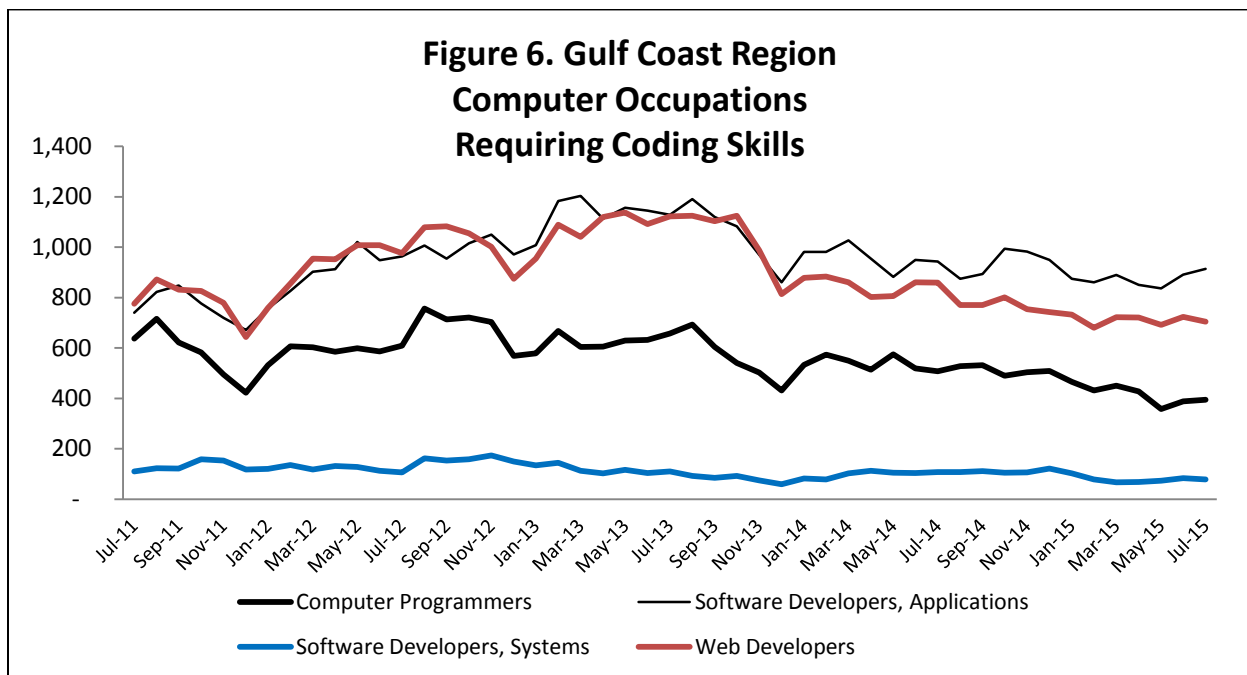
Job Ads

Figure 5 illustrates a slight decline in the monthly total number of ads for computer programmers since 2011 in the region. The most recent peak was in September 2013 with 693 ads which have since fallen to 394 (43.1%) by July 2015.



Source: Wanted Analytics

Figure 6 provides monthly total ad volume for four of the top computer occupations requiring coding skills. Note the gradual decline in ad volume since late 2013.



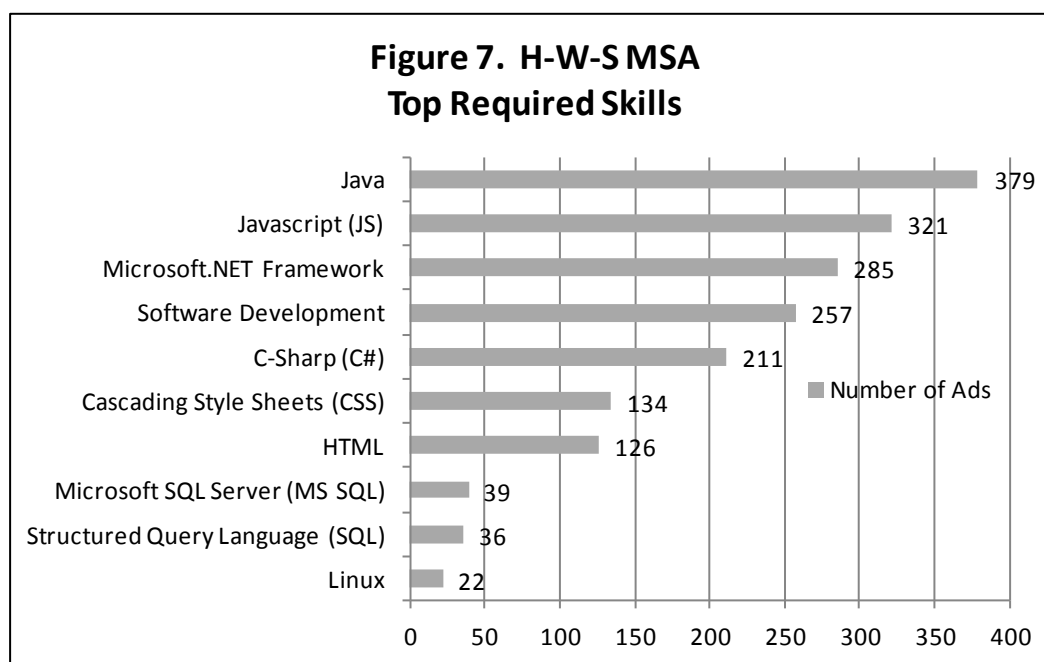
Source: Wanted Analytics

In a semiannual review of total monthly ads for the top computer occupations requiring coding skills we find they peaked in July 2013 at 3,018 and have since declined by 30.7% to 2,091. Computer programmers and web developers have seen the largest decline over the last two years.

Gulf Coast Region
Monthly Total Ad Volume

	Jul-11	Jul-13	Jul-15	Number Change July 2011 to July 2015	Percent Change July 2011 to July 2015	Number Change July 2013 to July 2015	Percent Change July 2013 to July 2015
Computer Programmers	637	657	394	(243)	-38.1%	(263)	-40.0%
Software Developers, Applications	740	1,129	914	174	23.5%	(215)	-19.0%
Software Developers, Systems	110	110	78	(32)	-29.1%	(32)	-29.1%
Web Developers	775	1,122	705	(70)	-9.0%	(417)	-37.2%
Total	2,262	3,018	2,091	(171)	-7.6%	(927)	-30.7%

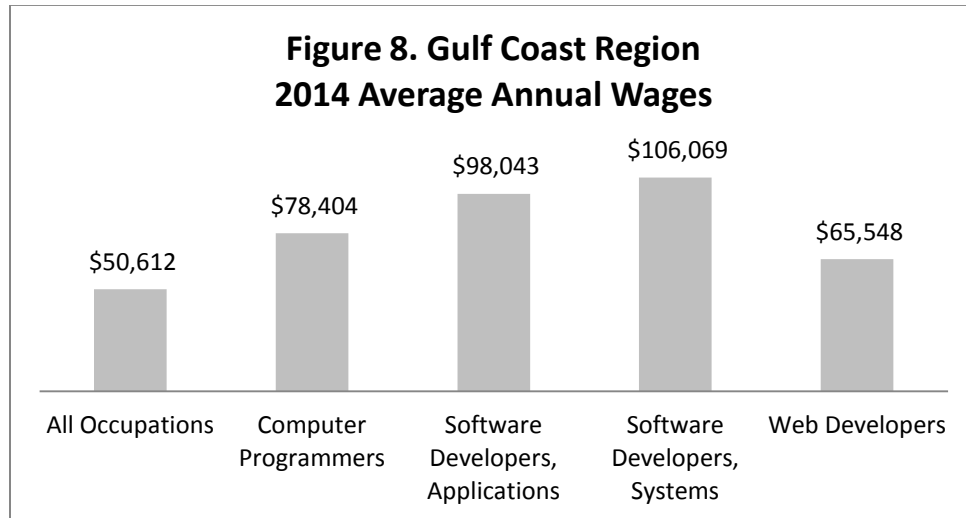
Figure 7 shows the top skills currently desired for computer programmers, software developers (applications and systems), and web developers for the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA). Data extracted from Wanted Analytics September 2, 2015.



Source: Wanted Analytics

Wages

As seen in Figure 8, computer occupations requiring coding skills pay wages well above average..



Source: Texas Workforce Commission LMCI Dept.

The Texas Consumer Resource for Education and Workforce Statistic (TXCREWS) website allows individuals to compare wages related to various degree programs with the wages earned by former graduates in those fields. Data indicates a clear relationship between the level of degree and wages. http://reports.theccb.state.tx.us/approot/theccb_tcr_ews/figure2.htm

Texas Consumers Resource for Education and Workforce Statistics

Year: 2012 , Major: Computer Programming

Statewide Summary for Community, Technical, and State Colleges

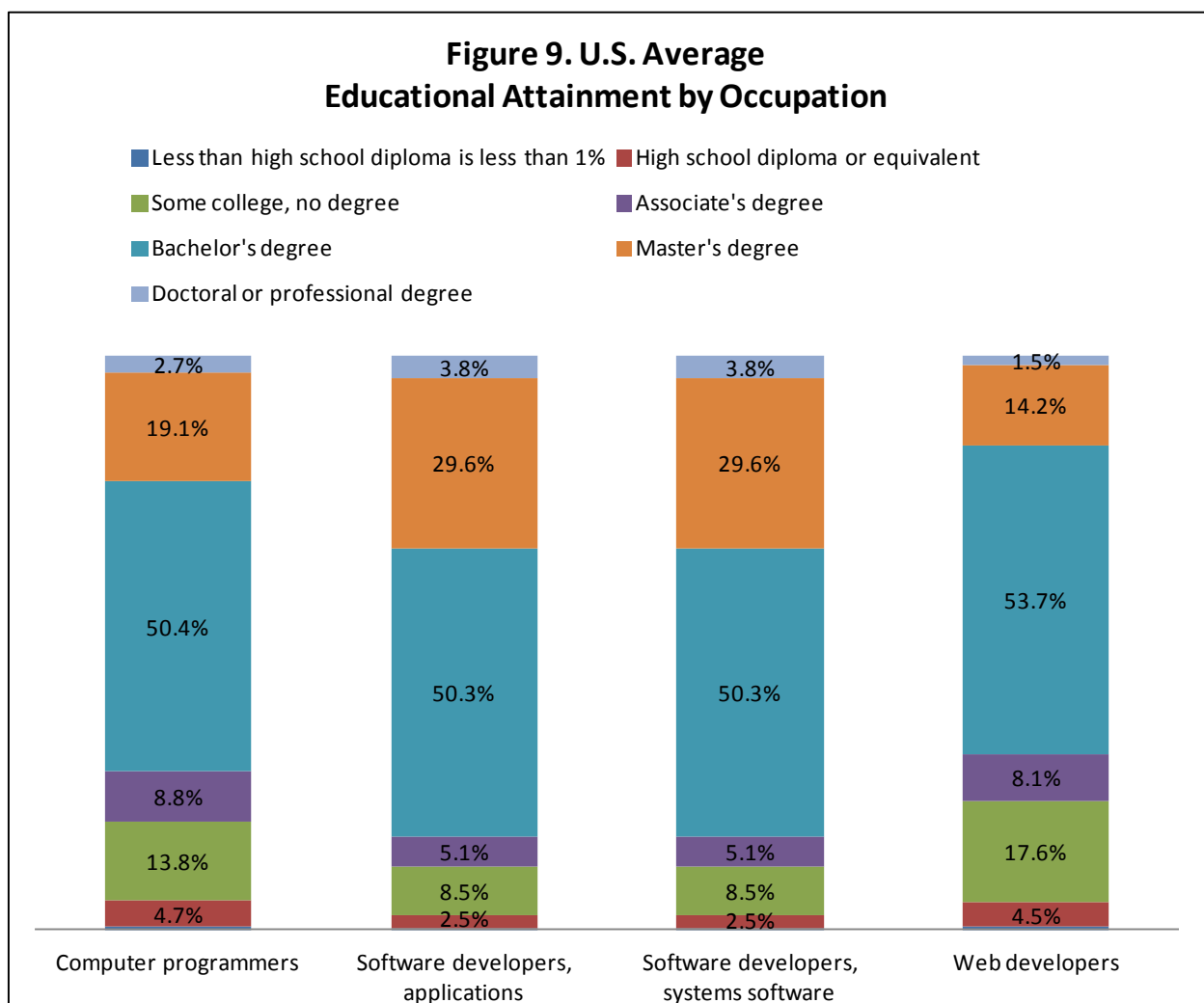
Note: The graduates may or may not work in the field of study.

Institution	# of Grads	Time to Degree (Years)	Avg Loan	Avg Year 1 Wages
Degree Level Total	304	4.32	\$15,707	\$35,056
Degree Level : Certificate	64	3.17	\$12,147	\$25,690
Degree Level: Associate	163	4.89	\$16,641	\$37,792

Education

The most common degrees of choice are computer science, mathematics, or information systems, while others take special courses in computer programming to supplement their field of expertise such as accounting, engineering, or finance for example.

Figure 9 represents average educational attainment by detailed occupations for workers 25 and over across the U.S.. Most workers in the related occupations have a bachelor's degree or higher. Computer programmers and web developers have the highest concentration of workers with an educational attainment level less than a bachelor's degree.



Educational Attainment for workers 25 years and older by detailed occupation, 2010-2011
U.S. Average

	High school diploma or equivalent	Some college, no degree	Associate's degree	Bachelor's degree	Master's degree	Doctoral or professional degree
Computer programmers	4.7%	13.8%	8.8%	50.4%	19.1%	2.7%
Software developers, applications	2.5%	8.5%	5.1%	50.3%	29.6%	3.8%
Software developers, systems software	2.5%	8.5%	5.1%	50.3%	29.6%	3.8%
Web developers	4.5%	17.6%	8.1%	53.7%	14.2%	1.5%

Data Source: 2010 and 2011 American Community Survey Public Use Microdata, U.S. Department of Commerce, U.S. Census Bureau