



**Gulf Coast Workforce Board**

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[www.wrksolutions.com](http://www.wrksolutions.com)

To: Gulf Coast Workforce Board members

From: Mike Temple  
Brenda Williams  
Michelle Castrow  
Deborah Duke

Date: September 26, 2018

Subject: Meeting Materials for Tuesday, October 2, 2018

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Please join us on **Tuesday, October 2, 2018 at 10:00 a.m.** in **H-GAC's second floor conference rooms A/B/C**, 3555 Timmons Lane, Houston, Texas, for the next meeting of the Gulf Coast Workforce Board.

We have a lot of information to consider for October. Chair Guthrie will make his remarks and then we'll hear from committee chairs Joe Garcia, Evelyn Timmins, and Carl Bowles on the Audit/Monitoring, System Visibility, and Strategic Planning committees' recent work. We also have a brief information item out of the Education Committee on results of a state study on dual credit programs.

- We have one action item for your consideration. In June the Board approved adult education provider contracts, including direct contracts for three organizations that in earlier years participated in the consortium as subrecipients to other contractors. Our June action did not include two organizations that have been in the consortium as subrecipients, the Association for Advancement of Mexican Americans and Community Family Centers, and we are recommending the Board authorize direct adult education contracts for both now.
- We'll look at performance, production, and our expenditures – and then have a briefing on our current efforts to help offenders and ex-offenders.
- Our regular and usual report on employment numbers will show a surprising increase from August 2017 to August 2018 of more than 110,000 jobs – with the largest jumps in the Professional and Business Services; Construction; and Trade, Transportation, and Utilities sectors.



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- We'll have some pictures to show from the recent Katy and East End office openings and summer jobs projects.

We have several reminders for members about upcoming events:

- ✓ On **October 17**, the Board's **Report Card Committee** will meet to consider updating our signature Workforce Report Card. Chair Richard Shaw invites any interested members to join the committee in this important work. We'll send more information out under separate cover to all members.
- ✓ **November 8** is the day for our annual **Hiring Red White & You** event for veterans. Again this year we'll be at Minute Maid Park.
- ✓ The **Texas Workforce Commission's annual conference** will be here in Houston this year, again at the Hilton Americas hotel downtown, from **November 28-30**.
- ✓ Our December Board meeting is scheduled for Tuesday, December 4 at 10:00 a.m.

We look forward to seeing you on October 2. If you have any questions, or we can be of help, please let us know!

A decorative graphic on the left side of the page consisting of several blue hexagons of various sizes arranged in a cluster.

# GULF COAST WORKFORCE BOARD

## TENTATIVE AGENDA

**10:00 A.M. TUESDAY, OCTOBER 2, 2018**

**H-GAC Conference Rooms A/B/C**

**3555 Timmons Lane, Second Floor, Houston, TX 77027**

1. Call to Order
2. Adopt Agenda
3. Hear Public Comment
4. Review August 2018 meeting minutes
5. Declare Conflicts of Interest
6. Consider Reports
  - a. Chair's Remarks.
  - b. Audit/Monitoring. Report on the committee's September meeting
  - c. System Visibility. Report on the committee's September meeting and next steps.
  - d. Strategic Planning. Report on the committee's work to update the Board's strategic plan.
  - e. Education. Briefing on Texas Higher Education Coordinating Board preliminary report for dual credit courses.
7. Take Action
  - a. Adult Education. Consider staff recommendation to directly contract with two additional adult education consortium members, the Association for the Advancement of Mexican Americans and the Community

Family Center, in amount not to exceed \$250,000 each through June 30, 2019.

## 8. Receive Information

- a. Performance and Production. Report on the system's performance and production.
- b. Expenditures. Report on the Board's budget and expenditures.
- c. Briefing on system efforts for returning citizens and incarcerated individuals.

## 9. Look at the Economy. Report on current employment data and economic trends.

## 10. Take Up Other Business.

Report Card Committee meets October 17. Hiring Red White & You scheduled for November 8 at Minute Maid Park. Texas Workforce Conference in Houston, November 28-30.

## 11. Adjourn

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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 1-800-735-2988 (Voice) or 711.  
Equal opportunity is the law.

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**MINUTES OF  
THE GULF COAST WORKFORCE BOARD  
TUESDAY, AUGUST 7, 2018**

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**MEMBERS PRESENT:**

Ray Aguilar	Cheryl Guido	Jeff LaBroski
Gerald Andrews	Mark Guthrie	Jerry Nevlud
Betty Baitland	Bobbie Allen Henderson	Allene Schmitt
Peter Beard	Guy Robert Jackson	Valerie Segovia
Sara Bouse	Sarah Janes	Connie Smith
Carl Bowles	John Josserand	Gil Staley
Mary Helen Cavazos	Birgit Kamps	Shunta Williams
Renea Dillon	Doug Karr	
Joe Garcia	Paulette King	

**H-GAC STAFF MEMBERS PRESENT**

Mike Temple  
David Baggerly  
Ron Borski  
Parker Harvey

Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, August 7, 2018, 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 5, 2018 MEETING**

Chair Guthrie asked for any additions or corrections to the minutes for the June 5, 2018 Board meeting and if none, 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. No one declared a conflict of interest. Chair Guthrie reminded the members that they were welcome to declare conflicts with items as they are considered.

### **CONSIDER REPORTS**

#### **Chair's Report**

Chair Guthrie reported that, since the June Board Meeting, several committee meetings have taken place and reports from those meetings will be presented this morning. Chair Guthrie commended the Board Staff for the job they have done in organizing the information presented to each of those committees. He noted that each committee meeting was excellent in terms of the organization and presentation of information.

Chair Guthrie highlighted the fact that it is time to revisit our strategic plan and issue a new one for the coming five years and that several dates in September would be announced shortly for the Strategic Planning Committee meetings. The first meeting will be for all Board members, and Chair Guthrie encouraged all members to attend those meetings.

Chair Guthrie reported that Andres Alcantar had retired as Chair and Commissioner of the Texas Workforce Commission, and that he had accepted a position as a senior officer at the Texas Association of Business. He also reported that Governor Abbott announced that Commissioner Ruth Hughes, the Commissioner representing Employers will become Chair of the TWC. Chair Guthrie said that he expected that she will continue Chair Alcantar's tradition of progressing the Texas Workforce system in a thoughtful and innovative manner. Chair Guthrie reported that he attended Chair Alcantar's reception reception in Austin the preceding week, and that it was well attended by former TWC Commissioners as well as present Commissioners, TWC staff, executive directors from around the state and former House Speaker Gib Lewis. Chair Guthrie also told the group that Reagan Miller, a senior TWC executive staff member over workforce development, had retired.

Chair Guthrie also reported that former Chair Alcantar recently joined the Board of the National Association of Workforce Boards. Chair Guthrie said that he spent part of the week of July 18 with him at the NAWB Directors meetings in San Francisco. Chair

Guthrie noted that former Chair Alcantar already is a great contributor to that Board and has a lot of respect from the other NAWB Directors, who come from all over the country. Chair Guthrie said that he looks forward to working with on the NAWB Board.

Chair Guthrie reported that the NAWB Directors and executive staff are working on improving and making more visible the image of Workforce Boards across the country. He noted that a variety of strategic initiatives were discussed at the meeting.

Chair Guthrie also reported that he, Mike Temple and Brenda Williams attended the TAWB Quarterly Directors meetings in Austin the previous week. Mike and Brenda stayed for the Executive Directors Council meetings. The luncheon speaker at the TAWB Directors meetings was Commissioner of the Texas Education Agency, Mike Morath. Chair Guthrie noted that Commissioner Morath presented the problems facing public education in Texas really well, and that he understands the issues that the public education system is facing in the coming years. Among other things is actively working to change the way TEA operates to assist School Boards with better governance.

On the national front, Chair Guthrie said that in the previous week, the President signed the Perkins Career and Technical Education Reauthorization bill, and that the Perkins CTE program was last reauthorized in 2006. This bill includes some wins for Workforce Development Boards including strengthening the role of the local boards in the definition and determination of career pathways by deciding what are the in-demand occupations. He noted that CTE providers receiving this funding will be required to consult with the Boards in developing those programs. The legislation also aligned Perkins with WIOA concepts of planning, reporting and terminology.

Chair Guthrie also congratulated senior Board staff member David Baggerly on his retirement. Mr. Baggerly will be retiring after a long career in Workforce Development. Chair Guthrie thanked Mr. Baggerly for his dedicated efforts, hard work and service to the Board over many years.

Chair Guthrie concluded his report and no action was taken.

#### System Visibility Committee Report

On behalf of Committee Chair, Evelyn Timmins, Mike Temple reported the following:

##### Background

The System Visibility Committee's charge is to review and lay out strategy that ensures the Board and Workforce Solutions are recognized and visible to our elected officials and funders, our customers, and our communities.

The committee met on July 25, 2018 with Committee Chair Evelyn Timmins, Board Chair Mark Guthrie, Budget Committee Chair Willie Alexander, Employer Service Committee Chair Gerald Andrews, Strategic Planning Committee Chair Carl Bowles, and



Early Education & Care Committee Chair Bobbie Henderson and Vice Chair Doug Karr attending.

#### Current Situation

The committee last met in 2010 to plan how Board members could provide information about the Board's vision, system and results to local elected officials, especially those who appoint members to the Board.

The committee used this meeting for a lively discussion of what "being visible" means for members and what strategies it might recommend to increase visibility.

Members agreed on outline of a vision for both the Board and Workforce Solutions – in which

- Our employers trust Workforce Solutions will help them;
- Our communities value Workforce Solutions and support us;
- Our funders and stakeholders know that investing in and relying on the Board and its system produces a positive return on investment for our region.

#### Next Steps

The committee will meet again in September to continue its work. Members expect to provide a more detailed briefing on visibility strategies for the October Board meeting.

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

#### Audit/Monitoring Committee Report

Committee Chair Joe Garcia said that the Audit/Monitoring Committee met on Thursday, May 24, 2018 at the H-GAC offices and provided the following report:

#### Background

We conduct quality assurance and financial monitoring for all contractors and units in Workforce Solutions to assess the system's operations, compliance with laws, rules, procedures and our success in meeting employers and people's needs.

The Regional Quality Assurance Team, with Board staff and representatives from our major contractors, carries out quality assurance monitoring throughout the year. During on-site visits, we interview staff, management, and customers; see operations; and check various compliance items. Our records reviews cover customer data, assessing accuracy, completeness, appropriateness, and compliance with guidelines, policies, procedures, and rules. We contract with outside audit firms to carry out financial monitoring and reviews.

## 2018 Summary

In the opinion of the Regional Quality Assurance Team, the system functions overall at a solid level.

- As job markets tighten, traffic in our offices has decreased – and the number of job openings employers post with us has increased.
- We ourselves have difficulty filling open positions for Workforce Solutions staff. Even with reduced traffic, staff shortages sometimes result in less than the best service in our local offices.
- We are putting people to work – our system has met its performance and production targets for employment and continued employment. We do need to do a better job of moving the individuals we help get jobs into higher paying employment.
- Our system is also helping people complete courses of training and get education credentials. We have one production requirement related to youth credentialing that we haven't quite met yet.
- We are gradually improving our "work rate" numbers for the welfare recipients we help. This production expectation counts welfare recipients who are working in subsidized and unsubsidized jobs – and we want at least half of our customers in those jobs. Hurricane Harvey dislocated many customers, and our work rate dropped for several months. That affects our production (counted as an annual average), and even though we continue to bring in work rate numbers above 50% during the last several months, we may not get to the level we need for an annual average by September.

## Trends

- Our local offices show solid performance. We noticed improved customer service across the offices; improved facility appearance; and successful integration of Vocational Rehabilitation Service staff in several sites.
- We're doing a better job preparing applications and resumes, and making good referrals, in WorkInTexas. We're also better at keeping the documentation we need for compliance.
- The Financial Aid Payment Office, the Financial Aid Support Center, and the adult education providers also show solid performance.
- Early education quality improvement activities have resulted in more providers with a Texas Rising Star certification and more provider staff accessing training.
- Changes we made last year to Employer Service have led to a significant jump in the number of employers we're helping and a "strong performance" rating for our principal contractor.

## What Can We Do Better?

We can always do a better job – and our monitoring activities show us opportunities to become better at what we do and how we do it.

- We see a need for the Board staff to help contractors do a better job with some financial compliance requirements for procurements and property.

- We can help more young people. Our local offices struggle to find and recruit youth.
- We can keep improving our core functions: filling employers' open jobs and helping employers upskill their workforces; matching and placing people who are looking for work in the right jobs; and providing access and support for people who need and want to add to or improve their education and skills.
- We can also keep improving customer service – and make sure the staff respond to the needs and wants of customers rather than directing or slotting them into pre-determined service paths.

### Conclusions

Each year as a part of our monitoring process, the Regional Quality Assurance Team identifies functions, contractors, and units that are at risk for compliance and performance problems. For 2019, in addition to our regular and usual monitoring, the Regional Quality Assurance Team and the committee will pay close attention to:

- Our Financial Aid Payment Office and Financial Aid Support Center and their processes and procedures. Both of these units are responsible for a significant amount of the dollars we spend – and their processes involve almost all other contractors and units and a large number of our customers.
- Our new office locations. We want to make sure the new locations function in line with the Workforce Solutions franchise standards in delivering quality customer service and representing us in their communities.

Summary of Monitoring Ratings			
Career Office	2016	2017	2018
<b>Interfaith</b>			
Bay City	Average	Solid Performance	Solid Performance
Columbus	Above	Solid Performance	Solid Performance
Conroe	Average	Solid Performance	Solid Performance
Cypress Station	Average	<b>Strong Performance</b>	Solid Performance
Humble	Average	Solid Performance	Solid Performance
Huntsville	Average	Solid Performance	Solid Performance
Katy Mills	Above	Solid Performance	Solid Performance
Liberty	Average	Solid Performance	Solid Performance
<b>Sealy</b>	Above	<b>Strong Performance</b>	<b>Strong Performance</b>
Waller	Average	Solid Performance	Solid Performance
Wharton	Average	Solid Performance	Solid Performance
Willowbrook	Average	Solid Performance	Solid Performance
Houston Public Library - Ring (Information Center)		Solid Performance	Solid Performance
Palacios Community Hub			Solid Performance

Summary of Monitoring Ratings			
Career Office	2016	2017	2018
Tracking Unit		Solid Performance	Solid Performance
<b>BakerRipley</b>			
Astrodome	Above	Solid Performance	Solid Performance
Baytown	Above	<b>Strong Performance</b>	Solid Performance
East End	Above	Solid Performance	Solid Performance
Lake Jackson	Above	Solid Performance	Solid Performance
Northeast	Average	Solid Performance	Solid Performance
<b>Northline</b>	Average	<b>Strong Performance</b>	Solid Performance
Northshore	Average	Solid Performance	Solid Performance
Rosenberg	Above	Solid Performance	Solid Performance
Southeast	Above	Solid Performance	Solid Performance
Southwest	Average	Solid Performance	Solid Performance
Texas City	Average	Solid Performance	Solid Performance
<b>Tracking Unit</b>		Solid Performance	<b>Strong Performance</b>
Houston Public Library - Central (Information Center)		Solid Performance	Solid Performance
<b>ResCare</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Westheimer	Above	Solid Performance	Solid Performance

System Support	2016	2017	2018
Financial Aid Support Center (Interfaith)	Acceptable	Solid Performance	Solid Performance
Financial Aid Payment Office (BakerRipley)	Acceptable	Solid Performance	Solid Performance

Employer Service	2016	2017	2018
Employment and Training Centers, Inc.	Acceptable	Solid Performance	<b>Strong Performance</b>
Grant and Associates			Solid Performance

Young Adult	2016	2017	2018
SER Jobs for Progress	Acceptable	Solid Performance	Solid Performance
Dynamic Educational Services, Inc.	Acceptable	Solid Performance	Solid Performance

Child Care Quality	2016	2017	2018
Collaborative for Children	Acceptable	<b>Strong Performance</b>	<b>Strong Performance</b>

Training and Technical Assistance	2016	2017	2018
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Chair Garcia concluded his report and no action was taken.

### **TAKE ACTION**

Vice Chair Bobbie Henderson reported that the Procurement Committee met on July 25, 2018 with Committee Chair Evelyn Timmins and Vice Chair Bobbie Henderson, Board Chair Mark Guthrie, Audit Monitoring Committee Chair Joe Garcia and Vice Chair Guy Jackson, Budget Committee Chair Willie Alexander and Vice Chair Gerald Andrews, Strategic Planning Committee Chair Carl Bowles, Career Office Committee Chair Karlos Allen, and members Doug Karr, Helen Cavazos, and Alan Heskamp in attendance. Vice Chair Henderson gave the following report:

- a. Procurement. Consider committee recommendations to fund 2019 Workforce Solutions contracts in total not to exceed \$271,496,000.

#### 2018 Performance and Production

Our region's unemployment rate was at 4.6% in June, slightly higher than May 2018 but still considerably lower than last year.

- As job markets tighten, we have seen traffic in our offices decrease, the number of jobs employers post with us go up, and the people we help go to work.
  - We expect the average monthly traffic for 2018 to reach 182,700. In 2017, the average monthly traffic was 190,700.
  - The average number of monthly job postings through June 2018 was 12,208. In 2017, the average number of monthly job posting was 9,933.
  - Through June 2018, 76.1% of the individuals we helped were working in the first quarter after exiting from Workforce Solutions.
- The system is meeting or exceeding almost all the Board's performance expectations.
  - We see a notable improvement in the Market Share and Customer Loyalty metrics for employers from last year.
  - For people, we continue to struggle in meeting targets for earnings gains of 20% or more, though, overall the system is achieving expected results for employment and education.
- Workforce Solutions production is also on track to hit requirements, with two exceptions.
  - Even though the people using our service is down, we are hitting the mark in production for getting customers back to work. Also, surprisingly, we're meeting the narrow production requirements for median earnings (calculated for small groups of our customers) while struggling with the broader performance expectation of earnings gains.
  - Unemployment compensation claimants going back to work within 10 weeks or receiving their benefits at 64% is a recent all-time high.

- By the end of September, we will be supporting more than 18,000 families with financial aid for early education expenses – and paying for about 30,000 units of care per day.
- We have taught more than 21,000 adult education students through more than 1,600 classes and 1.6 million contact hours at 204 locations.
- We are short on two production requirements – one that measures our success in helping welfare recipients meet participation by working, and the other, achieving a target for educational credentialing just for youth eligible for WIOA funds.

#### 2019 Revenue

We are projecting a large increase in the dollars we will have for 2019 operations – up to \$288 million, a 20% jump from 2018.

- Our basic system revenue comes from multiple federal sources – all of which are allocated to us using the various formulas that bring those dollars to the state.
- For most of the funding streams, our 2019 allocations are higher than the 2018 dollars. The Child Care Development Block Grant, however, is notably higher – the result of the added child care funds to increase the quality of care and increase child care rates.
- We also will continue to receive funds for hurricane recovery efforts.
- As usual, we have included our best guess for carry-over – or unspent 2018 contract funds that will carry into 2019.

#### Investments

Based on staff recommendations, the committee is proposing the following investments for 2019:

	<b>2018</b>	<b>2019 Proposed</b>
<b>Employers</b>	<b>\$ 15,749,991</b>	<b>\$ 19,550,000</b>
<i>Employer Service</i>	<i>11,749,991</i>	<i>12,550,000</i>
<i>Early Education Quality</i>	<i>4,000,000</i>	<i>7,000,000</i>
<b>People</b>	<b>244,094,124</b>	<b>267,881,195</b>
<i>Career office network</i>	<i>48,035,125</i>	<i>48,900,000</i>
<i>Financial Aid</i>	<i>180,591,000</i>	<i>196,610,000</i>
<i>Adult Education</i>	<i>15,467,999</i>	<i>15,771,195</i>
<i>New Investments</i>		<i>6,600,000</i>
<b>System</b>	<b>836,000</b>	<b>936,000</b>
<b>Total</b>	<b>\$ 260,680,115</b>	<b>\$ 288,367,195</b>

Based on staff recommendations, the committee is recommending contracts for 2019 as follows.

<b>Contractor</b>	<b>2018</b>	<b>2019 Proposed</b>
Employment and Training Centers	\$ 6,699,991	\$ 6,700,000
Grant Associates	3,350,000	3,350,000
Collaborative for Children	4,000,000	7,000,000
Baker Ripley		
Career Offices	20,635,125	21,200,000
Payment Office Operations	3,200,000	3,450,000
Financial Aid	180,591,000	196,610,000
Interfaith of the Woodlands		
Career Offices	13,000,000	13,400,000
Support Center Operations	5,200,000	5,600,000
ResCare	6,200,000	6,200,000
SER-Jobs for Progress	1,000,000	1,200,000
Dynamic Education Systems	500,000	350,000
Adult Education*	15,467,999	15,771,195
Learning Designs	836,000	936,000
New Investments		6,600,000
<b>Total</b>	<b>\$ 260,680,115</b>	<b>\$ 288,367,195</b>

Vice Chair Henderson noted that these funding recommendations include the following:

- Funding for Employer Service staff at Grant Associates and Employment and Training Centers stays level, and we recommend increasing dollars available for talent development investments with employers to \$2.5 million. We place the talent development dollars at the Payment Office in the Financial Aid accounts. Talent development includes support to train employers' new and current workers and for apprenticeships.
- Increased funding to Collaborative for Children for investment in our region's early education providers. Collaborative is a good partner for us, and we will work in 2019 to again increase the total number of Texas Rising Star providers and the number of TRS providers with the highest rating. We will also have about \$2 million in funds for providers affected by Hurricane Harvey – to help them replace equipment, learning tools, books, etc.
- Increased career office funding to Interfaith of The Woodlands and BakerRipley by 3% for facility moves and upgrades and offer level funding for ResCare. All three career office contractors are performing acceptably. All have been responsive to meeting extraordinary service needs of customers affected by Hurricane Harvey. ResCare has been slow to start up. Should there be a need for added funds to ResCare to complete new locations, we will return to the Board for approval.
- Increased funding for direct financial aid for our customers. Correspondingly, we recommend increasing funding for our Financial Aid Payment Office and our

Financial Aid Support Center. We will see a significant increase in the number of individuals who receive financial aid from Workforce Solutions.

- As a part of financial aid, we are also recommending an increase in the funds available for work-based learning (part-time and summer jobs).
- Increased funding for SER Jobs for Progress, but reduced funding for Dynamic Education System. SER has been successful in reaching younger adults and is a leader in the region in partnering with private funders to leverage our dollars and expand service. DESI will not spend to the level we authorized for 2018, and we recommend a decrease for 2019.
- Provide funds for new investments. With our added resources this year, we recommend procuring additional contracts to further expand our service into the community – focusing especially on opportunities for youth and community-based development efforts. Staff will come back to the Procurement Committee with details and recommendations for funding.
- The Board approved adult education contracts in June 2018.
- Increased funding to Learning Designs, Inc. for staff training and development. We are and will continue to experience an increase need for staff training. As we open more offices and fill vacant positions, the demand for staff training is increasing.

## Results

With these recommendations, staff plans to:

- Serve 27,367 employers and 425,000 individuals
- Ensure 62% of our employers return for service
- Assist in creating 3,300 new jobs
- Spend \$15 million on scholarships for more than 4,000 individuals in high-skill, high-growth occupational training
- Support about 20,000 families and 40,000 children with early education
- Help more than 320,000 individuals go to work
- Raise the incomes of 110,000 by at least 20%
- Help 75% of individuals pursuing a post-secondary education attain a credential (certificate or degree)

## Action

Recommend the Board approve 2019 contracts for the regional workforce system in total of \$288,367,195 as shown above, including \$6,600,000 to obtain additional services to be determined by the Board in the future.

A motion was made and seconded to approve the 2019 contracts for the regional workforce system in total of \$288,367,195 as shown above, including \$6,600,000 to obtain future additional services. Helen Cavazos and Guy Robert Jackson declared a conflict of interest with this action item and abstained from the vote. The motion carried.



- b. Procurement. Consider committee recommendation to fund Education Programs Inspiring Communities up to \$570,972 and University of Houston-Downtown up to \$529,028 for a demonstration project serving individuals with developmental disabilities.

#### Background

After Hurricane Harvey in 2017, the Texas Workforce Commission received more than \$30 million from the U.S. Department of Labor for storm recovery and rebuild. The Board has already received approximately \$10 million for temporary jobs and training.

TWC also received several smaller grants related to hurricane recovery, among them a grant from DOL's Office of Disability Employment Policy to help individuals with disabilities affected by the hurricane go to work or back to work.

Board staff became aware of a potential project here in the region to help individuals with intellectual/developmental disabilities go to work. Board staff consulted with TWC and then with DOL on the possibility of using the funds to support this kind of project. After this consultation, Board staff issued a request for proposals for a demonstration project.

The request asked for proposals to construct, conduct, and evaluate a training project that will help individuals with developmental disabilities affected by the hurricane: (1) earn recognized college credit and certification in work-and-life related skills, (2) take part in supported employment activities, and (3) enter stable employment.

We asked that any proposed project would have a comprehensive approach that uses its ability and existing service delivery models to help individuals with disabilities become members of the regional workforce. We noted we were especially interested in a joint effort between a community provider and a post-secondary institution, such as a four-year university or a community college that can:

- Find and recruit individuals with developmental disabilities affected or impacted in a measurable way by the hurricane who are interested in going to work
- Develop and deliver instruction in essential skills necessary to work and life skills such as financial literacy and provide college credit and certification for successful completers
- Develop and support work experiences (both in the public and private sectors) for individuals with developmental disabilities
- Keep in close contact with the project participants to anticipate and intervene when a life event may interfere with completion of training or work experience
- Plan for sustainability and replication of the project without grant funding
- Evaluate the project and its outcomes through a formal evaluation

#### Current Situation

We received one proposal – a joint offering from Education Programs Inspiring Communities (also known as The H.E.A.R.T. Program) and the University of Houston-Downtown. Together, these bidders have offered a project to help 80 individuals with

intellectual/developmental disabilities go to work through a combination classroom and extended work experience project.

The proposed demonstration project would work with 40 individuals at a time beginning this fall. The first cohort of participants would attend classes at UH with support from H.E.A.R.T. staff through December 2018 and then work on the UH campus while completing classroom activities in the spring of 2019. This cohort then would go into work experience jobs in the private sector over the summer of 2019, returning in the fall to receive continuing education credit from UH for successful completion and help from H.E.A.R.T. and Workforce Solutions to enter unsubsidized jobs. The second cohort would begin in January 2019 and finish in December 2019.

As proposed, H.E.A.R.T. will handle overall project management, including intake and eligibility, case management for participants, job coaching, and private work experience placements. UH Downtown will develop curriculum, provide instruction, offer student mentors and on-campus work experience jobs, and upon successful completion, university continuing education credit and a credential.

The proposed project includes an outside evaluator to report on both process and outcomes.

- H.E.A.R.T. has a good track record in working with individuals with intellectual/developmental disabilities and in training individuals for work and placing them in work.
- UH Downtown has the faculty and expertise to refine and provide curriculum related to essential work skills for individuals with disabilities, an accessible campus, and the commitment to a project of this kind.
- H.E.A.R.T. and UH Downtown will work with career offices and the Vocational Rehabilitation Service as well as other community providers in the intellectual/developmental disability network to recruit participants and support them through activities to employment.
- At the conclusion of the project, we expect to have curriculum and a program that can continue at UH Downtown as a tuition-based program and also be used by community organizations/university partnerships to help individuals with intellectual/developmental disabilities.

#### Recommendation

Staff and the Procurement Committee believe this project will provide a sustainable and replicable model program that will help individuals with disabilities go to work. We anticipate after the project completes that we will be able to support tuition for additional cohorts through our regular scholarship funds.

Even though we received a joint proposal from Education Programs Inspiring Communities (H.E.A.R.T.) and the University of Houston-Downtown, we believe that it is in our interest, and the interest of the participants, to approve separate contracts – one for H.E.A.R.T. and one for UH Downtown.

At its July 25 meeting, the Procurement committee adopted a recommendation to fund one contract with Education Programs Inspiring Communities up to \$570,972 and one contract with the University of Houston-Downtown up to \$529,028 to fund a demonstration project that will help individuals with intellectual/developmental disabilities affected by Hurricane Harvey enter employment. The project would begin in August 2018 and extend through December 2019.

#### Action

Authorize staff to negotiate a contract with Education Programs Inspiring Communities in amount up to \$570,972 and a contract with the University of Houston-Downtown in amount up to \$529,028 for a demonstration project serving individuals with intellectual/developmental disabilities.

Peter Beard requested information regarding the breakdown between reoccurring operating expenses versus one-time costs to create curriculum. Mike Temple responded that the one-time expenses are estimated to be approximately 15%.

A motion was made and seconded to approve the two demonstration projects with Education Programs Inspiring Communities in amount up to \$570,972 and with the University of Houston-Downtown in amount up to \$529,028. The motion carried.

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

*c. Early Education and Care. Consider committee recommendation to increase early education provider rates.*

Chair Bobbie Henderson reported that the Early Education and Care committee met on Monday, July 30. Mr. Doug Karr was appointed as the new Vice-Chair for this committee. Chair Henderson thanked Linda O'Black, the previous Vice-Chair for her work on the committee and the board and wished her a happy retirement. Chair Henderson provided the following report of the meeting:

#### More Money

Our 2019 Child Care Development Fund allocation gives us \$174.8 million for the year. This is a 24.7% increase from 2018.

We are expecting, in addition, a distribution of about \$2 million to help providers damaged in last year's hurricane replace equipment, books, and materials.

This provides us with almost \$178 million for early education – more dollars than we have had in the Board's 20-year history.

At its July 25 meeting, the Board's Procurement Committee considered recommendations for 2019 contracts that include large increases for direct financial aid and quality

initiatives as well as smaller increases for financial aid system back-office support (the Support Center and Payment Office). We expect these contract recommendations will prudently invest the added early education dollars and help more of our customers and network providers.

The Workforce Commission has unilaterally raised network provider reimbursement rates for every workforce board – and significantly increased the rates for Texas Rising Star certified providers. We have more information for you in another item for this meeting.

#### More Families

As of July 23, we are supporting about 14,000 families and 26,000 children per day with our financial aid. There are about 10,000 families waiting for our assistance.

By the end of September, we plan to be supporting 17,000 families and about 30,000 children per day – rising to more than 18,000 families and 32,000 to 34,000 children per day.

At the end of 2019 we expect to have helped 20,000 families and 40,000 children all-told with early education financial aid.

#### More Providers

At the May 2018 committee meeting, we heard a report noting that there were 4,205 early education providers in our 13-county region. 1,695 or 40% of these were in our network – 1,152 or 66% were eligible for Texas Rising Star – and, at the time, 268 or 24% had a Rising Star certification.

Added dollars for both direct financial aid and quality initiatives will allow us to expand the network by adding providers; and increase the number of providers with a Rising Star certification.

Collaborative for Children developed an online interactive tool that will help us focus our marketing efforts to attract new providers into the network (especially those who are already eligible for Rising Star) and help current network providers become (and remain) Rising Star certified.

We will set ambitious targets to increase our network to 50% of providers in the region and to double the number of network providers with Rising Star certifications to 540.

#### Background

With the significant increase in child care dollars coming to Texas this year, the Workforce Commission has asked that Boards take the opportunity to review and raise the reimbursement rates for early education providers. The Commission has taken the lead, suggesting rate increases for each workforce board in the state based on the individual board's current rates and the latest market data.

The Commission has also asked us to concur with its suggested rate increases.

### Current Situation

The Board reviewed attachments showing our current rates and the Commission's proposed new rates by type of provider, age of a child, and full-time/part-time care. The charts are somewhat difficult to read, but they give a lot of information.

The attachments also include data from the most recent market survey, showing the mean and 75th percentile rates. This data comes from a survey of providers (annually conducted by the University of Texas) across the state. We use this data as a ruler to judge our rates against.

The federal Child Care and Development Block Grant legislation recommends (although it does not require) that reimbursement rates for providers paid with CCDBG funds be at or near the 75th percentile market rate.

The Commission's suggested rates:

- Propose an increase of approximately 2% for all providers (licensed centers, licensed homes, and registered homes) who are not Texas Rising Star.
- Propose successively higher rate increases for Texas Rising Star providers by level, with 4-star providers paid at the 75th percentile.
- Do not increase rates for relative providers.

The proposed rates for Texas Rising Star providers are significantly higher than those for non-TRS providers – and appear to us to offer tangible incentives for providers to seek and maintain the highest rating.

Our analysis suggests that, with the added dollars we've received, we will be able to afford the Commission's suggested rates and at the same time increase the number of families we help and the number of network providers achieving (and keeping) Texas Rising Star certification.

### Action

Adopt the Workforce Commission's suggested early education provider rates for 2019 which are attached at the end of this document.

A motion was made and seconded to approve the recommendation to adopt the Workforce Commission's suggested early education provider rates for 2019. The motion carried.

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

*d. Early Education and Care. Consider committee recommendation to amend priority groups on the financial aid wait list.*

Chair Henderson also said that the Early Education and Care committee also reviewed the financial aid wait list priority groups at its July 30, 2018 meeting, and provided the following report:

**Background**

As you remember, we set up priority for certain customers waiting in line for our financial aid. That means when we do not have enough funds available to give financial aid to every eligible applicant family, we order those waiting so that families with a priority receive help first.

There are 14 types of priority applicants -- at its June 2018 meeting, the Board affirmed the committee's recommendation to add families who have lost our aid for excessive absences as a 14th priority.

**Current Situation**

We negotiate agreements with organizations throughout the region to find matching resources that draw down to us additional federal dollars for child care financial aid. Organizations may either donate funds or certify expenditures. "Donating funds" means our partner gives us dollars as match. "Certifying expenditures" means our partner certifies the expenditure of its own, non-federal dollars on allowable activities (i.e., principally delivering early education/child care).

We are proud that we found partners to give matching resources more than \$10 million last year. Our match target for this year is again more than \$10 million – which will in turn bring more than \$19 million to us.

Fully 90% of our match partners are schools: independent school districts, community colleges, and universities. Most of the match we generate from our partners is certified expenditures – money these partners have spent themselves on early education/child care.

We have traditionally agreed with our partners to give them priority for their students or employees who apply for our financial aid.

We now want to officially add those partners as priority on the financial aid wait list.

The full list showing all priority groups, including our recommendation addition, follows.

Proposed priority for child care financial aid wait list.

1. Applicants for Temporary Assistance for Needy Families cash payments;
2. TANF recipients who are participating with us in employment and training activities;

3. TANF employment and training participants who are transitioning off cash payments and into unsubsidized work;
4. Supplemental Nutrition Assistance (food stamp) recipients who are participating with us in employment and training activities;
5. Children in protective services;
6. Children of veterans or their spouses;
7. Children of a foster youth;
8. Children experiencing homelessness;
9. Children of active duty military personnel who are unable to enroll their children in military-funded child care assistance programs;
10. Children of teen parents;
11. Children with disabilities
12. Siblings in families already receiving our financial aid for one or more children
13. Eligible families referred by a match partner
14. Families participating in Workforce Solutions career, employment or education activities that require the financial aid to successfully complete their service
15. Families who have lost financial aid for a child exceeding 40 unexplained absence days and have reapplied for aid.
16. All other eligible families

#### Action

Amend the child care financial aid wait list to include eligible families referred by a match partner as a priority group.

A motion was made and seconded to approve the recommended changes to the financial aid wait list. The motion carried.

Chair Henderson commended the Board Staff for their capable work under the auspices of Mr. Mike Temple. She specifically recognized the staff directly involved with Early Education including Lucretia Hammond, Sharron Powell, Kenny Chin and David Baggerly for their consistent work. She thanked them on behalf of the Early Education Committee.

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

#### **RECEIVE INFORMATION**

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

David Baggerly reviewed the Performance measures for October 2017 through June 2018, as follows:

## Board Measures

These measures gauge progress toward meeting the results set out in the Board's strategic plan for the Board's operating affiliate, Workforce Solutions.

### More Competitive Employers

Through June, we are doing very well and should expect to exceed the Market Share target. We are already exceeding the Loyalty target.

### More and Better Jobs

Again, we are doing very well. For Customers Employed after Exit we are exceeding the target. For Earnings Gains we remain slightly behind and have discussed potential improvements with our contractors and staff.

### A Better Educated Workforce

We are exceeding the target for Attaining a Credential.

### Production

In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production.

For the performance year that began October 1, 2017, we are meeting or exceeding the target for twenty-two of twenty-five state measures. These are the measures we are not achieving:

- Choices Full Work Rate: The target for this measure is 50.0%. We have met the target monthly since February but our year to date average for customers participating from October 2017 through June 2018 is 45.34%.
- Credential Rate – Youth: The target for this measure is 51.5%. Our performance for customers who exited from January 2016 through December 2016 was 46.60%.
- Integrated English Language (IET) and English Language (EL) Civics – includes individuals enrolled in English Literacy and Civics who are also enrolled in Integrated Education and Training. Our performance for the year was 445 out of a target of 889.

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

### *b. Budget and Expenditures. Report on the Board's budget and expenditures.*

Mike Temple reviewed the Financial Status Report representing expenses for the six months ending in June 2018, and provided the following report:



We are on target for the Board's budget. We are running a little hot, as we usually do, in Financial Aid. We have a large influx of dollars which will eventually affect this annual budget. We have talked to Mr. Alexander about convening a Budget Committee meeting to review that information. Our expectation is that you will see a report from that committee at the October meeting increasing the amount of funds that are available for financial aid taking into account the additional revenue.

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

### **LOOK AT THE ECONOMY**

Ron Borski presented a look at the current economy.

The local rate of unemployment rose to 4.6% in June which is slightly higher than state and national averages. This represents 13,000 fewer unemployed when compared to one year ago.

Total Nonfarm Employment added 23,200 jobs in June. The 0.7 percent increase was the strongest on record for the month of June since 2007. Areas with the strongest job growth were Professional and Business Services, Construction and Leisure and Hospitality.

Total Nonfarm Employment was up 94,600 jobs over the year. The annual pace of job growth rose to its strongest since March 2015, up 3.1 percent. The increase places the pace of job growth one and one-half percent faster than the nation's 1.6 percent, see figure 3. While job growth was widespread, the bulk of the gains were in Professional and Business Services, Construction, and Trade, Transportation & Utilities. Professional and Business Services was up 41,200 jobs or 8.5 percent over the year with most substantial increases found in Architectural, Engineering, and Related Services, Computer Systems Design and Related Services, Employment Services, and Services to Buildings and Dwellings. Construction was up 19,300 jobs or 8.9 percent where most of the growth was in Construction of Buildings, up 14,200 jobs or 25.3 percent. Trade, Transportation, & Utilities was up 15,300 jobs or 2.3 percent over the year with the bulk of the hiring in Retail Trade, up 9,100 jobs or 3.0 percent. Several other industry super sectors were instrumental to job growth including Manufacturing, up 6,700 jobs or 3.0 percent, Leisure and Hospitality, up 6,600 jobs or 2.0 percent, and Financial Activities, up 4,400 jobs or 2.8 percent. The Mining sector was up 1,300 jobs or 1.7 percent over the year resulting from gains in Support Activities for Mining. Educational & Health Services, historically an industry sector that maintains above average growth even during economic downturns, continued to report a pace of job growth near historic lows according to records dating back to 1991. The only industry super sectors to report losses were Information, down 1,300 jobs or 4.0 percent, and Other Services, down 1,000 jobs or 0.9 percent.

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

Parker Harvey presented a special report examining the Gig Economy.

The gig economy is a market-based exchange of goods and services driven by supply and demand just like our traditional free market economy. What characterizes it as being different is being short term, freelance, part time work arrangements where an individual typically does not have a single employer, no regular hours and no regular wages. Estimates range from 1% to 40% of the workforce. The key defining feature of the gig economy is the technology component. Specifically, mobile app-based platforms that directly connect service providers and consumers in real time.

This has the potential to alter the traditional employer/employee relationship which has implications for benefits, working conditions, financial security of workers, wages. The question for us is “how do we support workers vis-à-vis the gig economy given the potential uncertainty around training requirements and wages?” Our high skill, high growth list is essentially built upon occupations that have clear training pathways and reliable wages. If that starts to change, how do we respond to that?

In June 2018, the Bureau of Labor Statistics released special report titled “Contingent and Alternative Employment Arrangements – May 2017” based on data collected through a supplement to the May 2017 Current Population Survey (CPS). This survey, conducted on behalf of BLS by the Census Bureau, includes roughly 60,000 households, and is the same survey used to generate monthly unemployment statistics, estimates of earnings, and various demographic measures of the labor force, primarily at the national level. The supplement, last conducted in 2005, seeks to make two major determinations about the work status of an individual. First, whether an individual qualifies as a contingent worker, which is someone who does not have an explicit or implicit contract for continuing employment but if self-employed and/or an independent contractor and expects to perform the same duties for more than one year does not meet this standard. The second determination is whether an individual had an alternative employment arrangement, such as working as an independent contractor, an on-call worker, or someone employed through a temporary help agencies or contract firm. Note that there may be overlap between individuals in alternative employment arrangements and contingent workers, however, the categories are reported separately and are conceptually distinct. BLS does not use the term “gig economy” at any point in the publication, yet the two work status determinations that the supplement seeks to measure are commonly understood facets of emerging non-traditional work arrangements. Therefore, it is not unreasonable to interpret the report’s findings as a measure of the gig economy as exemplified by articles written from The Washington Post, Bloomberg, and Quartz.

Given that the BLS report should capture at least some aspects of the gig economy, one would expect the data, although sporadically produced, to reflect at least a flat if not a small increase in the share of non-traditional employment. Surprisingly, the report indicates that the share of contingent workers, using the broadest definition, fell from 4.1 percent to 3.8 percent between 2005 and 2017. Individuals working in alternative arrangements as independent contractors also declined from 7.4 percent to 6.9 percent over this same period. There is little reason to doubt that the data may be accurate based

on the questions and how they were asked. Furthermore, there is no reason to question BLS's rigorous standards of ensuring statistical validity of the data that was collected. At the same token, the supplement as currently designed may simply not be sufficiently nuanced to detect relatively small but rapidly growing segments of the labor market.

The technical documentation included with the BLS special report clearly states that "four new questions were added to the May 2017 supplement. These questions were designed to identify individuals who found short tasks or jobs through a mobile app or website and were paid through the same app or website. Data from these new questions are not included in this news release." The results of the new questions will be released in a BLS Monthly Labor Review article later this fall and it is encouraging that BLS recognizes the shortcomings of the supplement and has taken measures to compensate for them. Since these will be new questions, there will be no past data with which to compare them directly. As a result, there are questions surrounding the usefulness of the findings.

This report examines two of the most prominent segments of the gig economy, ride-sharing and room-sharing, concepts that were first elucidated through research conducted at the Brookings Institute. A look at more recent data reveals that trends that previously could only be measured through 2014 have continued and in fact have accelerated, signaling that the gig economy continues to grow in importance. Thus far, there is little evidence to suggest that peer-to-peer service-sharing platforms are causing steep drops in analogous traditional payroll employment, yet policymakers should remain vigilant to these disruptive forces as we remain in the early stages of adoption of these technologies. Given that most municipalities, states, etc. do not appear willing to engage in outright bans on ride-sharing and room-sharing services, it may be necessary to expand training and re-training opportunities for individuals that find themselves displaced by the changes detailed throughout this report.

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

### **OTHER BUSINESS**

Mike Temple recognized David Baggerly and congratulated him on his upcoming retirement after 43 years in the Workforce System. Mr. Baggerly thanked the Board for their work throughout the years.

### **ADJOURN**

Chair Guthrie adjourned the meeting at approximately 11:30 a.m.

RATE ADJUSTMENT COMPARISON - GULF COAST

Provider Type	Provider Rating	Infant FT	Infant PT	Toddler FT	Toddler PT	Preschool FT	Preschool PT	School-age FT	School-age PT	Infant Blended	Toddler Blended	Preschool Blended	School-age Blended	
LICENSED CENTERS														
Licensed Center	Reg	\$33.57	\$25.57	\$28.88	\$23.87	\$23.90	\$16.55	\$21.18	\$13.99	\$26.74	\$24.60	\$17.63	\$15.04	New 8-2018
Licensed Center	Reg	\$32.91	\$25.06	\$28.31	\$23.40	\$23.43	\$16.22	\$20.76	\$13.71	\$26.21	\$24.12	\$17.28	\$14.74	End 7-2018
Licensed Center	Reg	\$0.66	\$0.51	\$0.57	\$0.47	\$0.47	\$0.33	\$0.42	\$0.28	\$0.53	\$0.48	\$0.35	\$0.30	Change
Licensed Center	Reg	2.01%	2.04%	2.01%	2.01%	2.01%	2.03%	2.02%	2.04%	2.02%	1.99%	2.03%	2.04%	% Change
Licensed Center	TRS2	\$35.25	\$26.85	\$30.33	\$25.07	\$26.87	\$18.65	\$25.72	\$17.78	\$28.08	\$25.84	\$19.85	\$18.94	New 8-2018
Licensed Center	TRS2	\$34.56	\$26.32	\$29.73	\$24.57	\$24.61	\$17.19	\$21.80	\$14.40	\$27.53	\$25.33	\$18.28	\$15.48	End 7-2018
Licensed Center	TRS2	\$0.69	\$0.53	\$0.60	\$0.50	\$2.26	\$1.46	\$3.92	\$3.38	\$0.55	\$0.51	\$1.57	\$3.46	Change
Licensed Center	TRS2	2.00%	2.01%	2.02%	2.04%	9.18%	8.49%	17.98%	23.47%	2.00%	2.01%	8.59%	22.35%	% Change
Licensed Center	TRS3	\$35.93	\$27.45	\$31.47	\$26.10	\$29.86	\$20.72	\$28.58	\$19.76	\$28.69	\$26.89	\$22.06	\$21.05	New 8-2018
Licensed Center	TRS3	\$35.25	\$26.84	\$30.32	\$25.06	\$25.09	\$17.53	\$22.24	\$14.69	\$28.07	\$25.83	\$18.64	\$15.79	End 7-2018
Licensed Center	TRS3	\$0.68	\$0.61	\$1.15	\$1.04	\$4.77	\$3.19	\$6.34	\$5.07	\$0.62	\$1.06	\$3.42	\$5.26	Change
Licensed Center	TRS3	1.93%	2.27%	3.79%	4.15%	19.01%	18.20%	28.51%	34.51%	2.21%	4.10%	18.35%	33.31%	% Change
Licensed Center	TRS4	\$37.62	\$30.50	\$34.97	\$29.00	\$33.18	\$23.02	\$31.75	\$21.96	\$31.54	\$29.87	\$24.51	\$23.39	New 8-2018
Licensed Center	TRS4	\$35.97	\$27.38	\$30.94	\$25.57	\$25.60	\$17.89	\$22.69	\$14.99	\$28.64	\$26.36	\$19.02	\$16.12	End 7-2018
Licensed Center	TRS4	\$1.65	\$3.12	\$4.03	\$3.43	\$7.58	\$5.13	\$9.06	\$6.97	\$2.90	\$3.51	\$5.49	\$7.27	Change
Licensed Center	TRS4	4.59%	11.40%	13.03%	13.41%	29.61%	28.68%	39.93%	46.50%	10.13%	13.32%	28.86%	45.10%	% Change
Licensed Center	TSR	\$33.57	\$25.57	\$28.88	\$23.87	\$25.10	\$17.38	\$21.18	\$13.99	\$26.74	\$24.60	\$18.51	\$15.04	New 8-2018
Licensed Center	TSR	\$32.91	\$25.06	\$28.31	\$23.40	\$24.61	\$17.19	\$20.76	\$13.71	\$26.21	\$24.12	\$18.28	\$14.74	End 7-2018
Licensed Center	TSR	\$0.66	\$0.51	\$0.57	\$0.47	\$0.49	\$0.19	\$0.42	\$0.28	\$0.53	\$0.48	\$0.23	\$0.30	Change
Licensed Center	TSR	2.01%	2.04%	2.01%	2.01%	1.99%	1.11%	2.02%	2.04%	2.02%	1.99%	1.26%	2.04%	% Change

RATE ADJUSTMENT COMPARISON - GULF COAST

Provider Type	Provider Rating	Infant FT	Infant PT	Toddler FT	Toddler PT	Preschool FT	Preschool PT	School-age FT	School-age PT	Infant Blended	Toddler Blended	Preschool Blended	School-age Blended	
LICENSED CHILD CARE HOMES														
Licensed Child Care Home	Reg	\$26.66	\$21.09	\$25.41	\$19.87	\$18.92	\$16.55	\$15.99	\$11.26	\$21.91	\$20.68	\$16.90	\$11.95	New 8-2018
Licensed Child Care Home	Reg	\$26.13	\$20.67	\$24.91	\$19.48	\$18.54	\$16.22	\$15.67	\$11.03	\$21.47	\$20.27	\$16.56	\$11.71	End 7-2018
Licensed Child Care Home	Reg	\$0.53	\$0.42	\$0.50	\$0.39	\$0.38	\$0.33	\$0.32	\$0.23	\$0.44	\$0.41	\$0.34	\$0.24	Change
Licensed Child Care Home	Reg	2.03%	2.03%	2.01%	2.00%	2.05%	2.03%	2.04%	2.09%	2.05%	2.02%	2.05%	2.05%	% Change
Licensed Child Care Home	TRS2	\$28.00	\$22.40	\$26.69	\$23.62	\$24.80	\$18.51	\$21.19	\$16.36	\$23.22	\$24.07	\$19.43	\$17.07	New 8-2018
Licensed Child Care Home	TRS2	\$27.44	\$21.71	\$26.16	\$20.46	\$19.66	\$17.21	\$16.46	\$11.59	\$22.55	\$21.29	\$17.57	\$12.30	End 7-2018
Licensed Child Care Home	TRS2	\$0.56	\$0.69	\$0.53	\$3.16	\$5.14	\$1.30	\$4.73	\$4.77	\$0.67	\$2.78	\$1.86	\$4.77	Change
Licensed Child Care Home	TRS2	2.04%	3.18%	2.03%	15.44%	26.14%	7.55%	28.74%	41.16%	2.97%	13.06%	10.59%	38.78%	% Change
Licensed Child Care Home	TRS3	\$30.11	\$24.89	\$27.97	\$26.24	\$27.56	\$20.57	\$23.54	\$18.18	\$25.65	\$26.49	\$21.59	\$18.96	New 8-2018
Licensed Child Care Home	TRS3	\$27.99	\$22.13	\$26.68	\$20.86	\$20.05	\$17.55	\$16.78	\$11.82	\$22.99	\$21.71	\$17.92	\$12.55	End 7-2018
Licensed Child Care Home	TRS3	\$2.12	\$2.76	\$1.29	\$5.38	\$7.51	\$3.02	\$6.76	\$6.36	\$2.66	\$4.78	\$3.67	\$6.41	Change
Licensed Child Care Home	TRS3	7.57%	12.47%	4.84%	25.79%	37.46%	17.21%	40.29%	53.81%	11.57%	22.02%	20.48%	51.08%	% Change
Licensed Child Care Home	TRS4	\$33.46	\$27.65	\$31.08	\$29.15	\$30.62	\$22.86	\$26.15	\$20.20	\$28.50	\$29.43	\$24.00	\$21.07	New 8-2018
Licensed Child Care Home	TRS4	\$28.56	\$22.59	\$27.23	\$21.29	\$20.46	\$17.92	\$17.12	\$12.06	\$23.46	\$22.16	\$18.29	\$12.80	End 7-2018
Licensed Child Care Home	TRS4	\$4.90	\$5.06	\$3.85	\$7.86	\$10.16	\$4.94	\$9.03	\$8.14	\$5.04	\$7.27	\$5.71	\$8.27	Change
Licensed Child Care Home	TRS4	17.16%	22.40%	14.14%	36.92%	49.66%	27.57%	52.75%	67.50%	21.48%	32.81%	31.22%	64.61%	% Change
Licensed Child Care Home	TSR	\$26.66	\$21.09	\$25.41	\$19.87	\$19.87	\$17.38	\$15.99	\$11.26	\$21.91	\$20.68	\$17.74	\$11.95	New 8-2018
Licensed Child Care Home	TSR	\$26.13	\$20.67	\$24.91	\$19.48	\$19.47	\$17.04	\$15.67	\$11.03	\$21.47	\$20.27	\$17.40	\$11.71	End 7-2018
Licensed Child Care Home	TSR	\$0.53	\$0.42	\$0.50	\$0.39	\$0.40	\$0.34	\$0.32	\$0.23	\$0.44	\$0.41	\$0.34	\$0.24	Change
Licensed Child Care Home	TSR	2.03%	2.03%	2.01%	2.00%	2.05%	2.00%	2.04%	2.09%	2.05%	2.02%	1.95%	2.05%	% Change

RATE ADJUSTMENT COMPARISON - GULF COAST

Provider Type	Provider Rating	Infant FT	Infant PT	Toddler FT	Toddler PT	Preschool FT	Preschool PT	School-age FT	School-age PT	Infant Blended	Toddler Blended	Preschool Blended	School-age Blended	
REGISTERED CHILD CARE HOME														
Registered Child Care Home	Reg	\$26.28	\$19.67	\$24.65	\$21.61	\$17.87	\$12.61	\$14.79	\$10.51	\$20.64	\$22.05	\$13.38	\$11.14	New 8-2018
Registered Child Care Home	Reg	\$25.76	\$19.28	\$24.16	\$21.18	\$17.51	\$12.36	\$14.50	\$10.30	\$20.23	\$21.62	\$13.11	\$10.91	End 7-2018
Registered Child Care Home	Reg	\$0.52	\$0.39	\$0.49	\$0.43	\$0.36	\$0.25	\$0.29	\$0.21	\$0.41	\$0.43	\$0.27	\$0.23	Change
Registered Child Care Home	Reg	2.02%	2.02%	2.03%	2.03%	2.06%	2.02%	2.00%	2.04%	2.03%	1.99%	2.06%	2.11%	% Change
Registered Child Care Home	TRS2	\$27.60	\$23.41	\$25.89	\$22.70	\$23.51	\$16.82	\$19.67	\$15.31	\$24.02	\$23.17	\$17.80	\$15.95	New 8-2018
Registered Child Care Home	TRS2	\$27.05	\$20.25	\$25.37	\$22.24	\$18.57	\$13.11	\$15.23	\$10.92	\$21.25	\$22.70	\$13.91	\$11.55	End 7-2018
Registered Child Care Home	TRS2	\$0.55	\$3.16	\$0.52	\$0.46	\$4.94	\$3.71	\$4.44	\$4.39	\$2.77	\$0.47	\$3.89	\$4.40	Change
Registered Child Care Home	TRS2	2.03%	15.60%	2.05%	2.07%	26.60%	28.30%	29.15%	40.20%	13.04%	2.07%	27.97%	38.10%	% Change
Registered Child Care Home	TRS3	\$28.98	\$26.01	\$27.01	\$24.22	\$26.12	\$18.69	\$21.85	\$17.01	\$26.44	\$24.63	\$19.78	\$17.72	New 8-2018
Registered Child Care Home	TRS3	\$27.59	\$20.64	\$25.88	\$22.68	\$18.94	\$13.37	\$15.53	\$11.14	\$21.66	\$23.15	\$14.19	\$11.78	End 7-2018
Registered Child Care Home	TRS3	\$1.39	\$5.37	\$1.13	\$1.54	\$7.18	\$5.32	\$6.32	\$5.87	\$4.78	\$1.48	\$5.59	\$5.94	Change
Registered Child Care Home	TRS3	5.04%	26.02%	4.37%	6.79%	37.91%	39.79%	40.70%	52.69%	22.07%	6.39%	39.39%	50.42%	% Change
Registered Child Care Home	TRS4	\$32.20	\$28.90	\$30.01	\$26.91	\$29.02	\$20.77	\$24.28	\$18.90	\$29.38	\$27.36	\$21.98	\$19.69	New 8-2018
Registered Child Care Home	TRS4	\$28.15	\$21.07	\$26.40	\$23.15	\$19.33	\$13.65	\$15.86	\$11.37	\$22.11	\$23.63	\$14.48	\$12.03	End 7-2018
Registered Child Care Home	TRS4	\$4.05	\$7.83	\$3.61	\$3.76	\$9.69	\$7.12	\$8.42	\$7.53	\$7.27	\$3.73	\$7.50	\$7.66	Change
Registered Child Care Home	TRS4	14.39%	37.16%	13.67%	16.24%	50.13%	52.16%	53.09%	66.23%	32.88%	15.79%	51.80%	63.67%	% Change



RATE ADJUSTMENT COMPARISON - GULF COAST

Provider Type	Provider Rating	Infant FT	Infant PT	Toddler FT	Toddler PT	Preschool FT	Preschool PT	School-age FT	School-age PT	Infant Blended	Toddler Blended	Preschool Blended	School-age Blended
MEAN MARKET RATE													
Licensed Center	NA	\$32.71	\$26.16	\$30.26	\$24.80	\$28.62	\$19.38	\$27.31	\$18.42	\$27.12	\$25.60	\$20.73	\$19.72
Licensed Child Care Home	NA	\$28.88	\$23.57	\$26.70	\$24.93	\$26.28	\$19.23	\$22.21	\$16.84	\$24.35	\$25.19	\$20.26	\$17.63
Registered Child Care Home	NA	\$27.73	\$24.70	\$25.72	\$22.90	\$24.81	\$17.35	\$20.51	\$15.68	\$25.14	\$23.31	\$18.44	\$16.39



RATE ADJUSTMENT COMPARISON - GULF COAST

Provider Type	Provider Rating	Infant FT	Infant PT	Toddler FT	Toddler PT	Preschool FT	Preschool PT	School-age FT	School-age PT	Infant Blended	Toddler Blended	Preschool Blended	School-age Blended
75th PERCENTILE													
Licensed Center	NA	\$37.62	\$30.50	\$34.97	\$29.00	\$33.18	\$23.02	\$31.75	\$21.96	\$31.54	\$29.87	\$24.51	\$23.39
Licensed Child Care Home	NA	\$33.46	\$27.65	\$31.08	\$29.15	\$30.62	\$22.86	\$26.15	\$20.20	\$28.50	\$29.43	\$24.00	\$21.07
Registered Child Care Home	NA	\$32.20	\$28.90	\$30.01	\$26.91	\$29.02	\$20.77	\$24.28	\$18.90	\$29.38	\$27.36	\$21.98	\$19.69

# GULF COAST WORKFORCE BOARD

Board Member	02/06/18	04/03/18	06/05/18	08/07/18	10/02/18	12/05/18
Aguilar, Ray	✓			✓		
Alexander, Willie	✓	✓	✓			
Allen, Karlos	✓					
Andrews, Gerald	✓		✓	✓		
Baitland, Betty		✓		✓		
Beard, Peter	✓	✓	✓	✓		
Bhargava, Narayan	✓	✓				
Bouse, Sara	✓	✓	✓	✓		
Bowles, Carl	✓	✓	✓	✓		
Cavazos, Mary Helen			✓	✓		
Dillon, Renea		✓	✓	✓		
Garcia, Joe	✓	✓	✓	✓		
Guido, Cheryl	✓		✓	✓		
Guthrie, Mark	✓	✓	✓	✓		
Henderson, Bobbie Allen	✓	✓	✓	✓		
Heskamp, Alan	✓	✓				
Jackson, Guy Robert	✓	✓	✓	✓		
Janes, Sarah		✓	✓	✓		
Josserand, John	✓			✓		
Kamps, Birgit	✓			✓		
Karr, Doug		✓	✓	✓		
King, Paulette	✓	✓	✓	✓		
LaBroski, Jeff	✓		✓	✓		
Lewis, Ernest						
Marshall, Scott	✓		✓			
McCleskey, Kendrick						
Mechler, Steve		✓				
Nevlud, Jerry		✓		✓		
Ruley, Janice		✓				
Scheiner, Danielle	✓	✓				
Schmitt, Allene	✓	✓	✓	✓		
Segovia, Valerie		✓	✓	✓		
Shaw, Richard	✓	✓				
Smith, Connie	✓	✓	✓	✓		
Staley, Gil	✓			✓		
Timmins, Evelyn	✓	✓	✓			
Violette, Kelly	✓	✓				
Williams, Shunta	✓	✓	✓	✓		

# GULF COAST WORKFORCE BOARD

## **AGUILAR, RAY**

Classic Chevrolet Sugar Land  
13115 Southwest Freeway  
Sugar Land, TX 77478  
281-491-9000

Category: Business

County: Fort Bend

[rayfrank11@yahoo.com](mailto:rayfrank11@yahoo.com)

Term: January 1, 2017 thru December 31, 2018

## **ALEXANDER, WILLIE**

W J Alexander Associates P.C.  
50 Briar Hollow Lane, Suite 320 East  
Houston, TX 77027  
(713) 802-0900, ext. 12  
Fax: (713) 802-1188

Category: Business

County: City of Houston

[walex@wjalexander.com](mailto:walex@wjalexander.com)

Term: January 1, 2017 thru December 31, 2018

## **ALLEN, KARLOS**

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

Category: Business

County: City of Houston

[kallen@tkgadvisors.net](mailto:kallen@tkgadvisors.net)

Term: January 1, 2016 thru December 31, 2017

## **ANDREWS, GERALD**

Gallagher Victory Insurance  
122 West Way, Suite 404  
Lake Jackson, TX 77566  
(979) 297-8604  
Fax: (979) 297-7080

Category: Business

County: Brazoria

[geraldandrews36@yahoo.com](mailto:geraldandrews36@yahoo.com)

Term: January 1, 2017 thru December 31, 2018

## **BAITLAND, BETTY**

Achieve Fort Bend County  
72 Crestwood Drive  
Sugar Land, TX 77478  
(713) 818-5639/(281)-242-2214

Category: CBO

County: Fort Bend

[bbaitland@comcast.net](mailto:bbaitland@comcast.net)

Term: January 1, 2017 thru December 31, 2018

## **BEARD, PETER**

Greater Houston Partnership  
701 Avenida de las Americas, Suite 900  
Houston, TX 77010  
(713) 844-3602 – office  
(281) 906-1088 – cell  
Fax: (713) 844-0200

Category: Business

County: City of Houston

[pbeard@houston.org](mailto:pbeard@houston.org)

Term: January 1, 2017 thru December 31, 2018

## **BHARGAVA, NARAYAN**

The SDB Group  
817 Southmore Ave, Suite 301  
Houston, TX 77502  
(713) 475-0048

Fax: (713) 475-0083

Category: Business

County: Harris

[nbhargava@thesdbgroup.com](mailto:nbhargava@thesdbgroup.com)

Term: January 1, 2017 thru December 31, 2018

## **BOUSE, SARA**

Alvin Community College  
3110 Mustang Road  
Alvin, TX 77511

(281) 732-8389 – cell

(281) 756-3568 – office

Category: Education

County: Brazoria

[sbouse@alvincollege.edu](mailto:sbouse@alvincollege.edu)

Term: January 1, 2017 thru December 31, 2018

**BOWLES, CARL**

Bowles, Womack & Company, PC  
24 Greenway Plaza, Suite 970  
Houston, TX 77046  
(713) 621-0050  
Fax: (713) 621-0046  
Category: Business  
County: Harris  
[carl@bowleswomack.com](mailto:carl@bowleswomack.com)  
Term: January 1, 2017 thru December 31, 2018

**CAVAZOS, MARY HELEN**

M.H. Cavazos & Associates  
1124 W. Clay Street  
Houston, TX 77019  
(713) 807-1115  
Category: Business  
County: Harris  
[mhcavazos@aol.com](mailto:mhcavazos@aol.com)  
Term: January 1, 2017 thru December 31, 2018

**DILLON, RENE A**

Goose Creek CISD  
4544 I-10 East  
Baytown, TX 77521  
281-707-3361  
Category: Education  
County: Harris  
[carol.dillon@gccisd.net](mailto:carol.dillon@gccisd.net)  
Term: January 1, 2018 thru December 31, 2019

**GARCIA, JOE**

ICOTEX  
3479 Pollock Drive  
Conroe, TX 77303  
(832) 699-4693  
Category: Business  
County: Waller  
[joe.garcia@ico-tex.com](mailto:joe.garcia@ico-tex.com)  
Term: January 1, 2017 thru December 31, 2018

**GUIDO, CHERYL**

Department of Assistive and  
Rehabilitation Services  
427 W. 20<sup>th</sup>, Suite 407  
Houston, TX 77008  
(713) 802-3101  
Fax: (713) 802-3143  
Category: State Agency  
[cheryl.guido@twc.state.tx.us](mailto:cheryl.guido@twc.state.tx.us)  
Term: January 1, 2018 thru December 31, 2019

**GUTHRIE, MARK**

Winstead PC  
600 Travis Street, Suite 5200  
Houston, TX 77002  
(713) 650-2730  
Fax: (713) 650-2400  
Category: Business  
County: City of Houston  
[mguthrie@winstead.com](mailto:mguthrie@winstead.com)  
Term: January 1, 2017 thru December 31, 2018

**HENDERSON, BOBBIE ALLEN**

Texas Southern University  
4203 Charleston Street  
Houston, TX 77021-1415  
(713) 313-7588/(713) 748-6508(h)  
Fax: (713) 741-6196  
Category: Education  
County: City of Houston  
[bobbie.henderson@att.net](mailto:bobbie.henderson@att.net)  
Term: January 1, 2017 thru December 31, 2018

**HESKAMP, ALAN**

Heskamp & Associates LLC  
311 Hoskins Broadway  
El Campo, TX 77437  
(979) 758-4521  
Category: Business  
County: Wharton  
[aheskamp@sbcglobal.net](mailto:aheskamp@sbcglobal.net)  
Term: January 1, 2018 thru December 31, 2019

**JACKSON, GUY ROBERT**

Chambers County Abstract Co. Inc.  
P.O. Box 640  
Anahuac, TX 77514  
(409) 267-6262, ext. 35  
Fax: (409) 267-6355  
Category: Business  
County: Chambers  
[grj@ccac.net](mailto:grj@ccac.net)  
Term: January 1, 2017 thru December 31, 2018

**JANES, SARAH**

San Jacinto College  
8060 Spencer Highway  
Pasadena, TX 77505  
281-998-6100  
Fax: (281) 479-8127  
Category: Education  
County: Harris  
[sarah.janes@sjcd.edu](mailto:sarah.janes@sjcd.edu)  
Term: January 1, 2018 thru December 31, 2019

**JOSSEAND, JOHN**

Turner Industries Group, LLC  
3850 Pasadena Blvd.  
Pasadena, TX 77503  
Category: Business  
County: Harris  
(713) 477-7440  
Fax: (713) 477-4846  
[jjosser@yahoo.com](mailto:jjosser@yahoo.com)  
Term: January 1, 2017 thru December 31, 2018

**KAMPS, BIRGIT**

Hire Universe  
5517 Aspen Street  
Houston, TX 77081  
713-822-7411  
Category: Business  
County: Harris  
[bk@hireuniverse.com](mailto:bk@hireuniverse.com)  
Term: January 1, 2017 thru December 31, 2018

**KARR, DOUG**

Pro Staff/Atterro  
27 Canoe Birch Place  
The Woodlands, TX 77382  
832-967-7684  
Category: Business  
County: Montgomery  
[doug.karr@prostaff.com](mailto:doug.karr@prostaff.com)  
Term: January 1, 2018 thru December 31, 2019

**KING, PAULETTE**

Health and Human Services  
1332 E. 40<sup>th</sup> Street, Unit B1  
Houston, TX 77022  
(713) 696-8088 (direct)  
(713) 767-3192 (secondary number)  
Fax: (713) 695-4593  
Category: Public Assistance  
[paulette.king@hhsc.state.tx.us](mailto:paulette.king@hhsc.state.tx.us)  
Term: January 1, 2017 thru December 31, 2018

**LaBROSKI, JEFFREY**

Plumbers Local Union No. 68  
502 Link Road  
P.O. Box 8746  
Houston, TX 77249  
(713) 869-3592  
Fax: (713) 869-3671  
Category: Labor  
County: City of Houston  
[ski@plu68.com](mailto:ski@plu68.com)  
Term: January 1, 2017 thru December 31, 2018

**LEWIS, ERNEST**

Adult Reading Center  
2246 N Washington Ave  
Pearland, TX 77581  
(281) 485-1000  
Category: Literacy  
County: Brazoria  
[ernest.lewis@adultreadingcenter.org](mailto:ernest.lewis@adultreadingcenter.org)  
Term: January 1, 2018 thru December 31, 2019

**MARSHALL, SCOTT**

Jacobs  
5995 Rogerdale Road  
Houston, TX 77072  
(832) 351-6655  
Category: Business  
County: Harris  
[scott.marshall@jacobs.com](mailto:scott.marshall@jacobs.com)  
Term: January 1, 2018 thru December 31, 2019

**McCLESKEY, KENDRICK**

PricewaterhouseCoopers-  
1903 Crockett St.  
Houston, TX 77007  
(281) 788-6046  
Category: Business  
County: City of Houston  
[klmccleskey@gmail.com](mailto:klmccleskey@gmail.com)  
Term: January 1, 2017 thru December 31, 2018

**MECHLER, STEVE**

Balfour Beatty Construction  
4321 Directors Row, Suite 101  
Houston, TX 77092  
(713) 824-6266  
Category: Business  
County: Harris  
[smechler@ticonstructors.com](mailto:smechler@ticonstructors.com)  
Term: January 1, 2018 thru December 31, 2019

**NEVLUD, JERRY**

AGC Houston  
3825 Dacoma Street  
Houston, TX 77092  
(713) 843-3700  
Fax: (713) 843-3777  
Category: Business  
County: Harris  
[jerry.n@agchouston.org](mailto:jerry.n@agchouston.org)  
Term: January 1, 2018 thru December 21, 2019

**RULEY, JANICE**

Houston Airport Systems  
18600 Lee Road, Suite 130  
Humble, TX 77338-4172  
(281) 233-7853  
Fax: (281) 230-8020  
Category: Labor  
County: City of Houston  
[janice.ruley@houstontx.gov](mailto:janice.ruley@houstontx.gov)  
Term: January 1, 2017 thru December 31, 2018

**SCHEINER, DANIELLE**

Conroe Economic Development Council  
300 W Davis Street  
Conroe, TX 77301  
(936) 522-3529  
Category: Economic Development  
County: Montgomery  
[scheiner@gcedc.org](mailto:scheiner@gcedc.org)  
Term: January 1, 2018 thru December 31, 2019

**SCHMITT, ALLENE**

Blinn College - Sealy  
3701 Outlet Center Drive, #250  
Sealy, TX 77474  
(979) 865-8461  
Category: Education  
County: Austin  
[allenes@live.com](mailto:allenes@live.com)  
Term: January 1, 2017 thru December 31, 2018

**SEGOVIA, VALERIE GARCIA**

Director of Outreach and Development  
Nuclear Power Institute  
101 Gateway Blvd, Suite A  
College Station, TX 77845  
979-240-5005  
Category: CBO  
County: Palacios  
[vsegovia@tamu.edu](mailto:vsegovia@tamu.edu)  
[valeriegsegovia@gmail.com](mailto:valeriegsegovia@gmail.com)  
Term: September 5, 2017 thru December 31, 2018

**SHAW, RICHARD**

Harris County Labor Assembly,  
AFL-CIO Council  
1707 Prism Lane  
Houston, TX 77043-3344  
(713) 240-2472

Category: Labor

County: City of Houston

[shawtrek@aol.com](mailto:shawtrek@aol.com)

Term: January 1, 2017 thru December 31, 2018

**SMITH, CONNIE**

Greensmith Marketing, LLC  
8618 Royal Cape Ct.  
Houston, TX 77095  
(713) 681-9232  
Fax: (713) 681-9242

Category: Business

County: City of Houston

[mmpfb@msn.com](mailto:mmpfb@msn.com)

Term: January 1, 2016 thru December 31, 2017

**STALEY, GIL**

The Woodlands Area Economic Development  
Partnership  
9320 Lakeside Blvd., Bldg. 2, Suite 200  
The Woodlands, TX 77381  
(281) 363-8130

Fax: (281) 298-6874

Category: Business

County: Montgomery

[gil.staley@edpartnership.net](mailto:gil.staley@edpartnership.net)

Term: January 1, 2018 thru December 31, 2019

**TIMMINS, EVELYN**

Houston Mayor's Committee for  
Employment of People with Disabilities  
2120 Lundy Lane  
Friendswood, TX 77546  
(281) 388-1967

Category: CBO

County: City of Houston

[evtimmins@aol.com](mailto:evtimmins@aol.com)

Term: January 1, 2017 thru December 31, 2018

**VIOLETTE, KELLY**

Tomball Economic Development Corporation  
29201 Quinn Road, Unit B  
Tomball, TX 77375  
(281) 401-4086

Fax: (281) 351-7223

Category: Economic Development

County: Harris County

[kviolette@tomballtxedc.org](mailto:kviolette@tomballtxedc.org)

Term: January 1, 2017 thru December 31, 2018

**WILLIAMS, SHUNTA**

Texas Workforce Commission  
3555 Timmons Lane, Suite 120  
Houston, TX 77027  
(713) 993-2439

Fax: (832) 681-2534

Category: State Agency

[shunta.williams@wrksolutions.com](mailto:shunta.williams@wrksolutions.com)

Term: January 1, 2017 thru December 31, 2018

**WORKFORCE BOARD KEY STAFF:**

Mike Temple, Director  
David Baggerly, Program Manager  
Michelle Castrow, Program Manager  
Brenda Williams, Quality Assurance Manager  
Traci Nolen, Project Manager  
Deborah Duke, Administrative Coordinator  
Susan Dixon, Employer Services  
Lucretia Hammond, Grants Management

Houston-Galveston Area Council  
3555 Timmons Lane, Suite 120  
P.O. Box 22777  
Houston, TX 77227-2777  
(713) 627-3200  
Fax: (713) 993-4578  
<http://www.wrksolutions.org>

# **GULF COAST WORKFORCE DEVELOPMENT BOARD COMMITTEES**

## **Audit/Monitoring**

- Joe Garcia – Chair
- Guy Robert Jackson – Vice Chair
- Ray Aguilar
- Karlos Allen
- Narayan Bhargava
- Sara Bouse
- Carl Bowles
- Helen Cavazos
- Cheryl Guido
- Doug Karr
- John Josserand
- Scott Marshall
- Kendrick McCleskey
- Allene Schmitt
- Evelyn Timmins

## **Budget**

- Willie Alexander – Chair
- Gerald Andrews – Vice Chair
- Karlos Allen
- Narayan Bhargava
- Sarah Janes
- Jerry Nevlud

## **By-Laws**

- – Chair
- – Vice Chair
- Betty Baitland

## **Career Office**

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

## **Early Education and Care**

- Bobbie Henderson – Chair
- Doug Karr – Vice Chair
- Betty Baitland
- Sarah Janes
- John Josserand
- Birgit Kamps
- Scott Marshall
- Allene Schmitt

## **Employer Services**

- Gerald Andrews – Chair
- Jeff LaBroski – Vice Chair
- Sara Bouse
- Helen Cavazos
- Joe Garcia
- Cheryl Guido
- Mark Guthrie
- Alan Heskamp
- Guy Robert Jackson
- Sarah Janes
- John Josserand
- Birgit Kamps
- Scott Marshall
- Steve Mechler
- Richard Shaw
- Connie Smith
- Gil Staley
- Evelyn Timmins

## **Government Relations**

- Guy Robert Jackson – Chair
- – Vice Chair
- Ray Aguilar
- Gerald Andrews
- Narayan Bhargava
- Scott Marshall
- Jerry Nevlud
- Richard Shaw



# **GULF COAST WORKFORCE DEVELOPMENT BOARD COMMITTEES**

## **Nominating**

- Guy Robert Jackson – Chair
- Jeff LaBroski – Vice Chair
- Betty Baitland

## **Oversight Committee**

- Gerald Andrews
- Bobbie Henderson

## **Procurement**

- Evelyn Timmins – Chair
- Bobbie Henderson – Vice Chair
- Willie Alexander
- Karlos Allen
- Narayan Bhargava
- Sara Bouse
- Helen Cavazos
- Joe Garcia
- Cheryl Guido
- Mark Guthrie
- Alan Heskamp
- Doug Karr
- Jeff LaBroski
- Scott Marshall
- Allene Schmitt
- Richard Shaw
- Connie Smith
- Gil Staley

## **Report Card**

- Richard Shaw – Chair
- – Vice Chair
- Narayan Bhargava

## **Strategic Planning**

- Carl Bowles – Chair
- – Vice Chair
- Betty Baitland
- Narayan Bhargava
- Joe Garcia
- Sarah Janes
- Doug Karr
- Kendrick McCleskey
- Richard Shaw
- Evelyn Timmins

## **System Visibility**

- Evelyn Timmins – Chair
- Gerald Andrews
- Carl Bowles
- Joe Garcia
- Bobbie Henderson
- Guy Robert Jackson
- Birgit Kamps
- Richard Shaw

## **Workforce Education**

- Birgit Kamps – Chair
- Allene Schmitt – Vice Chair
- Karlos Allen
- Betty Baitland
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Alan Heskamp
- Sarah Janes
- Jeff LaBroski
- Steve Mechler
- Scott Marshall
- Jerry Nevlud
- Valerie Segovia
- Richard Shaw



## Audit/Monitoring Committee

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### Update for October 2018

### Background

The Audit/Monitoring Committee met Wednesday, September 19, 2018 at the H-GAC office. Committee Chair Joe Garcia, Committee Vice Chair Guy Jackson, members Carl Bowles, Evelyn Timmins and Board Chair Mark Guthrie also attended. Helen Cavazos, Cheryl Guido, Allene Schmitt and John Josserand participated by phone.

### Career Offices

The monitoring team reviews the following areas when conducting reviews of Career Offices:

- **Results**
  - Performance
- **Accountability**
  - Compliance Testing
  - Accessibility
  - Information Security
- **Productivity**
  - Production
  - Customer service
  - Staff Training
  - Management Effectiveness
- **Innovation**
  - Collaboration
  - Quality Improvement

The monitoring team completed nine office reviews and one information center review. The offices visited are all Interfaith locations; both Liberty and Sealy rated as Strong Performance and Columbus, Humble, Huntsville, Wharton, Katy, Waller and Willowbrook rated as Solid Performance. The Houston Public Library also rated as Solid Performance and is a BakerRipley location. Offices were performing well in providing service to customers.

### Employer Service

We review the same areas for Employer Service and focus on service to employers. Employment and Training Centers attained a rating of Strong Performance and Grant and Associates attained Solid Performance. ETC is on target to achieve all goals and Grant and Associates is behind on meeting the New Jobs Created goal.

### Early Education

We visited Collaborative for Children during June 2018. The contractor continues to provide training opportunities to parents and childcare providers that improve early childhood education. We found Collaborative is exceeding our expectations.

## Financial

### **Interfaith of The Woodlands**

Monitors conducted the review on February 12, 2018 through April 30, 2018. There were no findings identified in the report only observations. Interfaith addressed each observation.

## Other

### **Interfaith Tracking Unit**

We conducted a desk review during June 2018 of data entered during January through March 2018. We found minimal data entry errors for the Trackers; however, we did find opportunities for Tracker staff to work with Career Office staff to ensure customer receive an assessment via the required testing tool and employment plans are complete.

# System Visibility Committee Update

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## Background

The System Visibility Committee met on September 19, 2018 with Committee Chair Evelyn Timmins, Carl Bowles, Bobbie Henderson, Guy Robert Jackson and Board Chair Mark Guthrie attending.

## Current Situation

The committee received information from Biguita Hernandez and Lisa Bogany describing how our Employer Service team works with the business community across the region. They described their efforts working with employers directly as well as through chambers of commerce, economic development groups and local governments.

Following the Employer Service presentation, Michelle Castrow introduced representatives from our two public outreach contractors and described their efforts for Workforce Solutions and the Gulf Coast Workforce Board. Savage Brands and Outreach Strategists provided samples of their work for the Committee.

## Next Steps

The committee will meet again before the December Board meeting to discuss measuring results. Members asked staff to review and report the efforts of other workforce boards.

## **Strategic Planning Committee**

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# **The Board's 2019-2023 Strategic Plan**

Strategic Planning Committee Chair Carl Bowles will discuss progress toward updating the Board's strategic plan for the next five-year period.

## Education Committee

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# Texas Higher Education Coordinating Board's Report on Dual-Credit Education Programs

## Background

Dual-credit education programs—delivered through partnerships between high schools and colleges and universities—offer high school students the option to take college-level courses that simultaneously award them college and high school credit.

The Texas Higher Education Coordinating Board commissioned a research study to get baseline information on dual-credit education in the state following passage of House Bill 505 in 2015 – this legislation expanded opportunities for high school students to take dual-credit courses – and develop targeted guidance on how to reform dual-credit policies and practices in Texas.

Although draft policy recommendations for the Coordinating Board and 2019 Legislative session will not be available until later this year, we have a summary of key findings below.

- After HB 505, the percentages of high school students in dual-credit programs increased modestly.
- The academic preparation of ninth- and 10th-grade dual-credit participants declined after the passage of HB 505, while dual-credit pass rates increased for those groups. This suggests that the academic rigor of dual-credit courses may have declined for ninth and 10th graders since HB 505.
- Instructors across dual-credit courses taught by high school teachers (HSDC), dual-credit courses taught by college faculty (DC), and college-credit only courses taught by college faculty (CC) courses reported using different instructional strategies to teach students college-level material.
- Differences in academic preparation, family income, and the type of high school that a student attended served as the most significant contributors to disparities in dual-credit participation by race and ethnicity.
- High school students' academic and emotional readiness to take part in dual-credit education, the latitude given to students in dual-credit course selection, and the limited time advisors had to fulfill their dual-credit advising responsibilities were reported as major challenges to adequate advising.
- In 2016–17, the study team estimates that the overall cost of dual-credit instruction was \$111 per semester credit hour for each participating student, or \$121.7 million statewide.

- Overall estimates suggest on average the benefits of dual-credit education far exceed the costs.

The complete 280-page report is available online at  
[www.thecb.state.tx.us/reports/DocFetch.cfm?DocID=11233](http://www.thecb.state.tx.us/reports/DocFetch.cfm?DocID=11233).





## Adult Education 2019

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### Additional Contracts

#### Background

In June, the Board approved contracts for 12 adult education providers including one provider new to the consortium and three providers previously funded through subcontracts from one or more organizations in the consortium.

Two organizations – the Association for the Advancement of Mexican Americans and Community Family Centers – remained as subrecipients to a major provider with this action.

We are now recommending direct contracts for both organizations.

#### Current Situation

Both AAMA and Community Family Centers are long-time providers of adult education and literacy instruction using the funds that the Board oversees. Both organizations have good track records of performance in their communities and have contributed significantly to the overall performance of the consortium in the past.

- Our deadlines for the June 2018 action by the Board did not leave sufficient time for the boards of either AAMA or Community Family Centers to thoughtfully consider our request to include them as direct contract providers, and at the time we made our recommendations, both remained as subrecipients to the Houston Community College system.
- AAMA and Community Family Centers were subcontractors in 2018 to HCC *and* the Houston Center for Literacy. Our action in June effectively reduced funds to both organizations because we recommended only the funding available to each through HCC at the previous year's level. This would result in reduced service from each.

AAMA and Community Family Centers are experienced providers and well-known, stable organizations that each provide critical service in and to the Hispanic community. Both have done excellent work in offering integrated basic education/skills development courses and on-site basic education classes at local employers.

We want to ensure that individuals and employers who seek adult education help from both organizations are able to obtain it.

## Recommendation

For these reasons, we recommend the Board authorize direct adult education provider contracts with the Association for the Advancement of Mexican Americans and the Community Family Centers in amount of \$250,000 for each, for the rest of the 2019 contract year.

Both would continue their existing subrecipient relationships with HCC for the balance of this year. We would anticipate migrating both to full direct contract status for 2020, pending a review of performance, the availability of funds, and the Board's concurrence.

## Action

Authorize staff to negotiate adult education contracts with the Association for the Advancement of Mexican Americans and Community and Family Centers in the amount of \$250,000 each through June 30, 2019.



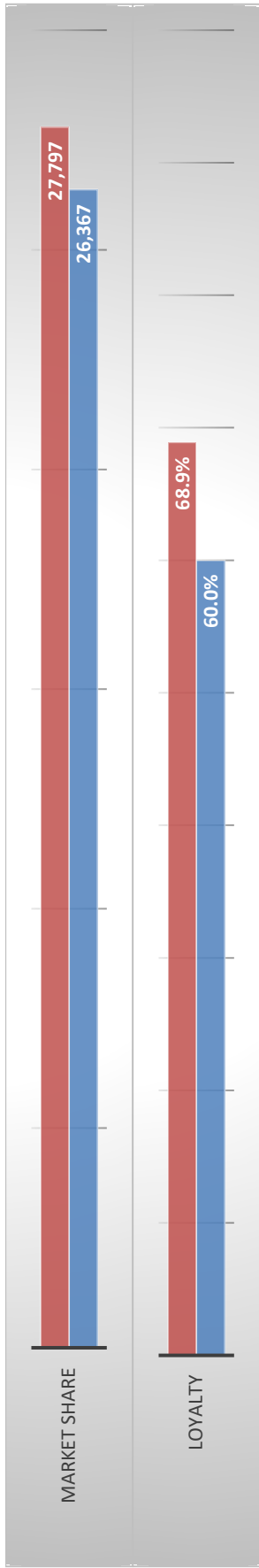
## Gulf Coast Workforce Board System Performance October 2017 to August 2018

### Board Measures

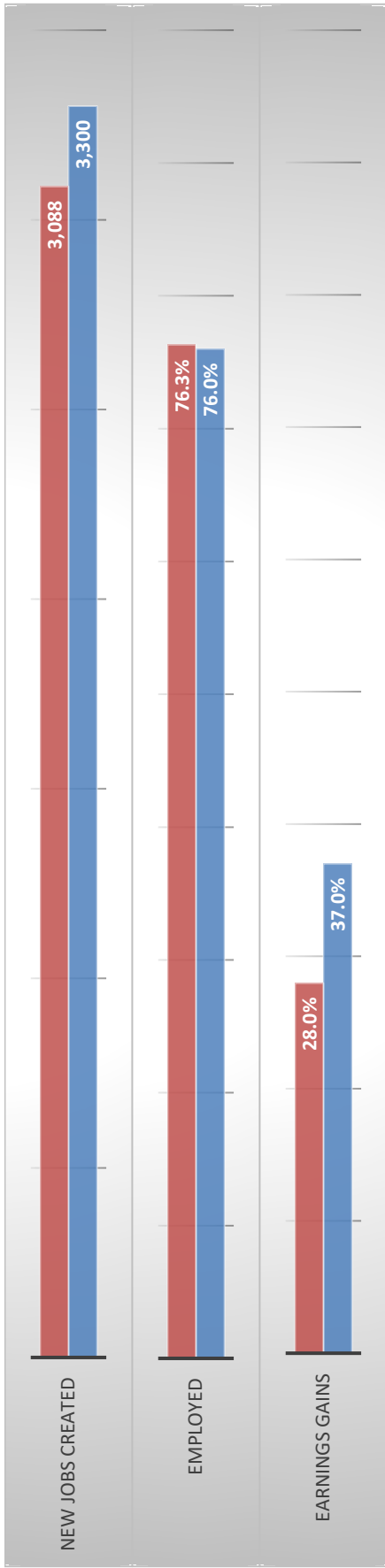
These measures gauge progress toward meeting the results set out in the Board's strategic plan for the Board's operating affiliate, Workforce Solutions.



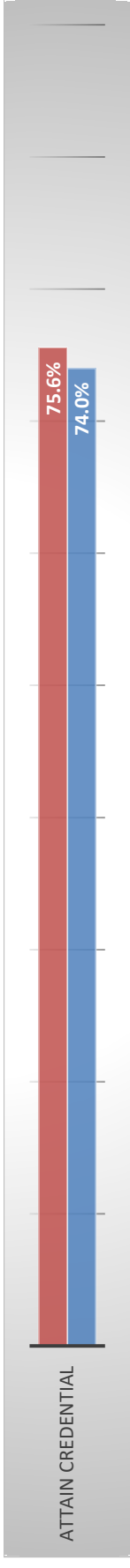
### More Competitive Employers



### More and Better Jobs



## A Better Educated Workforce



### Production

In addition to the Board's measures, Workforce Solutions works to meet Texas Workforce Commission expectations for production.

For the performance year that began October 1, 2017, we are meeting or exceeding the target for twenty-two of twenty-five state measures. These are the measures we are not achieving:

- Choices Full Work Rate: The target for this measure is 50.0%. Our performance for customers participating from October 2017 through July 2018 is 45.73%.
- Average Number of Children Served Per Day: The July target for this measure is 24,955. Our average number of children served per day from July 2018 was 23,390.
- Credential Rate – Youth: The target for this measure is 51.5%. Our performance for customers who exited from January 2016 through December 2016 was 46.62%.

**GULF COAST WORKFORCE DEVELOPMENT BOARD****FINANCIAL STATUS REPORT****For the eight months ended August 31, 2018**

	<b>ANNUAL BUDGET</b>	<b>BUDGET YEAR TO DATE</b>	<b>ACTUAL YEAR TO DATE</b>	<b>DOLLAR VARIANCE</b>
<b>WORKFORCE REVENUES</b>				
WORKFORCE REVENUES	<b>246,306,870</b>	<b>164,204,580</b>	<b>174,403,968</b>	<b>(10,199,388)</b>
<b>WORKFORCE EXPENDITURES</b>				
BOARD ADMINISTRATION	<b>6,527,512</b>	4,351,675	<b>4,304,554</b>	<b>47,121</b>
SYSTEM IT	<b>530,414</b>	353,609	<b>240,080</b>	<b>113,530</b>
EMPLOYER SERVICES	<b>9,850,000</b>	6,566,667	<b>6,391,146</b>	<b>175,521</b>
RESIDENT SERVICES	<b>229,398,944</b>	152,932,629	<b>163,468,189</b>	<b>(10,535,559)</b>
OFFICE OPERATIONS	46,814,946	31,209,964	30,083,428	1,126,536
FINANCIAL AID	161,107,000	107,404,667	116,367,534	(8,962,868)
ADULT EDUCATION	15,476,998	10,317,999	12,808,460	(2,490,462)
DISASTER RECOVERY	6,000,000	4,000,000	4,208,766	(208,766)
<b><i>TOTAL WORKFORCE EXPENDITURES</i></b>	<b>246,306,870</b>	<b>164,204,580</b>	<b>174,403,968</b>	<b>(10,199,388)</b>

Note: 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.

## Staff Briefing

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# Assisting Offenders and Ex-Offenders

Staff will provide a briefing on current Workforce Solutions efforts to help incarcerated individuals and returning citizens, including:

- Investments in Windham ISD for apprenticeship programs
- Assistance for returning citizen job search and job placement programs such as Turnaround Houston
- Developing partnership with Harris County Community Supervision and Corrections







Current Employment and Local Area  
Unemployment Statistics  
Houston-The Woodlands-Sugar Land  
August 2018

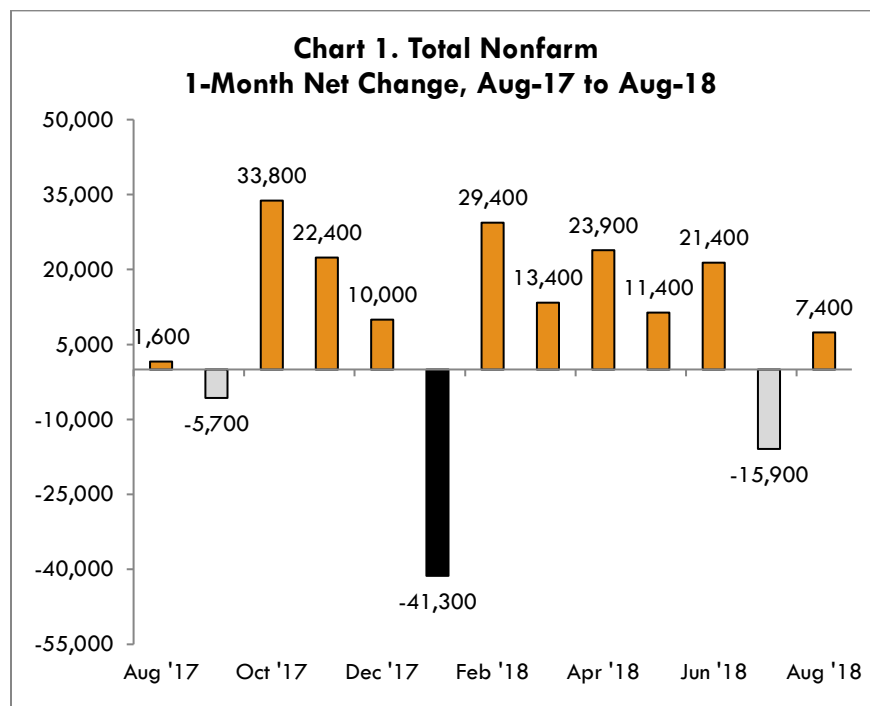
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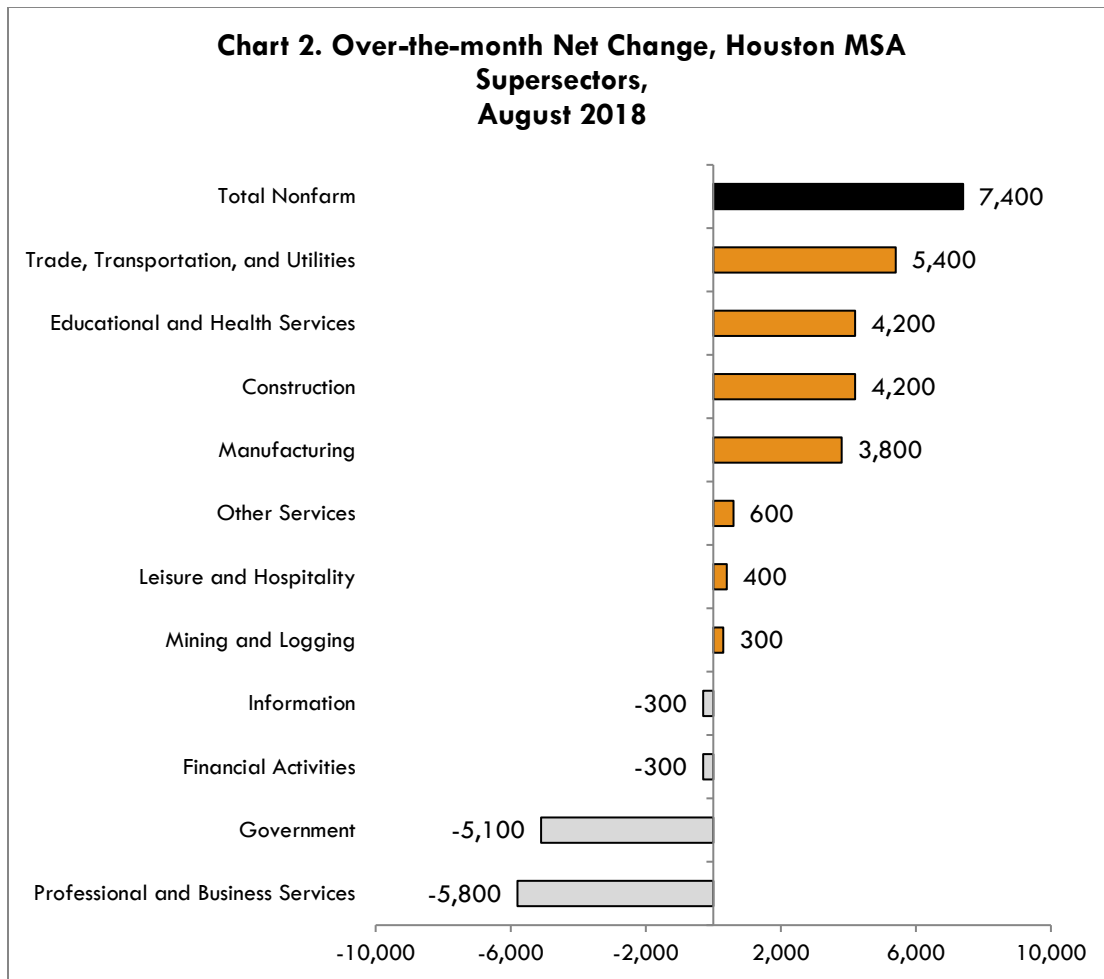
*Workforce Solutions is an affiliate of the Gulf Coast Workforce Board, which manages a regional system that helps employers solve their workforce problems and residents build careers so both can compete in the global economy. The workforce system serves the City of Houston and the surrounding 13 Texas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

# Total Nonfarm

## One Month Change

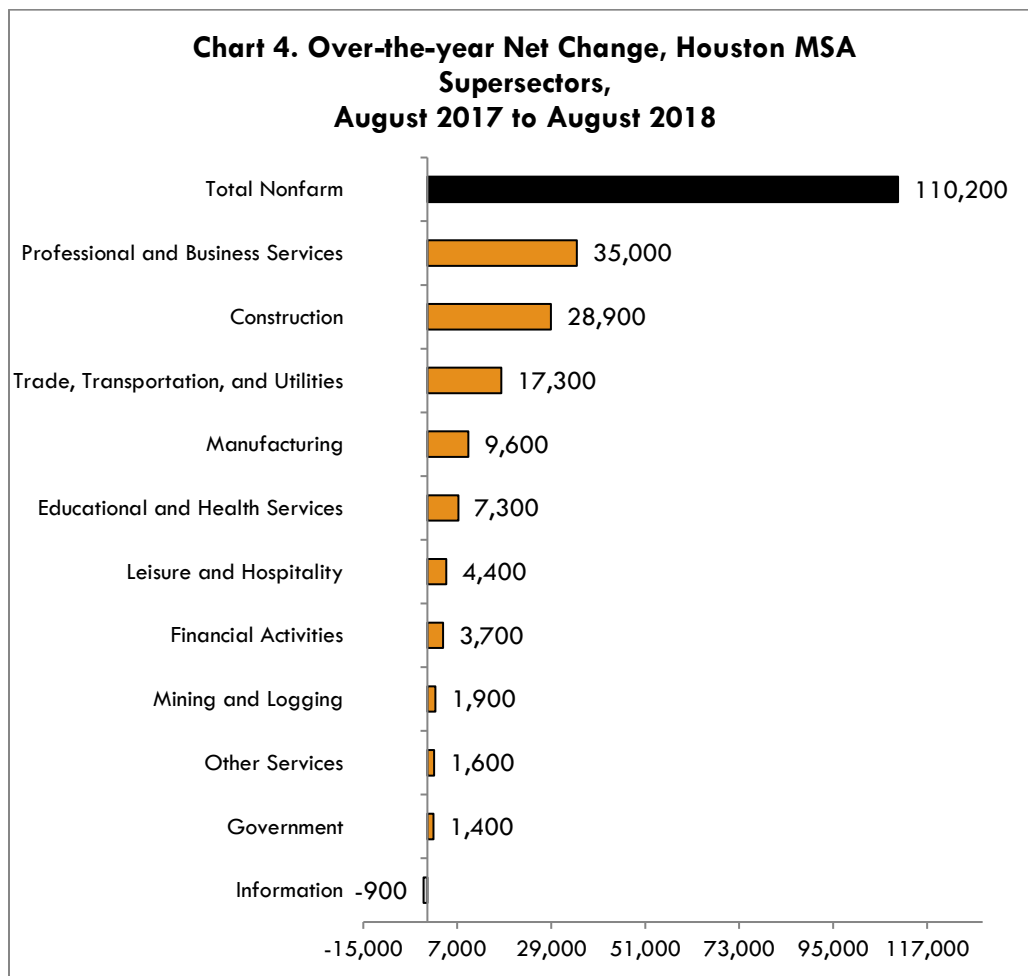
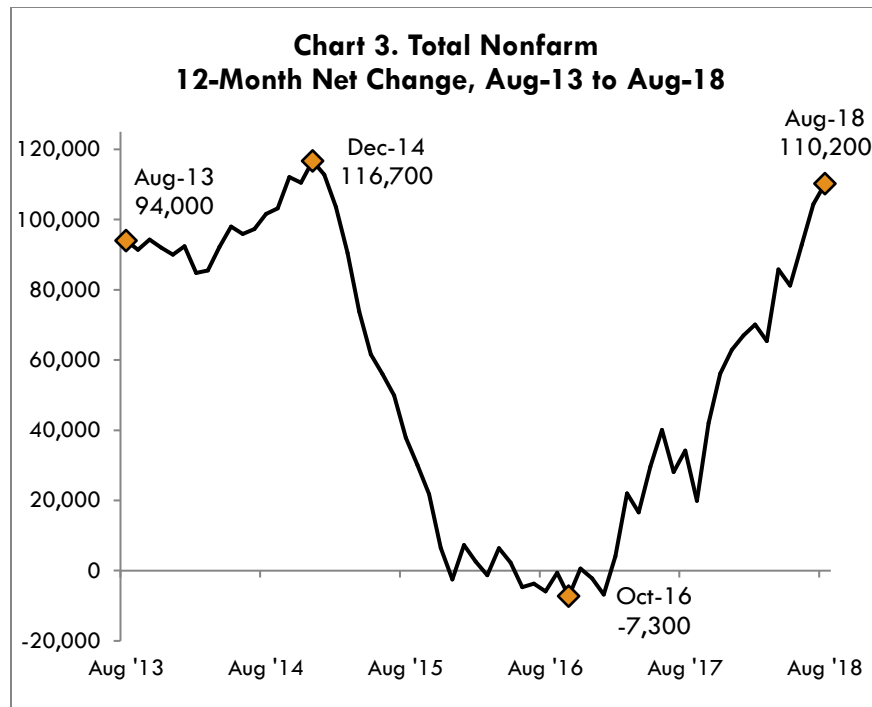
Houston MSA Total Nonfarm employment stood at 3,123,100 in August, up 7,400 jobs over the month, or 0.2 percent. A year ago Houston registered an over-the-month increase of 1,600 jobs. The largest over-the-month gain on record for Total Nonfarm Employment occurred in February 2013, up 36,900 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in September 2008, down -21,900 jobs. Historically in the month of August, Total Nonfarm has on average added 7,500 jobs over the month, which indicates that this month's gains are on par with the long-term average. The primary drivers of this August's growth were increases in Trade, Transportation, and Utilities, Educational and Health Services, and Construction. Gains were also recorded in Manufacturing, Other Services, and Leisure and Hospitality. The net increase in jobs over the month was partially offset by losses in Professional and Business Services, Government, and Information.





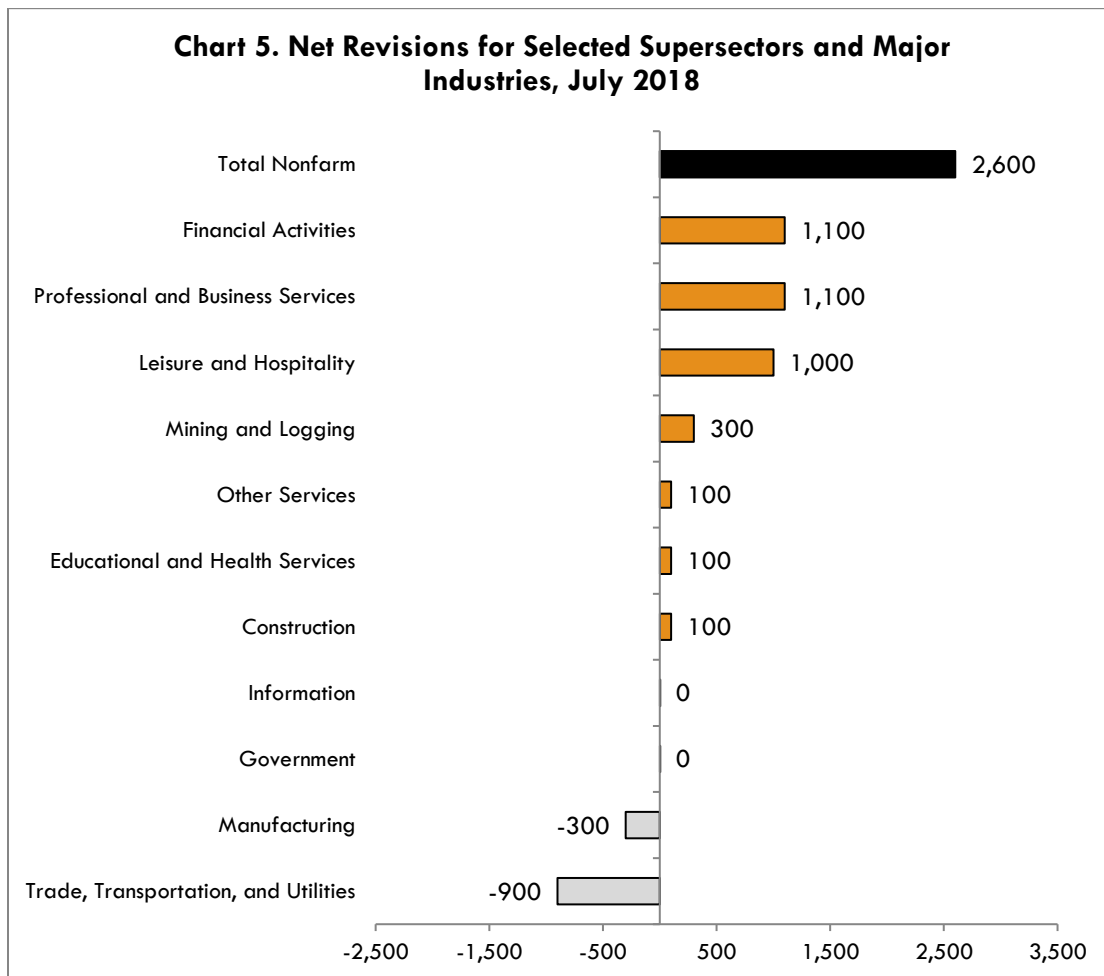
#### *Year over Year Change*

Over the year, Total Nonfarm employment was up 110,200, or 3.7 percent. To compare, August 2017 saw a year-over-year gain of 34,200 jobs. The largest over-the-year gain on record for Total Nonfarm Employment occurred in November 2012, up 124,000 jobs. The largest over-the-year decline on record occurred in November 2009, down -114,600 jobs. Currently 10 out of 11 sectors show positive growth year over year of which the largest three are: Professional and Business Services (35,000), Construction (28,900), and Trade, Transportation, and Utilities (17,300).



### Previous Month's Revisions

Total Nonfarm employment was revised upward by 2,600 jobs for a June to July smaller net loss of -15,900 compared to an original estimate of -18,500 jobs. An upward revision of +1,100 jobs in Financial Activities was the largest contributor followed by Professional and Business Services (+1,100) and Leisure and Hospitality (+1,000). Downward revisions in Trade, Transportation, and Utilities (-900), Manufacturing (-300), and Information () provided a partial offset of the overall upward revision to Total Nonfarm employment.

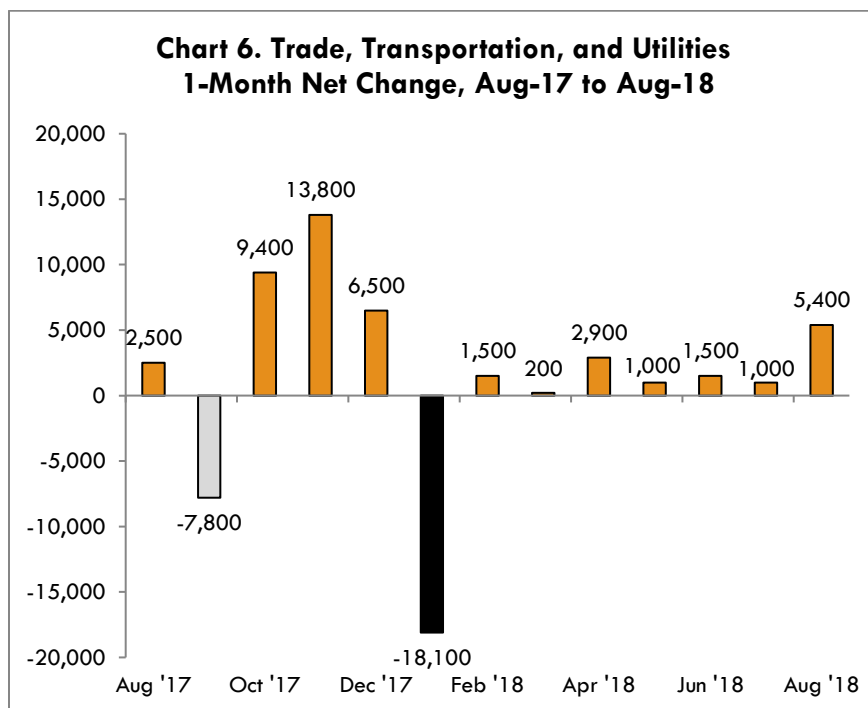


## **GAINING INDUSTRY HIGHLIGHTS**

### **Trade, Transportation, and Utilities**

#### *One Month Change*

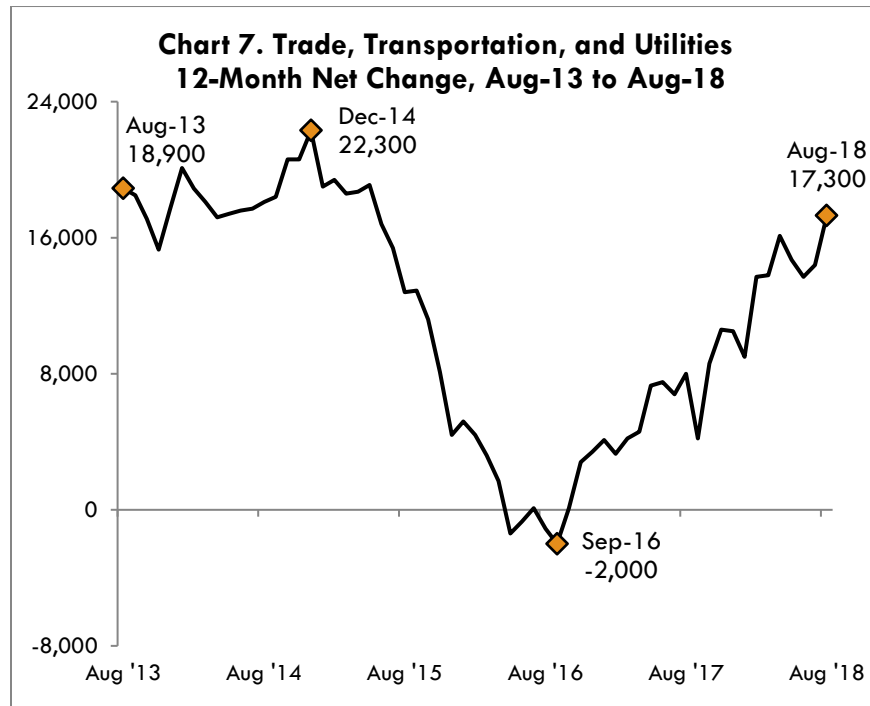
Trade, Transportation, and Utilities was the largest gaining sector over the month up 5,400 jobs, or 0.9 percent. This was the largest-ever one-month gain in the month of August since records began in 1990. The largest over-the-month gain on record for this sector occurred in November 2012, up 14,000 jobs. The largest one-month decline on record occurred in April 2009, down -3,600 jobs. Historically in the month of August, Trade, Transportation, and Utilities has added an average of 2,800 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 2,300 jobs over the month. The second-largest contributor was Retail Trade, which added 2,100 jobs from July to August. Lastly, Wholesale Trade contributed 1,000 jobs.



#### *Year over Year and Year to Date*

Year over year, Trade, Transportation, and Utilities was up 17,300 jobs, or 2.8 percent. Furthermore, 15.6 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest over-the-year decline on record occurred in November 2009, down -23,200 jobs. Retail Trade was the largest contributor to the overall sector's increase, up 8,300 jobs over the year. The second-largest contributor was Wholesale Trade, which added 5,200 jobs from August a year ago. Lastly, Transportation, Warehousing, and

Utilities contributed 3,800 jobs. Year to date this sector is up 13,500 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 5,200. Trade, Transportation, and Utilities' share of Houston area Total Nonfarm Employment has fallen from 20.5 percent to 20.4 percent over the past year.



#### *Previous Month's Revisions*

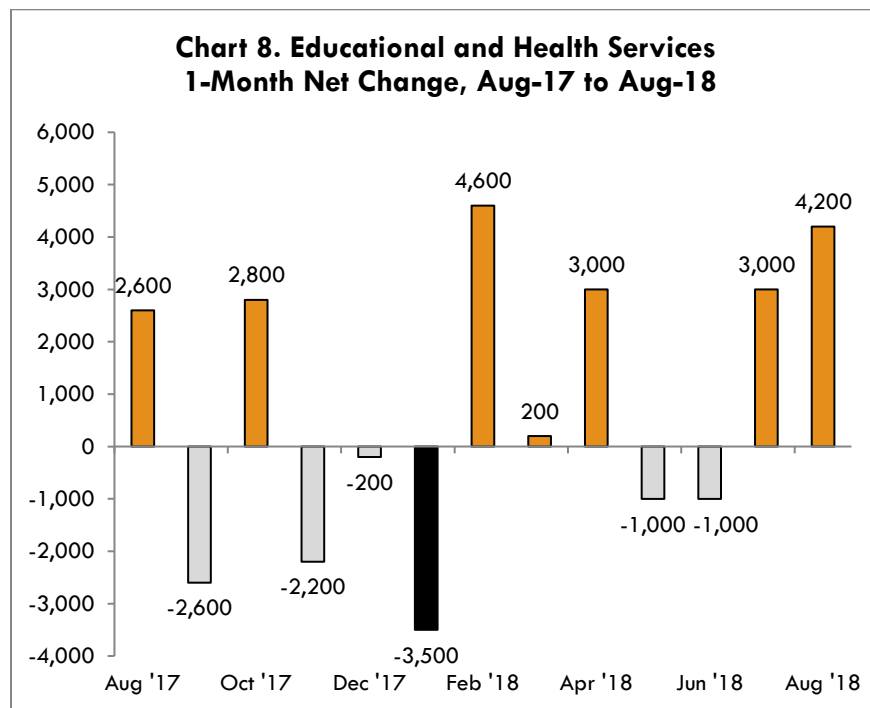
Trade, Transportation, and Utilities employment was revised downward by -900 jobs for a June to July smaller net gain of 1,000 compared to an original estimate of 1,900 jobs.



## Educational and Health Services

### One Month Change

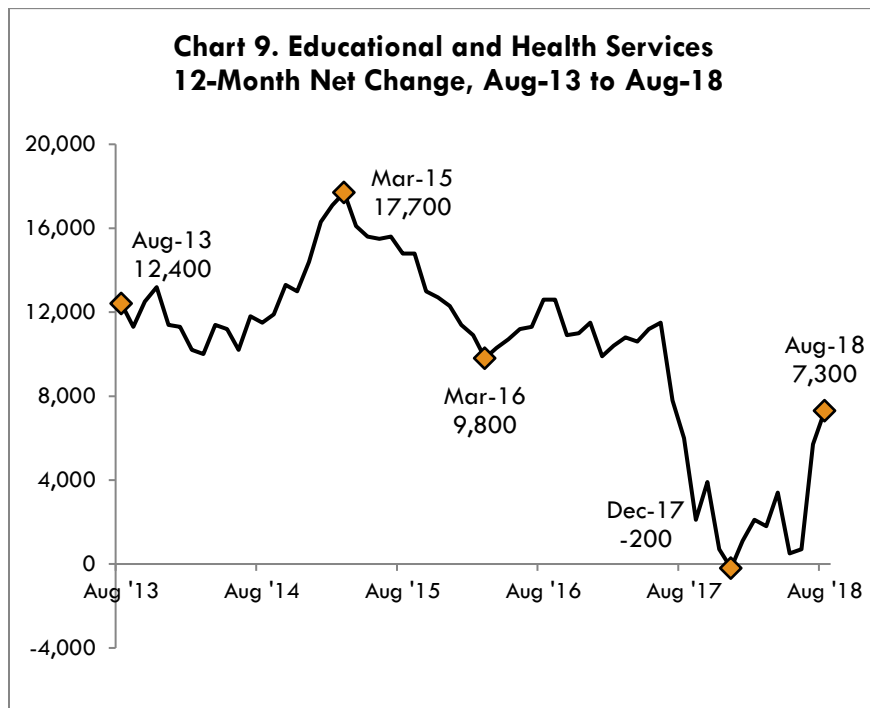
Educational and Health Services was the second-largest gaining sector over the month up 4,200 jobs, or 1.1 percent. The largest over-the-month gain on record for this sector occurred in March 1999, up 4,700 jobs. The largest one-month decline on record occurred in February 1990, down -7,300 jobs. Historically in the month of August, Educational and Health Services has on average added 2,400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Due to seasonal factors related to the start of the academic year, job growth in Educational and Health Services in August tends to be one of the strongest months for job growth at any point during the year, however it should be noted that this is in direct contrast to trends observed within Government i.e. Local Government Educational Services due to differences in employee contract start dates. The strength in Educational and Health Services observed in August is typically repeated in September. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 2,600 jobs over the month. The second-largest contributor was Educational Services, which added 1,600 jobs from July to August.



### Year over Year and Year to Date

Year over year, Educational and Health Services was up 7,300 jobs, or 1.9 percent. The largest over-the-year gain on record for this sector occurred in March 2015, up 17,700 jobs. The largest over-the-year decline on record occurred in January 1991, down -3,200 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 6,000 jobs over the year. The second-largest contributor was Educational Services, which added 1,300 jobs from August a year ago. Year to date this sector is up 13,000 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 6,800. Educational and

Health Services' share of Houston area Total Nonfarm Employment has shrunk from 12.8 percent to 12.6 percent over the past year.



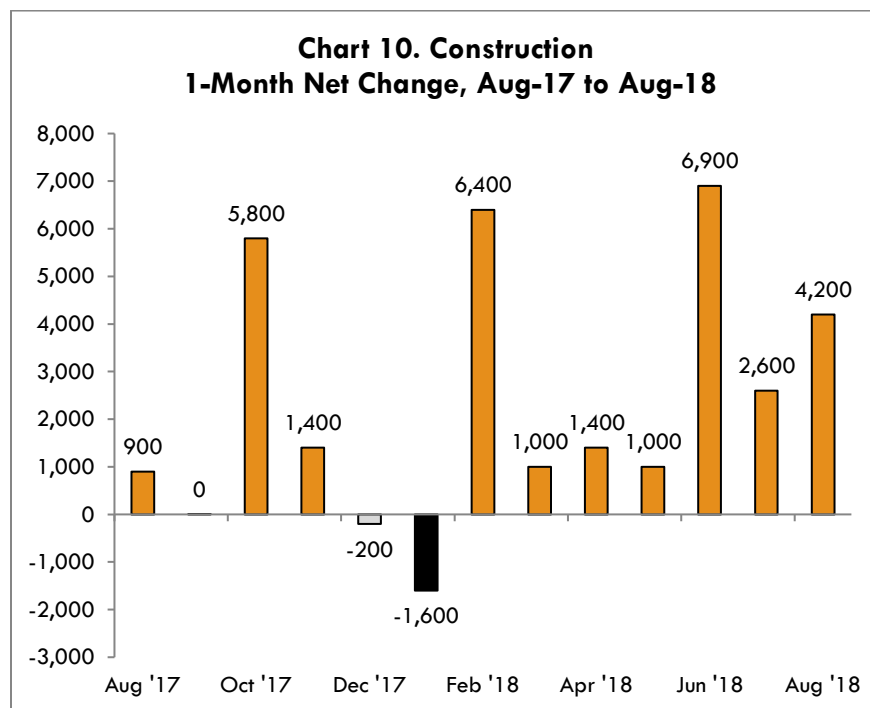
#### *Previous Month's Revisions*

Educational and Health Services employment was revised upward by 100 jobs for a June to July larger net gain of 3,000 compared to an original estimate of 2,900 jobs.

## Construction

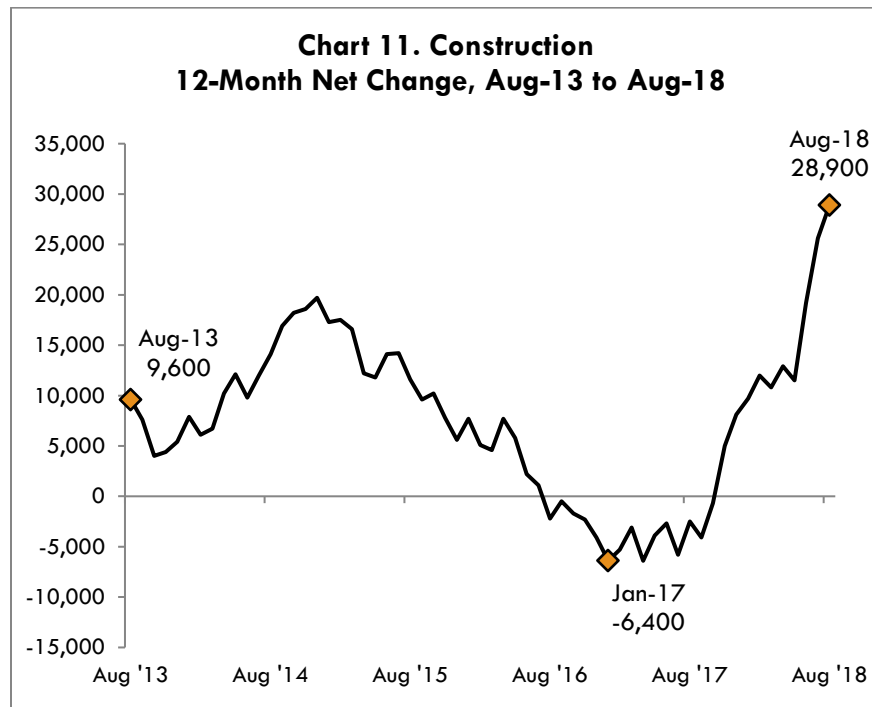
### One Month Change

Construction was the third-largest gaining sector over the month up 4,200 jobs, or 1.8 percent. The largest over-the-month gain on record for this sector occurred in February 2013, up 7,200 jobs. The largest one-month decline on record occurred in April 2009, down -5,400 jobs. Historically in the month of August, Construction has on average added 1,000 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 2,600 jobs over the month. The second-largest contributor was Construction of Buildings, which added 1,100 jobs from July to August. Lastly, Heavy and Civil Engineering Construction contributed 500 jobs.



### Year over Year and Year to Date

Year over year, Construction was up 28,900 jobs, or 13.5 percent. This was the largest-ever year-over-year gain ever since records began in 1990. Currently, this sector is the fastest-growing in percentage terms in the Houston. Furthermore, 26.0 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. The largest over-the-year decline on record occurred in November 2009, down -33,700 jobs. Construction of Buildings was the largest contributor to the overall sector's increase, up 16,300 jobs over the year. The second-largest contributor was Specialty Trade Contractors, which added 8,700 jobs from August a year ago. Lastly, Heavy and Civil Engineering Construction contributed 3,900 jobs. Year to date this sector is up 23,500 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 4,300. Construction's share of Houston area Total Nonfarm Employment has risen from 7.1 percent to 7.8 percent over the past year.



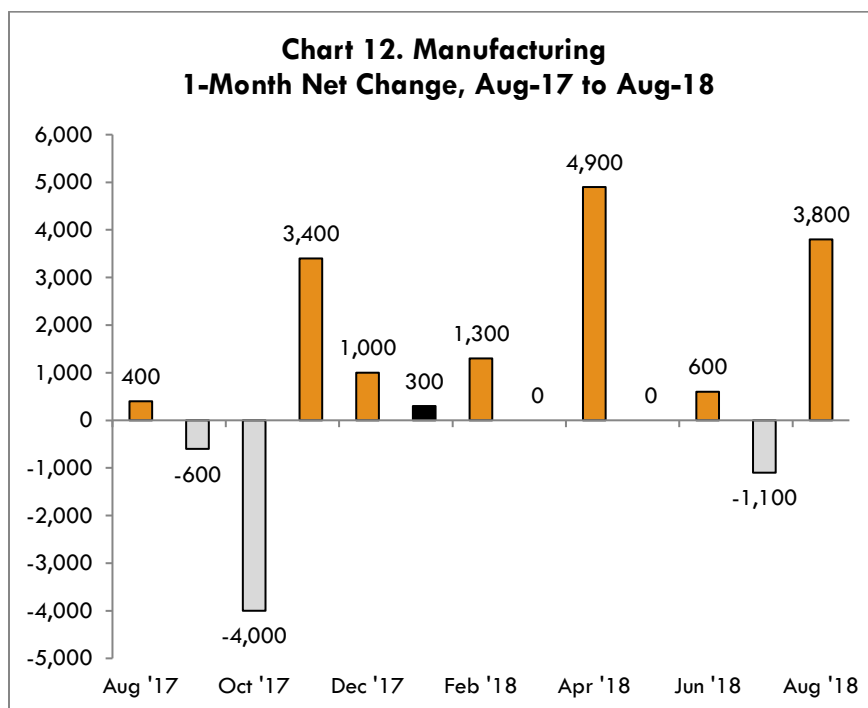
#### *Previous Month's Revisions*

Construction employment was revised upward by 100 jobs for a June to July larger net gain of 2,600 compared to an original estimate of 2,500 jobs.

# Manufacturing

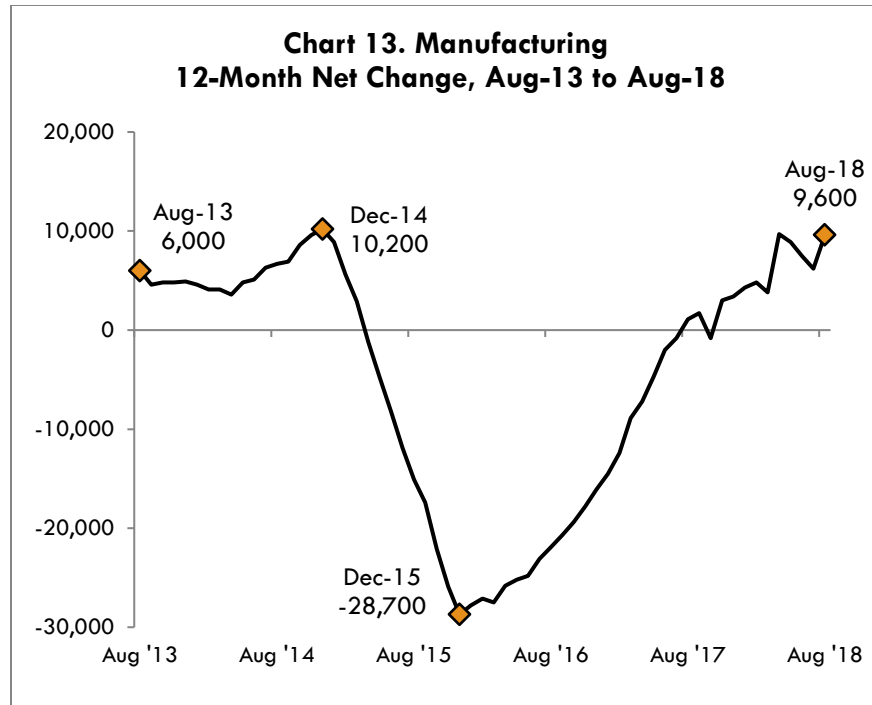
## One Month Change

Manufacturing also saw an increase over the month up 3,800 jobs, or 1.7 percent. This was the largest-ever one-month gain in the month of August since records began in 1990. The largest over-the-month gain on record for this sector occurred in April 2018, up 4,900 jobs. The largest one-month decline on record occurred in April 1999, down -5,100 jobs. Durable Goods was the largest contributor to the overall sector's increase, up 3,600 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 200 jobs from July to August.



## Year over Year and Year to Date

Year over year, Manufacturing was up 9,600 jobs, or 4.3 percent. Currently, this sector is the third-fastest growing in percentage terms in the Houston area. The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest over-the-year decline on record occurred in November 2009, down -28,800 jobs. Durable Goods was the largest contributor to the overall sector's increase, up 9,300 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 300 jobs from August a year ago. Year to date this sector is up 9,500 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 4,200. The absolute number of jobs in this sector most recently peaked in December 2014 at 262,500 before reaching a low of 216,700 in October 2017. Since that time, employment levels have risen by 14,200, which implies that 31.0 percent of the -45,800 jobs lost in this sector have been recovered to date. Manufacturing's share of Houston area Total Nonfarm Employment has remained constant at 7.4 percent over the past year.



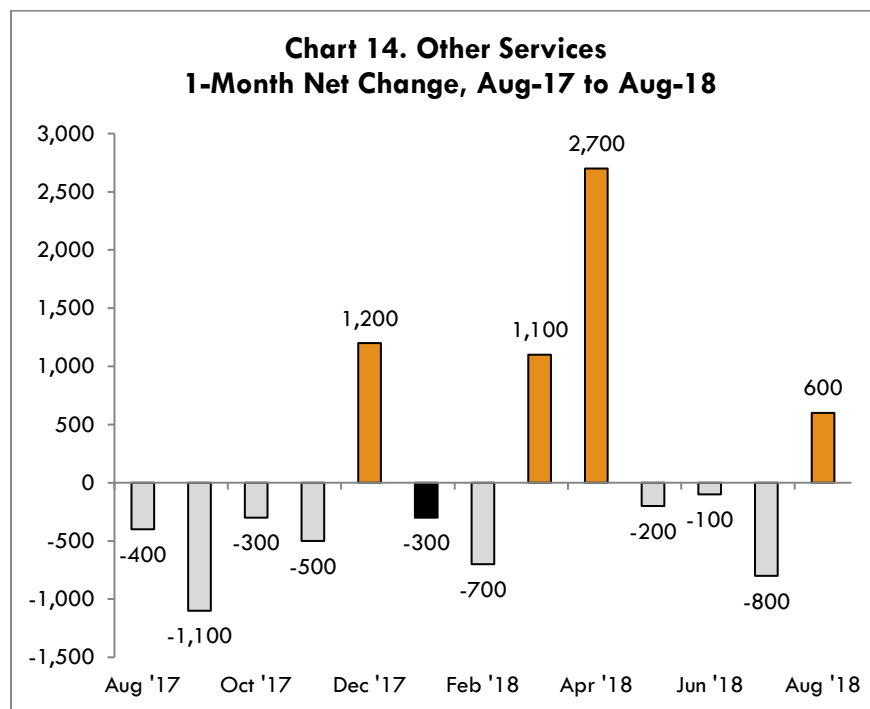
#### *Previous Month's Revisions*

Manufacturing employment was revised downward by -300 jobs for a June to July larger net loss of -1,100 compared to an original estimate of -800 jobs.

## Other Services

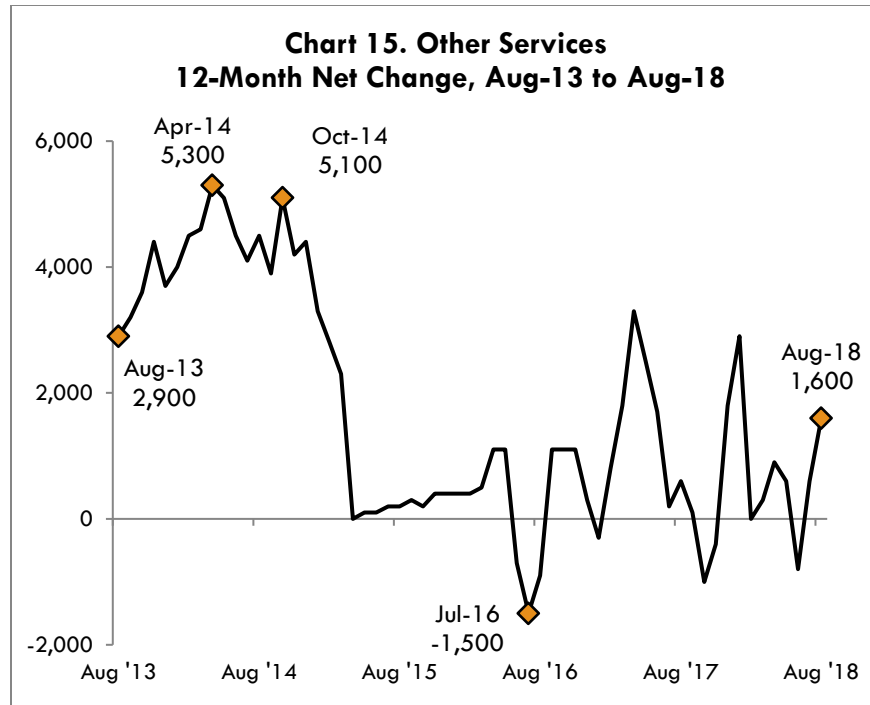
### One Month Change

Other Services also saw an increase over the month up 600 jobs, or 0.5 percent. This was the largest-ever one-month gain in the month of August since records began in 1990. The largest over-the-month gain on record for this sector occurred in June 2006, up 4,900 jobs. The largest one-month decline on record occurred in January 2007, down -3,500 jobs. Historically in the month of August, Other Services has on average lost -800 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Job losses are typically recorded in August of each year with only a handful of exceptions in the history of the series.



### Year over Year and Year to Date

Year over year, Other Services was up 1,600 jobs, or 1.5 percent. The largest over-the-year gain on record for this sector occurred in April 2014, up 5,300 jobs. The largest over-the-year decline on record occurred in December 2007, down -3,600 jobs. Year to date this sector is up 2,600 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 3,900. Other Services' share of Houston area Total Nonfarm Employment has remained constant at 3.7 percent over the past year.



#### *Previous Month's Revisions*

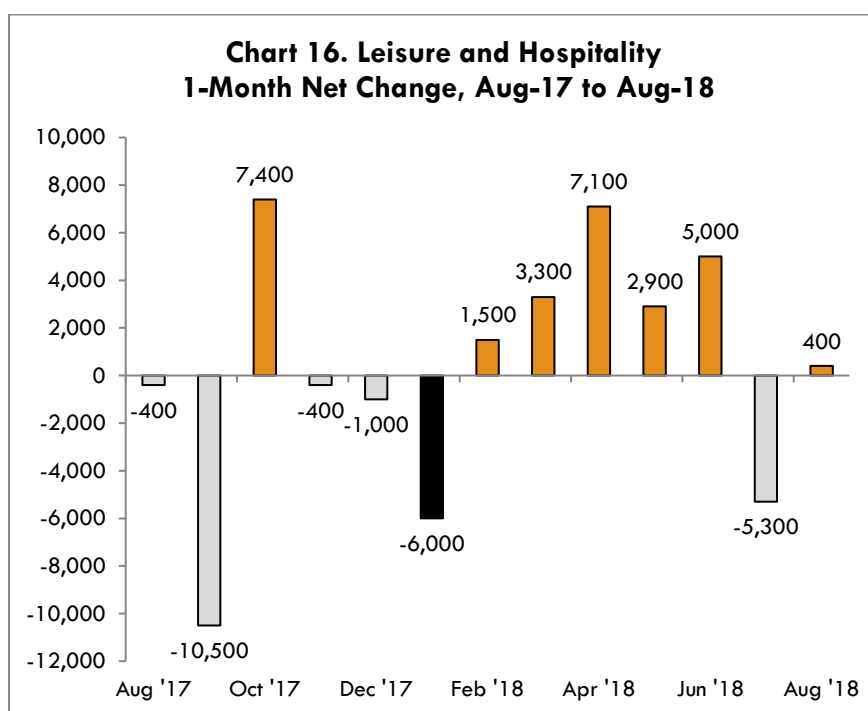
Other Services employment was revised upward by 100 jobs for a June to July smaller net loss of -800 compared to an original estimate of -900 jobs.



# Leisure and Hospitality

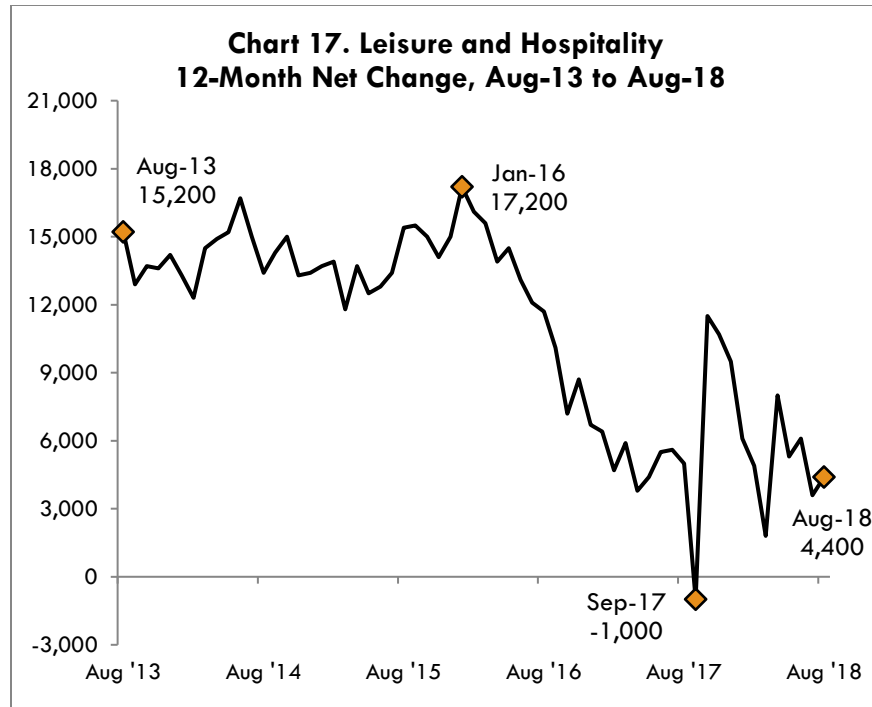
## One Month Change

Leisure and Hospitality also saw an increase over the month up 400 jobs, or 0.1 percent. The largest over-the-month gain on record for this sector occurred in March 2014, up 7,800 jobs. The largest one-month decline on record occurred in August 1996, down -1,600 jobs. Historically in the month of August, Leisure and Hospitality has on average added 100 jobs over the month, which indicates that this month's gains are somewhat above the long-term average. Historically, job gains have been recorded in the month of August approximately 60 percent of the time since records began. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -800 jobs from July to August.



## Year over Year and Year to Date

Year over year, Leisure and Hospitality was up 4,400 jobs, or 1.4 percent. The largest over-the-year gain on record for this sector occurred in January 2016, up 17,200 jobs. The largest over-the-year decline on record occurred in August 1991, down -4,100 jobs. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 3,900 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 500 jobs from August a year ago. Year to date this sector is up 14,900 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 16,600. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has shrunk from 10.7 percent to 10.5 percent over the past year.



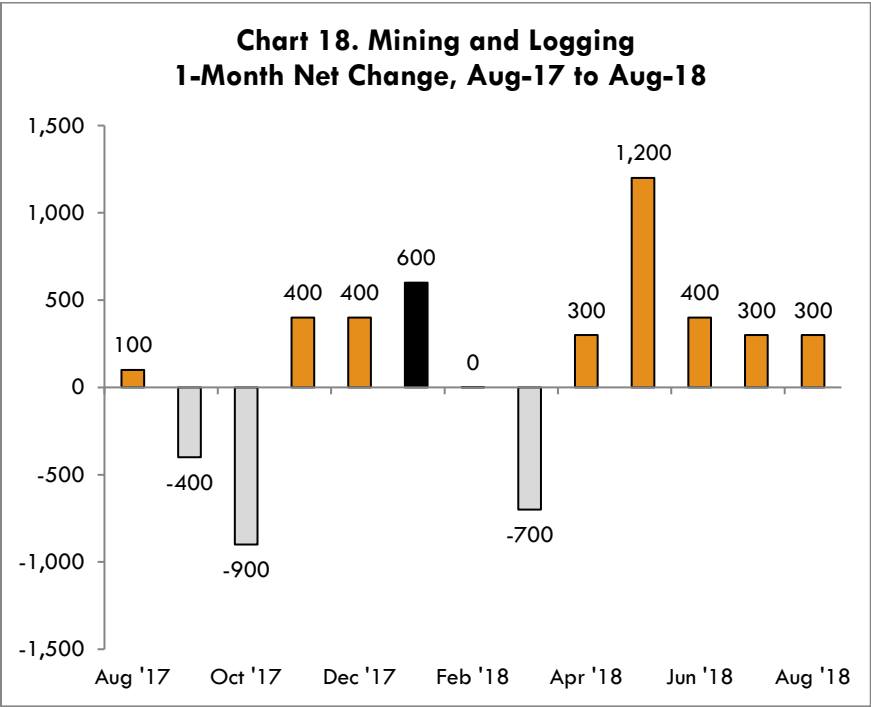
#### *Previous Month's Revisions*

Leisure and Hospitality employment was revised upward by 1,000 jobs for a June to July smaller net loss of -5,300 compared to an original estimate of -6,300 jobs.

# Mining and Logging

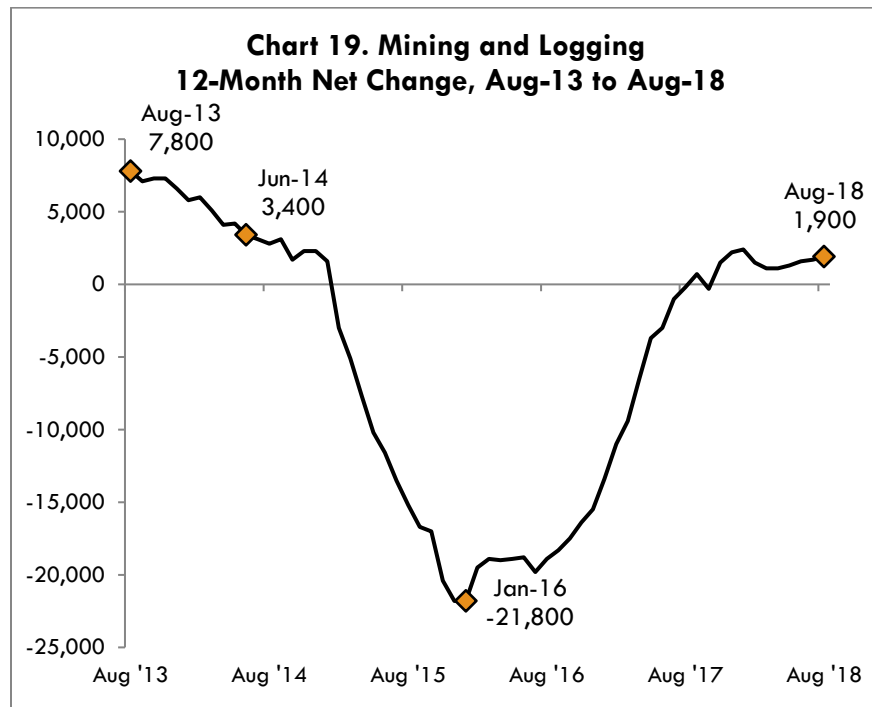
## One Month Change

Mining and Logging also saw an increase over the month up 300 jobs, or 0.4 percent. The largest over-the-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest one-month decline on record occurred in February 2015, down -3,800 jobs. Historically in the month of August, Mining and Logging has on average added 50 jobs over the month, which indicates that this month's gains are somewhat above the long-term average. Support Activities for Mining was the largest contributor to the overall sector's increase, up 300 jobs over the month. One component industry, Other Mining and Logging Undefined\*, saw no change from July to August. Lastly, Oil and Gas Extraction saw no change over the month.



## Year over Year and Year to Date

Year over year, Mining and Logging was up 1,900 jobs, or 2.4 percent. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest over-the-year decline on record occurred in January 2016, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's increase, up 3,400 jobs over the year. One component industry that provided a partial offset was Other Mining and Logging Undefined\*, which lost -200 jobs from August a year ago. Lastly, Oil and Gas Extraction offset a portion of the sector's gains with a loss of -1,300 jobs. Year to date this sector is up 1,800 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 2,300. The absolute number of jobs in this sector most recently peaked in December 2014 at 113,000 before reaching a low of 75,700 in December 2016. Since that time, employment levels have risen by 4,600, which implies that 12.3 percent of the -37,300 jobs lost in this sector have been recovered to date. Mining and Logging's share of Houston area Total Nonfarm Employment has remained constant at 2.6 percent over the past year.



#### *Previous Month's Revisions*

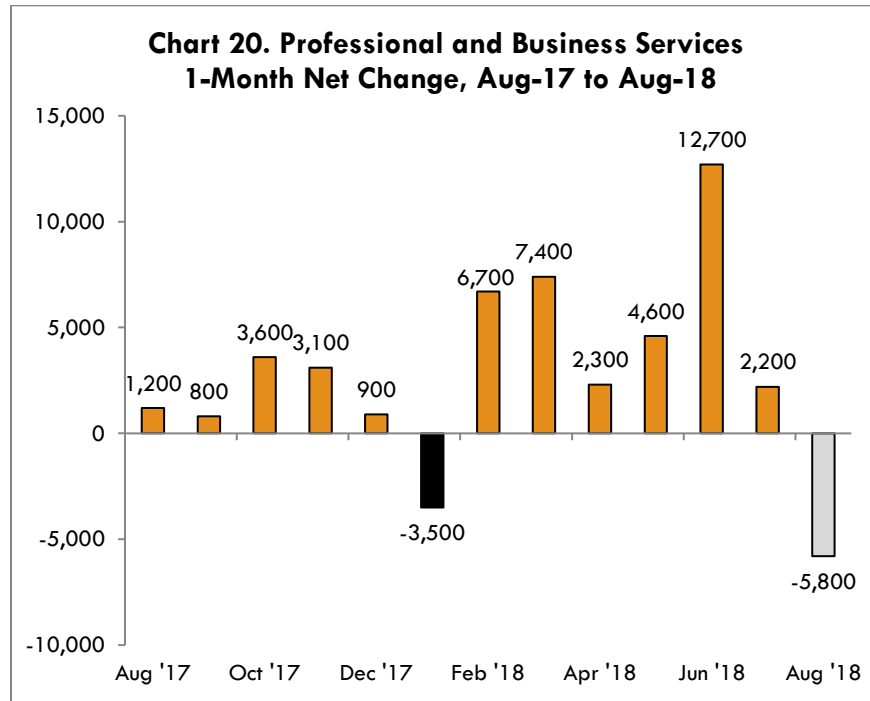
Mining and Logging employment was revised upward by 300 jobs for a June to July net gain of 300 compared to an original estimate of zero net change in jobs over the month.

## **DECLINING INDUSTRY HIGHLIGHTS**

### **Professional and Business Services**

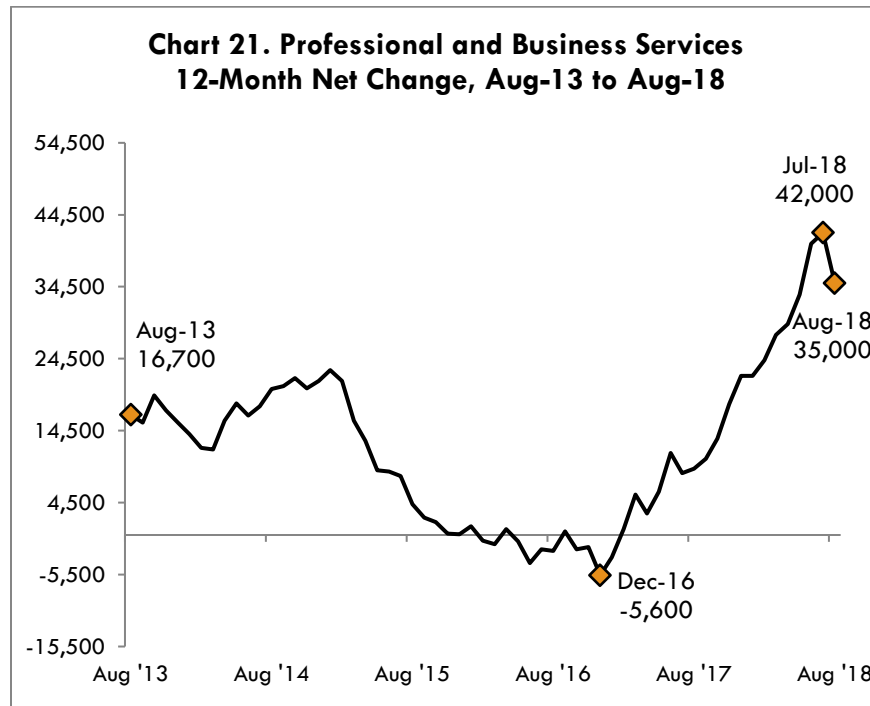
#### *One Month Change*

Professional and Business Services was the largest declining sector over the month down -5,800 jobs, or -1.1 percent. This was the largest-ever one-month decline in the month of August since records began in 1990. Furthermore, August's losses end 20 consecutive months of job gains (excluding typical January losses). The largest over-the-month gain on record for this sector occurred in June 2018, up 12,700 jobs. The largest one-month decline on record occurred in September 2008, down -6,900 jobs. Historically in the month of August, Professional and Business Services has on average added 1,800 jobs over the month, which indicates that this month's losses are substantially below the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -3,400 jobs over the month. Within this sub-sector, Administrative Support was the largest contributor of job losses (-2,500). Per the definition maintained by the North American Industrial Classification System (NAICS), Administrative Support consists of a myriad of functions such as general management, personnel administration, clerical activities, cleaning activities, etc. As a result it is difficult to determine the exact cause of the drop in this industry and hence the overall Professional and Business Services sector. The second-largest declining contributor was Professional, Scientific, and Technical Services, which lost -2,600 jobs from July to August. Lastly, Management of Companies and Enterprises offset a portion of the sector's losses with a gain of 200 jobs.



### Year over Year and Year to Date

Year over year, Professional and Business Services was up 35,000 jobs, or 7.2 percent. This was the largest-ever year-over-year gain in the month of August since records began in 1990 in contrast the record over-the-month loss noted above. Currently, this sector is the second-fastest growing in percentage terms in the Houston area. Furthermore, 31.5 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. The largest over-the-year gain on record for this sector occurred in July 2018, up 42,000 jobs. The largest over-the-year decline on record occurred in October 2009, down -35,100 jobs. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 19,700 jobs over the year. The second-largest contributor was Professional, Scientific, and Technical Services, which added 14,800 jobs from August a year ago. Lastly, Management of Companies and Enterprises contributed 500 jobs. Year to date this sector is up 30,100 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 17,200. Professional and Business Services' share of Houston area Total Nonfarm Employment has risen from 16.1 percent to 16.6 percent over the past year.



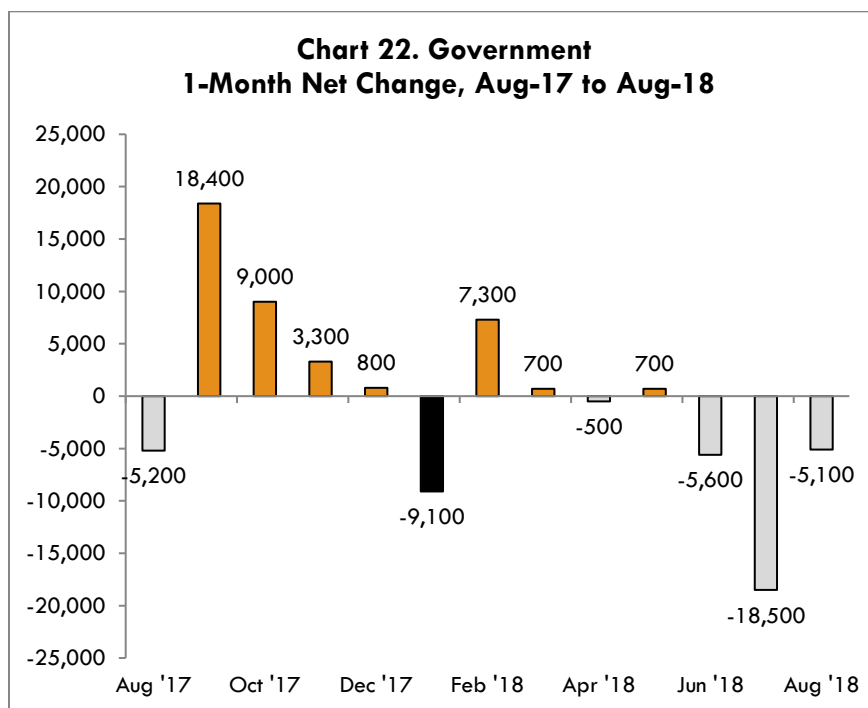
### Previous Month's Revisions

Professional and Business Services employment was revised upward by 1,100 jobs for a June to July larger net gain of 2,200 compared to an original estimate of 1,100 jobs.

## Government

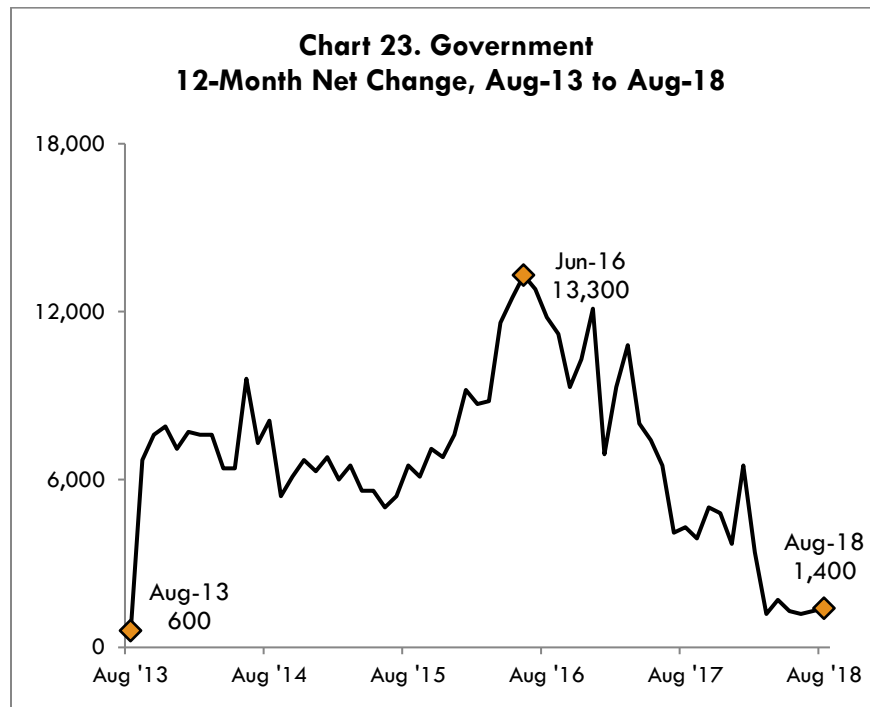
### One Month Change

Government was the second-largest declining sector over the month down -5,100 jobs, or -1.3 percent. The largest over-the-month gain on record for this sector occurred in September 2013, up 22,500 jobs. The largest one-month decline on record occurred in April 2006, down -2,500 jobs. Historically in the month of August, Government has on average added 100 jobs over the month, which indicates that this month's losses are substantially below the long-term average. Declines in Government employment in August of each year have become typical since 2008 when changes were made to the start dates of public education employee contracts. As a result, seasonal declines in the sector, which are primarily concentrated in Local Government Educational Services, now extend from June through August of each year. Local Government was the largest contributor to the overall sector's decline, down -5,500 jobs over the month. One component industry that provided a partial offset was Federal Government, which gained 100 jobs from July to August. Lastly, State Government offset a portion of the sector's losses with a gain of 300 jobs.



### Year over Year and Year to Date

Year over year, Government was up 1,400 jobs, or 0.4 percent. The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest over-the-year decline on record occurred in January 2012, down -17,100 jobs. Local Government was the largest contributor to the overall sector's increase, up 1,000 jobs over the year. The second-largest contributor was Federal Government, which added 400 jobs from August a year ago. Lastly, State Government saw no change over the year. Government's share of Houston area Total Nonfarm Employment has shrunk from 12.8 percent to 12.4 percent over the past year.



#### *Previous Month's Revisions*

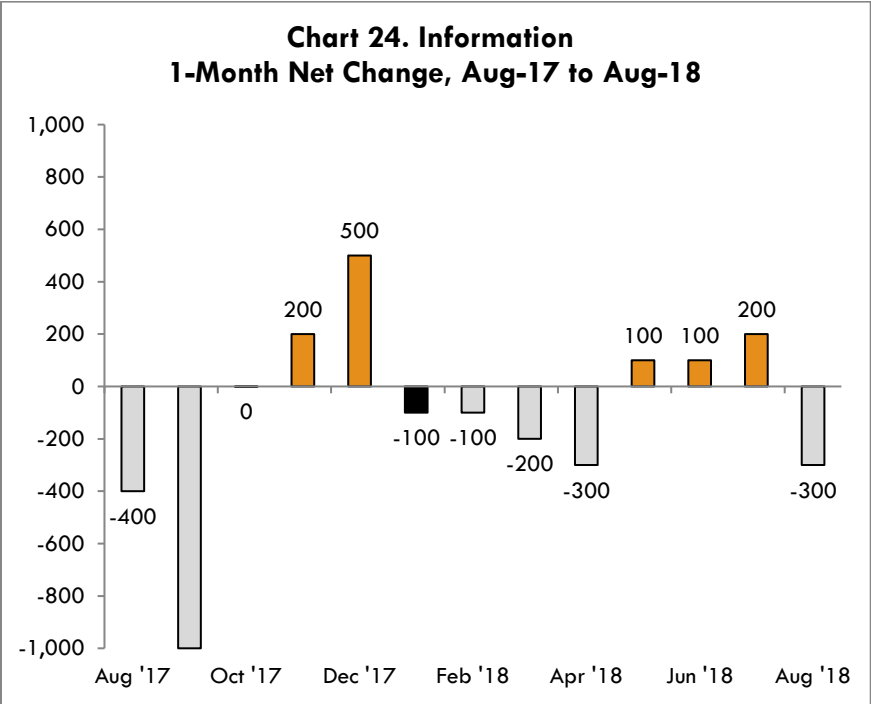
Government employment saw no revision from June to July leaving the previous month's original decrease of -18,500 intact.



# Information

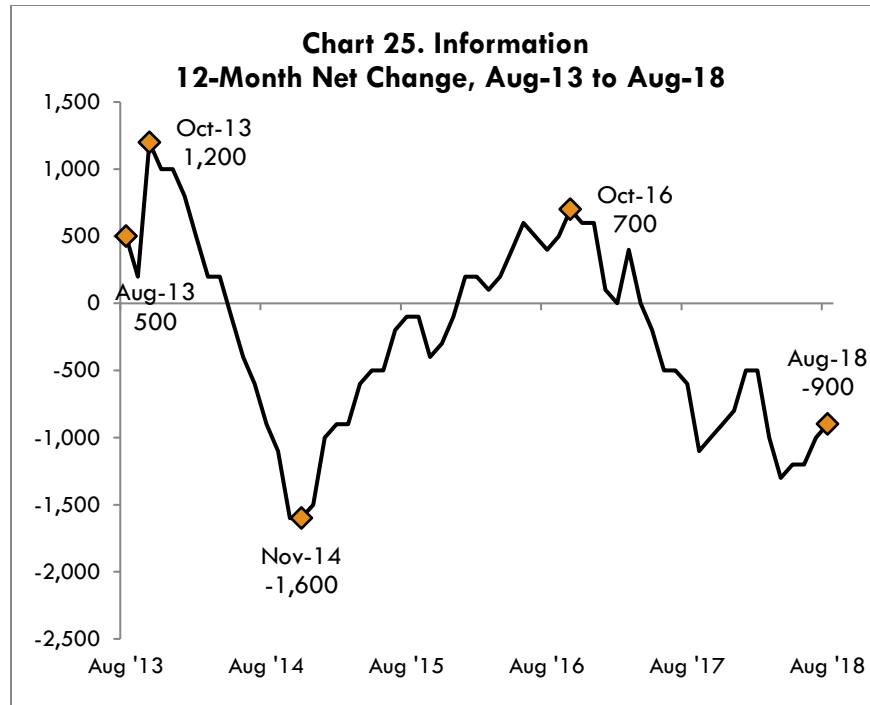
## One Month Change

Information was the third-largest declining sector over the month down -300 jobs, or -0.9 percent. The largest over-the-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest one-month decline on record occurred in July 2001, down -1,700 jobs. Historically in the month of August, Information has on average lost -60 jobs over the month, which indicates that this month's losses are substantially below the long-term average. Telecommunications was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Other Information Undefined\*, which lost -100 jobs from July to August.



## Year over Year and Year to Date

Year over year, Information was down -900 jobs, or -2.8 percent. Currently, this sector is the fastest-declining in percentage terms in the Houston area. Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Information. The largest over-the-year gain on record for this sector occurred in September 1997, up 4,600 jobs. The largest over-the-year decline on record occurred in April 2002, down -7,000 jobs. Telecommunications was the largest contributor to the overall sector's decline, down -700 jobs over the year. The second-largest declining contributor was Other Information Undefined\*, which lost -200 jobs from August a year ago. Year to date this sector is down -500 jobs compared to the same point in time a year ago when the net change from January to August was a decrease of -100. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.1 percent over the past year.



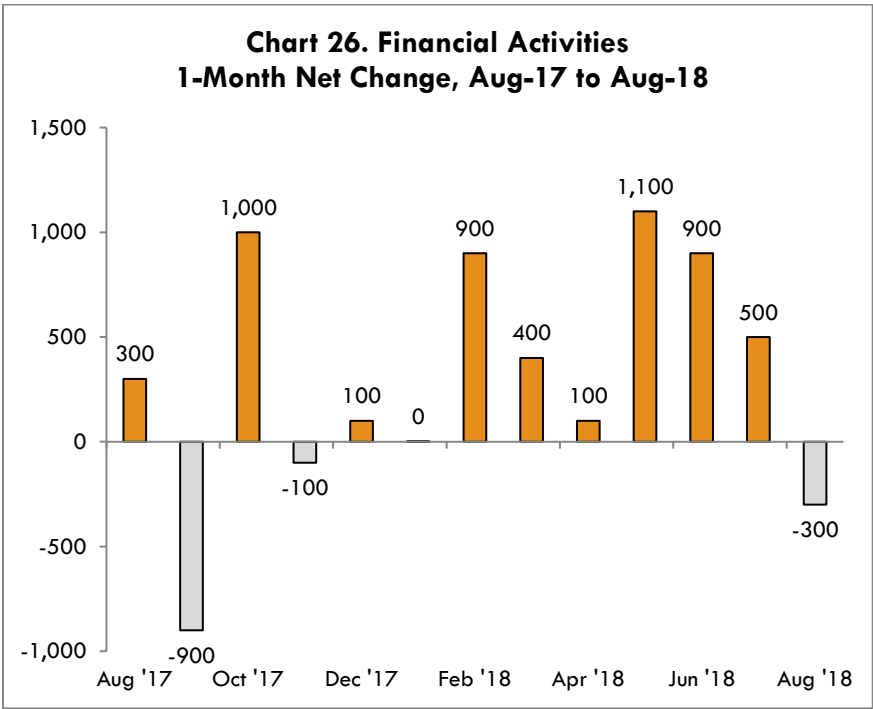
#### *Previous Month's Revisions*

Information employment saw no revision from June to July leaving the previous month's original increase of 200 intact.

# Financial Activities

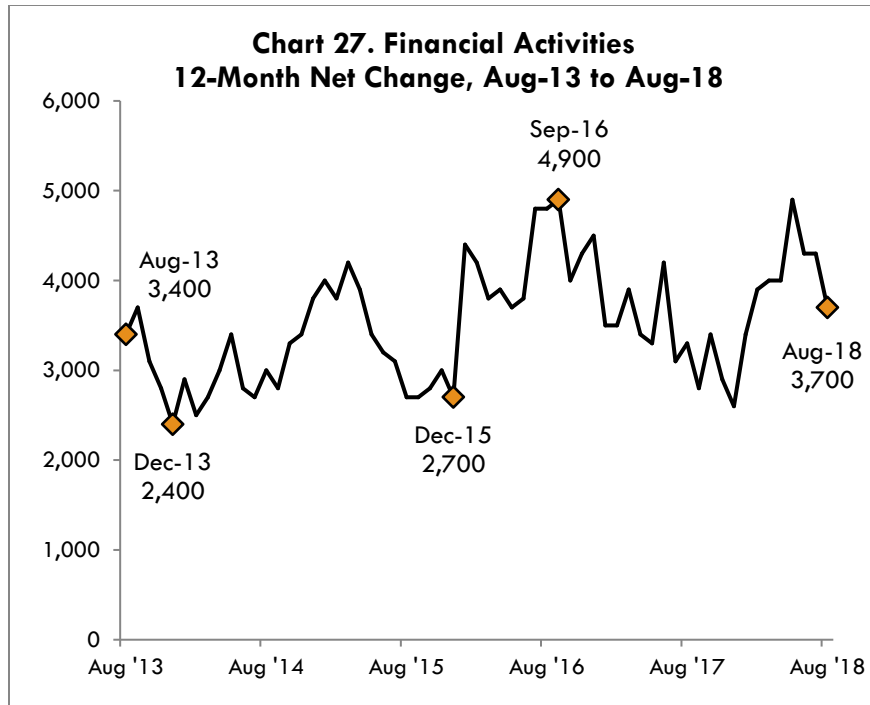
## One Month Change

Financial Activities also saw a decrease over the month down -300 jobs, or -0.2 percent. The largest over-the-month gain on record for this sector occurred in October 1997, up 2,100 jobs. The largest one-month decline on record occurred in July 1990, down -1,600 jobs. Historically in the month of August, Financial Activities has on average added 200 jobs over the month, which indicates that this month's losses are substantially below the long-term average. Finance and Insurance was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which gained 800 jobs from July to August.



## Year over Year and Year to Date

Year over year, Financial Activities was up 3,700 jobs, or 2.3 percent. The largest over-the-year gain on record for this sector occurred in September 1998, up 9,100 jobs. The largest over-the-year decline on record occurred in August 2009, down -6,300 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 4,900 jobs over the year. One component industry that provided a partial offset was Finance and Insurance, which lost -1,200 jobs from August a year ago. Year to date this sector is up 3,600 jobs compared to the same point in time a year ago when the net change from January to August was an increase of 3,300. Financial Activities' share of Houston area Total Nonfarm Employment has remained constant at 5.3 percent over the past year.



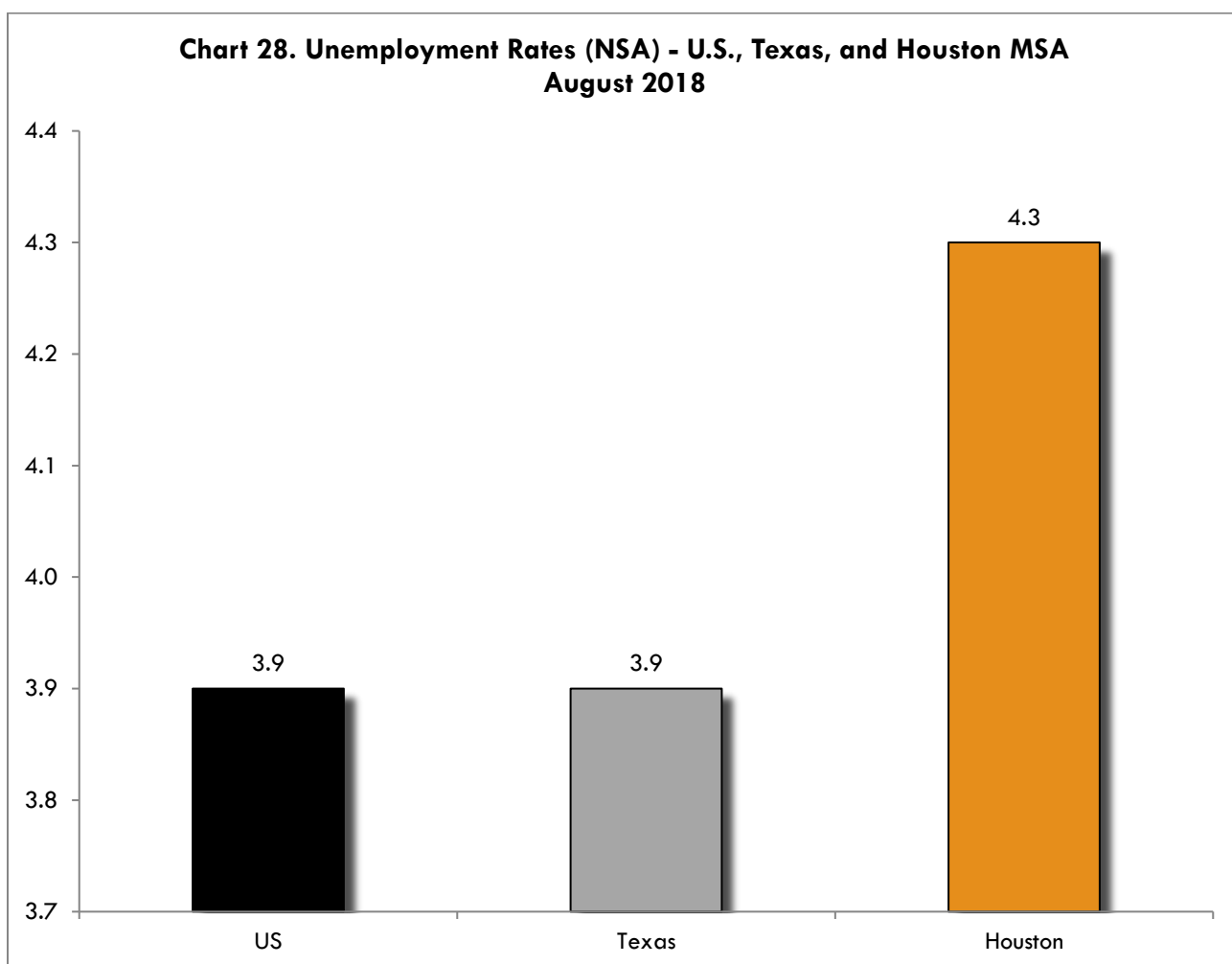
#### *Previous Month's Revisions*

Financial Activities employment was revised upward by 1,100 jobs for a June to July complete erasure of losses resulting in a net gain of 500 compared to an original estimate of -600 jobs.

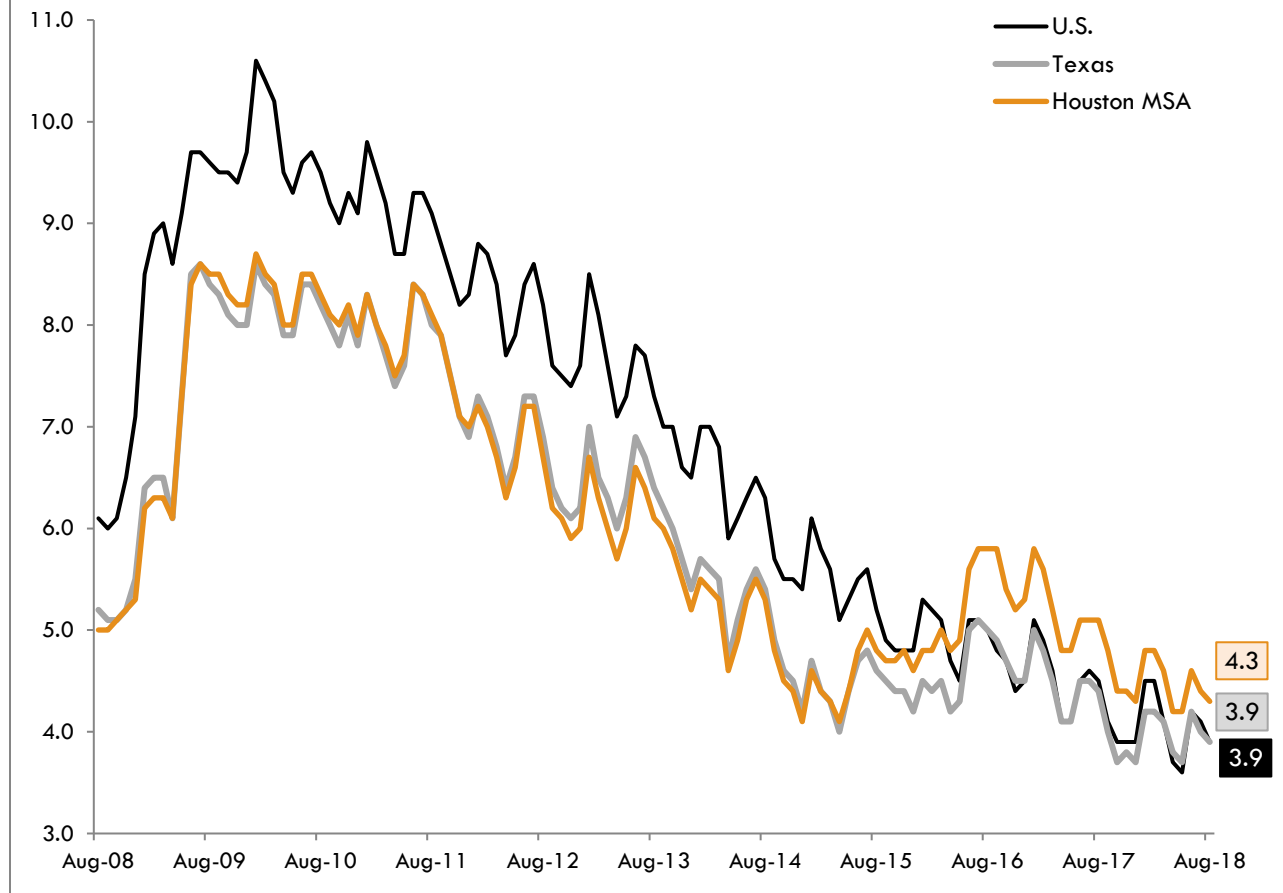
## UNEMPLOYMENT RATES

### Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.3 percent in August, down slightly from July's 4.4 percent and down from 5.1 percent a year ago. This was above the statewide rate of 3.9 percent and above the national rate of 3.9 percent. 146,566 individuals were unemployed in Houston in August, down slightly from July's 150,368 and down from 170,033 in August 2017. The net number of unemployed individuals in Houston has risen by 14,250 since the most recent low of 132,316 in December 2014 however the current month's unemployment level remains below the all-time high of 257,474 recorded in June 2011.

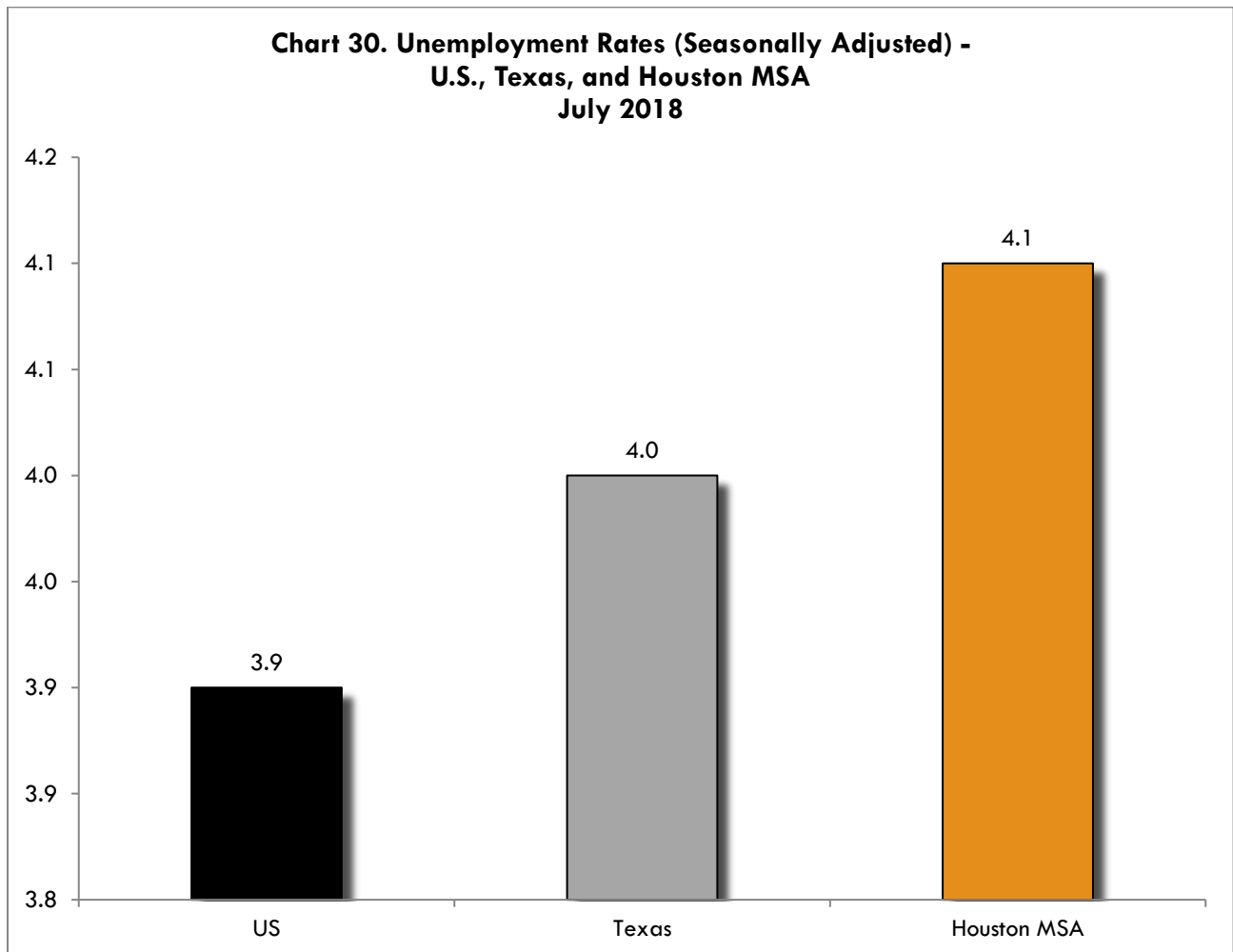


**Chart 29. Unemployment Rates (NSA) - U.S., Texas, and Houston MSA,  
August 2008 to August 2018**

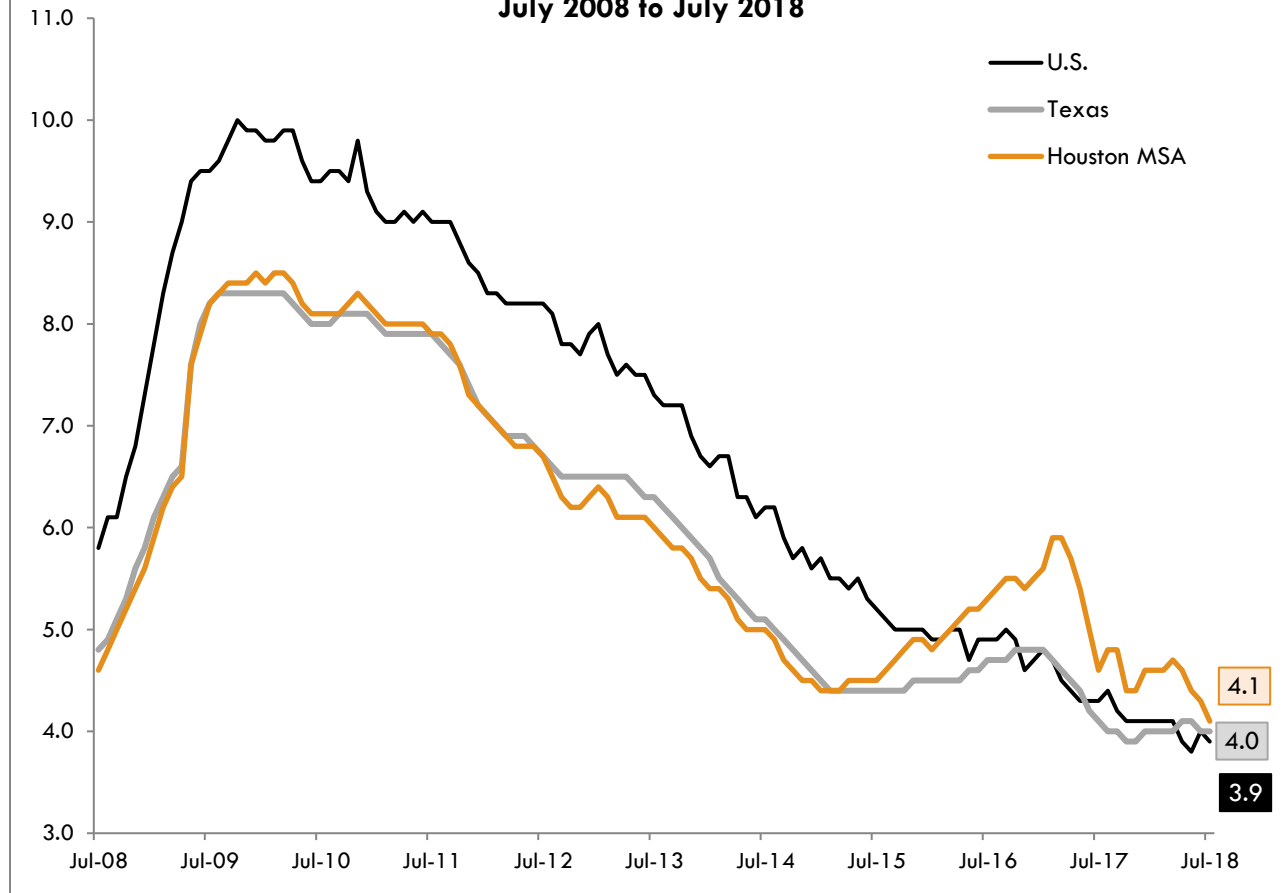


## Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.1 percent in July, down from June's 4.3 percent and down from 4.6 percent a year ago. This was slightly above the statewide rate of 4.0 percent and above the national rate of 3.9 percent. 139,734 individuals were unemployed in Houston in July, down from June's 147,135 and down from 152,987 in July 2017. The net number of unemployed individuals in Houston has fallen by -3,680 since the most recent low of 143,414 in February 2015 however the current month's unemployment level remains below the all-time high of 249,727 recorded in March 2010.



**Chart 31. Unemployment Rates (Seasonally Adjusted) -  
U.S., Texas, and Houston MSA,  
July 2008 to July 2018**





NAICS Industry	Aug-18	Jul-18	Aug-17	Monthly	Monthly %	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,123,100</b>	<b>3,115,700</b>	<b>3,012,900</b>	<b>7,400</b>	<b>0.2%</b>	<b>110,200</b>	<b>3.7%</b>
Total Private	2,737,100	2,724,600	2,628,300	12,500	0.5%	108,800	4.1%
Goods Producing	554,500	546,200	514,100	8,300	1.5%	40,400	7.9%
<b>Mining and Logging</b>	<b>80,300</b>	<b>80,000</b>	<b>78,400</b>	<b>300</b>	<b>0.4%</b>	<b>1,900</b>	<b>2.4%</b>
...Oil and Gas Extraction	36,400	36,400	37,700	0	0.0%	-1,300	-3.4%
...Support Activities for Mining	42,800	42,500	39,400	300	0.7%	3,400	8.6%
<b>Construction</b>	<b>243,300</b>	<b>239,100</b>	<b>214,400</b>	<b>4,200</b>	<b>1.8%</b>	<b>28,900</b>	<b>13.5%</b>
..Construction of Buildings	72,300	71,200	56,000	1,100	1.5%	16,300	29.1%
..Heavy and Civil Engineering Construction	50,300	49,800	46,400	500	1.0%	3,900	8.4%
..Specialty Trade Contractors	120,700	118,100	112,000	2,600	2.2%	8,700	7.8%
<b>Manufacturing</b>	<b>230,900</b>	<b>227,100</b>	<b>221,300</b>	<b>3,800</b>	<b>1.7%</b>	<b>9,600</b>	<b>4.3%</b>
..Durable Goods	148,400	144,800	139,100	3,600	2.5%	9,300	6.7%
...Fabricated Metal Product Manufacturing	51,600	51,600	49,100	0	0.0%	2,500	5.1%
...Machinery Manufacturing	44,900	44,100	42,300	800	1.8%	2,600	6.1%
....Agriculture, Construction, and Mining Machinery Mfg.	31,000	30,000	28,000	1,000	3.3%	3,000	10.7%
...Computer and Electronic Product Manufacturing	13,500	13,600	14,000	-100	-0.7%	-500	-3.6%
..Non-Durable Goods	82,500	82,300	82,200	200	0.2%	300	0.4%
...Petroleum and Coal Products Manufacturing	10,100	10,200	10,200	-100	-1.0%	-100	-1.0%
...Chemical Manufacturing	39,200	39,200	38,700	0	0.0%	500	1.3%
Service Providing	2,568,600	2,569,500	2,498,800	-900	0.0%	69,800	2.8%
..Private Service Providing	2,182,600	2,178,400	2,114,200	4,200	0.2%	68,400	3.2%
<b>..Trade, Transportation, and Utilities</b>	<b>635,600</b>	<b>630,200</b>	<b>618,300</b>	<b>5,400</b>	<b>0.9%</b>	<b>17,300</b>	<b>2.8%</b>
...Wholesale Trade	171,500	170,500	166,300	1,000	0.6%	5,200	3.1%
....Merchant Wholesalers, Durable Goods	100,300	99,100	95,200	1,200	1.2%	5,100	5.4%
.....Prof. and Commercial Equip. Supplies Wholesalers	14,600	14,500	13,900	100	0.7%	700	5.0%
....Merchant Wholesalers, Nondurable Goods	48,000	48,300	46,800	-300	-0.6%	1,200	2.6%
...Retail Trade	317,400	315,300	309,100	2,100	0.7%	8,300	2.7%
....Motor Vehicle and Parts Dealers	42,100	41,800	41,500	300	0.7%	600	1.4%
....Bldg. Material and Garden Equip. and Supplies Dealers	21,700	22,500	21,500	-800	-3.6%	200	0.9%
....Food and Beverage Stores	69,200	69,200	68,700	0	0.0%	500	0.7%
....Health and Personal Care Stores	18,900	18,900	19,000	0	0.0%	-100	-0.5%
....Clothing and Clothing Accessories Stores	31,500	30,500	31,800	1,000	3.3%	-300	-0.9%
....General Merchandise Stores	59,800	58,800	60,000	1,000	1.7%	-200	-0.3%
.....Department Stores	18,900	18,500	19,900	400	2.2%	-1,000	-5.0%
.....Other General Merchandise Stores	40,900	40,300	40,100	600	1.5%	800	2.0%
...Transportation, Warehousing, and Utilities	146,700	144,400	142,900	2,300	1.6%	3,800	2.7%
....Utilities	16,400	16,400	16,700	0	0.0%	-300	-1.8%
.....Air Transportation	21,000	21,000	21,200	0	0.0%	-200	-0.9%
.....Truck Transportation	26,100	25,800	25,700	300	1.2%	400	1.6%
.....Pipeline Transportation	11,400	11,500	11,600	-100	-0.9%	-200	-1.7%
<b>..Information</b>	<b>31,300</b>	<b>31,600</b>	<b>32,200</b>	<b>-300</b>	<b>-0.9%</b>	<b>-900</b>	<b>-2.8%</b>
...Telecommunications	13,000	13,200	13,700	-200	-1.5%	-700	-5.1%
<b>..Financial Activities</b>	<b>164,000</b>	<b>164,300</b>	<b>160,300</b>	<b>-300</b>	<b>-0.2%</b>	<b>3,700</b>	<b>2.3%</b>
...Finance and Insurance	100,300	101,400	101,500	-1,100	-1.1%	-1,200	-1.2%
....Credit Intermediation and Related Activities	44,400	44,700	45,300	-300	-0.7%	-900	-2.0%
.....Depository Credit Intermediation	28,700	28,800	29,300	-100	-0.3%	-600	-2.0%
....Securities, Commodity Contracts, and Fin. Investments	21,200	21,400	20,800	-200	-0.9%	400	1.9%
....Insurance Carriers and Related Activities	34,700	35,300	35,400	-600	-1.7%	-700	-2.0%
...Real Estate and Rental and Leasing	63,700	62,900	58,800	800	1.3%	4,900	8.3%
<b>..Professional and Business Services</b>	<b>519,400</b>	<b>525,200</b>	<b>484,400</b>	<b>-5,800</b>	<b>-1.1%</b>	<b>35,000</b>	<b>7.2%</b>
...Professional, Scientific, and Technical Services	235,900	238,500	221,100	-2,600	-1.1%	14,800	6.7%
....Legal Services	26,100	26,200	25,800	-100	-0.4%	300	1.2%

....Accounting, Tax Preparation, Bookkeeping, and Payroll	25,000	24,900	24,900	100	0.4%	100	0.4%
....Architectural, Engineering, and Related Services	68,300	69,300	65,700	-1,000	-1.4%	2,600	4.0%
....Computer Systems Design and Related Services	33,000	33,800	32,200	-800	-2.4%	800	2.5%
...Management of Companies and Enterprises	43,600	43,400	43,100	200	0.5%	500	1.2%
...Admin. and Support and Waste Mgmt. and Remediation	239,900	243,300	220,200	-3,400	-1.4%	19,700	8.9%
....Administrative and Support Services	228,400	230,900	208,000	-2,500	-1.1%	20,400	9.8%
.....Employment Services	96,700	95,800	81,800	900	0.9%	14,900	18.2%
.....Services to Buildings and Dwellings	56,200	55,800	51,500	400	0.7%	4,700	9.1%
<b>..Educational and Health Services</b>	<b>393,400</b>	<b>389,200</b>	<b>386,100</b>	<b>4,200</b>	<b>1.1%</b>	<b>7,300</b>	<b>1.9%</b>
...Educational Services	60,000	58,400	58,700	1,600	2.7%	1,300	2.2%
...Health Care and Social Assistance	333,400	330,800	327,400	2,600	0.8%	6,000	1.8%
....Ambulatory Health Care Services	164,700	163,200	157,300	1,500	0.9%	7,400	4.7%
....Hospitals	86,200	85,500	84,900	700	0.8%	1,300	1.5%
<b>..Leisure and Hospitality</b>	<b>327,400</b>	<b>327,000</b>	<b>323,000</b>	<b>400</b>	<b>0.1%</b>	<b>4,400</b>	<b>1.4%</b>
...Arts, Entertainment, and Recreation	37,500	38,300	37,000	-800	-2.1%	500	1.4%
...Accommodation and Food Services	289,900	288,700	286,000	1,200	0.4%	3,900	1.4%
....Accommodation	28,500	28,400	27,400	100	0.4%	1,100	4.0%
....Food Services and Drinking Places	261,400	260,300	258,600	1,100	0.4%	2,800	1.1%
<b>..Other Services</b>	<b>111,500</b>	<b>110,900</b>	<b>109,900</b>	<b>600</b>	<b>0.5%</b>	<b>1,600</b>	<b>1.5%</b>
<b>Government</b>	<b>386,000</b>	<b>391,100</b>	<b>384,600</b>	<b>-5,100</b>	<b>-1.3%</b>	<b>1,400</b>	<b>0.4%</b>
.Federal Government	29,100	29,000	28,700	100	0.3%	400	1.4%
.State Government	84,700	84,400	84,700	300	0.4%	0	0.0%
..State Government Educational Services	48,700	48,600	49,300	100	0.2%	-600	-1.2%
.Local Government	272,200	277,700	271,200	-5,500	-2.0%	1,000	0.4%
..Local Government Educational Services	183,600	187,800	181,400	-4,200	-2.2%	2,200	1.2%