

To: Gulf Coast Workforce Board Members

From: Rodney Bradshaw
Mike Temple

Date: March 28, 2012

Subj: Board Meeting Materials for Tuesday, April 3, 2012

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, April 3, 2012**, in the second floor Conference Room A, 3555 Timmons, Houston.

Chairman's and Committee Reports. The National Association of Workforce Boards recognized our Board as one of three winners (Distinguished Honoree WIB Excellence Award at the annual conference in March. Vice Chair Guthrie was in attendance to accept the award.

It is time again to recognize the good work of some people working in our offices. Recipients of our Honeycomb Awards (so named in keeping with our logo) have been nominated by their peers as deserving of Board recognition. We look forward to introducing them to you and inviting the winners to take a paid day off from work.

Audit /Monitoring Committee Chair Garcia will review financial and program service monitoring of the Board's contractors. The Education Committee had a full agenda and Vice Chair Barber will cover the proposed work plan for the coming year. Chair Bowles convened the Strategic Planning Committee. Although we did not reach all of our targets in the last year, the committee recommends no change to the targets or measures with the hope an improving economy will enable improved outcomes for our customers.

Finally, Report Card Chair Shaw will present the Board's current edition of the Workforce Report Card. The report speaks to our achievement as a region in the preparation of a workforce as compared to other selected Sunbelt regions. Any deficiencies identified should feed directly into the Boards strategic plan and vision.

Action Items. The Procurement Committee will meet at 9:00a.m., immediately preceding the Board meeting, to review recommendations for youth service contracts.

Last year, the Board directed funds from the career offices to four contractors with the intent of improving youth outcomes. The Procurement Committee will review performance and Chair Guthrie will present recommendations to the full Board.

Information Items. The System Performance Reports shows performance for the first five months against the Board's measures and lists production measures that are trailing goals. We will review the usual reports on expenditures and services. The economic trends report continues to reflect good news associated with the improving economy.

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

Tuesday, 10:00 a.m., June 5, 2012

August 7, 2012

October 2, 2012

December 4, 2012

We look forward to seeing you Tuesday. Please call if you have any questions.

The Gulf Coast Workforce Board Tentative Agenda

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

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review February 2012 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
 - a. *Career Office.* A member from the committee will recognize system staff with Honeycomb Awards.
 - b. *Audit/Monitoring.* The committee chair will present an update from the March 2012 meeting.
 - c. *Education.* The committee's vice chair will discuss the March 2012 meeting.
 - d. *Strategic Planning.* The committee chair will present information on the committee's review of performance against the strategic plan measures.
 - e. *Report Card.* The committee chair will present the Board's Workforce Report Card.
7. **Take Action**
 - a. *Procurement.* Consider the committee's recommendations to renew Training Youth for Jobs contracts for Gulf Coast Trades Center, SER Jobs for Progress, and Goodwill in total amount not to exceed \$900,000.
8. **Receive Information**
 - a. *System Performance.* Staff will summarize current performance against Board measures and grantor requirements.
 - b. *Expenditures.* Staff will report on current expenditures.
9. **Look at the Economy**

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



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**MINUTES OF
THE GULF COAST WORKFORCE DEVELOPMENT BOARD
TUESDAY, FEBRUARY 7, 2012**

MEMBERS PRESENT:

Dula Abdu	Gerald Andrews	Willie Alexander
Elaine Barber	Carl Bowles	Scott Buchel
Bill Crouch	Stephanie Dees	Sophia Dubrevil-Berry
Yvonne Estrada	Joe Garcia	Mark Guthrie
John Hebert	Bobbie Henderson	Eduardo Honold
Valeria Jackson-Forrest	David Joost	Birgit Kamps
Jeffrey Labroski	Ray Laughter	Lynn Lumsden
Ronald McKinley	Toni Randall	Allene Schmitt
Richard Shaw	Gil Staley	Frank Thompson
Evelyn Timmins	Bill Weaver	

H-GAC STAFF MEMBERS PRESENT

Rodney Bradshaw
Mike Temple
David Baggerly
Ron Borski

Mr. Frank Thompson, Chair, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 7, 2012, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Mr. Thompson determined that a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comments.

MINUTES FROM DECEMBER 6, 2011

Mr. Thompson asked if there were any additions or corrections to the minutes for the December 6, 2011 meeting. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARE CONFLICTS OF INTEREST

No one declared a conflict of interest.

Resolutions

Mr. Ray Laughter explained that the education committee has been working on the metric of trying to increase the completion rate at colleges and universities in the region. Currently working with the Greater Houston Partnership to support an initiative to reach out to businesses to find out what value they place on an associate degree, what can be done to increase that value and why they don't use it more as a credential for hiring as well as promotion.

Ms. Elaine Barber stated there are several organizations in the region that are also looking to partner with us.

Mr. Gerald Andrews expressed concern that the outreach may not be reaching far enough into the thirteen counties.

Ms. Barber explained that by bringing the initiative through the education committee, it will reach out to the thirteen county region.

Mr. Thompson welcomed out new Board member – Toni Randall from Galveston County.

CONSIDER COMMITTEE REPORTS

Audit/Monitoring

Mr. Joe Garcia stated that the committee met On January 26, 2012 here at H-GAC offices to review recent activity. The Quality Assurance Team has just completed a review of the Payment Office and are in the process of finalizing the report. They will begin their 2012 regular reviews in February.

- We expect to resolve the few remaining issues from last year's financial reviews with Collaborative for Children, Neighborhood Centers, and Houston Works in the next several weeks.
 - One of the issues we had with several contractors last year concerned procuring goods and services according to federal/state guidelines and our contract requirements. We are arranging for these contractors to have training on procurement guidelines and will follow up regularly with them during 2012 to check on their progress.
- The Workforce Commission finalized its monitoring report for the work it did in July 2011. As a part of the final resolution, we expect to repay about \$6,000 in

disallowed costs which we will secure from our contractors.

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

TAKE ACTION

- a. Nominating. The committee will report on nominations and conduct the election for Board Officers.

Mr. John Hebert explained that the nominating committee members are Joe Garcia, Guy Robert Jackson, Jeff Labroski and myself. Mr. Hebert explained that again after visiting with the committee they are unanimous in recommending the same officers be nominated to serve another term. Each officer has outstanding credentials and excellent record of performance.

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

The Chairman will entertain a motion for nominations from the floor or a motion that nominations cease and the existing officers be elected by acclamation.

A motion was made and seconded for nominations to cease and the existing officers be elected by acclamation – Frank Thompson – Chairman, Mark Guthrie -Vice Chairman, Gerald Andrews – Vice Chairman and Yvonne Estrada – Vice Chairman and. The motion carried.

- b. Budget. The committee chair will present a proposed 2012 budget in an amount not to exceed \$172 million for the Board's consideration and action.

Ms. Yvonne Estrada explained that every year the Workforce Board approves a budget that shows how it uses the revenue it receives to achieve the results set out in the Board's strategic plan.

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

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

- State support for ex-offenders drop of about \$1.3 million to our core revenue.

- We have also seen a loss of about \$2.5 million in Temporary Assistance for Needy Families.
- With the exception of a small amount of money limited to an on-the-job training service, we have spent our Recovery Act dollars. This explains the more than 75% drop in special revenue.

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

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

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

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

- The increase in the consultant's line item is \$75,000 for expanded financial monitoring of our contractors.
- We are not asking for additional staff positions and there will be a 2% pool of funds for merit increases and managers make the recommendations based on employee performance.
- Together these account for the 3.4% increase in personnel.

Ms. Estrada explained several of the budget pages and asked if there were any questions.

A motion was made and seconded to approve a 2012 Board budget in amount of \$172,158,975. The motion carried.

RECEIVE INFORMATION

System Performance

Mr. David Baggerly reviewed the System Performance measures for October 2011 through December 2011. These measures gauge progress toward meeting the results set out in the Board's strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board's operating affiliate, Workforce Solutions. We report on the Workforce Solutions measures at each Board meeting.

For Workforce Solutions
More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 21,806 employers this year which is about 16% of the 134,604 employers identified for the Gulf Coast area. Through December, we provided services to 6,854 employers.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 15,548 employers, 4,379 returned to The Workforce Solutions for additional services.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average. The first quarter's results will be available for the February meeting.

Customers employed by the 1st quarter after exit – Reporting for one quarter (October 10 – December 10), 65,150 of the 97,843 customers who exited from services were employed in the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least

20% - Reporting for one quarter (April 10 – June 10), 32,864 of the 109,430 who exited had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one
Through December, 82 of the 2,030 customers pursuing an education diploma, degree or certificate achieved one.

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

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

- Total Job Postings Filled. This is a new measure. The target for this measure is 32.2%. Our performance in the first quarter (1/11-3/11) was 23.7%.
- Total Employer Success Rate. This is a new measure. The target for this measure is 49%. Our performance the first quarter (1/11-6/11) was 39.4%
- Youth Placement in Employment or Education. The target for this measure is 58%. Our performance for in the first quarter (10/10 – 12/10) was 55.3%

- Youth Literacy/Numeracy Gains. The target for this measure is 35%. Our performance in the first quarter (7/11-12/11) was 28.6%.

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

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

Mr. Baggerly addressed a question from the December 2011 meeting that Mr. Guthrie had regarding the Total Job Postings Filled measure and how it related to statistics in the 2012 Workforce Search Requirement documentation.

Expenditure Report

Mr. Rodney Bradshaw reviewed the Financial Status Report for twelve months ending December 31, 2011 and stated that expenditures are in line for the year. We have spent approximately 91% of the funds available to us. There is a slight lag with Employer Services – mostly likely due to state dollars becoming available later in the year for an On the Job Training (OJT) effort.

LOOK AT THE ECONOMY

Mr. Ron Borski explained that the rate of unemployment in the MSA peaked last year at 9.0 % in July. Since July, the rate had been on a steady decline dropping another two-tenths of a percentage point to 7.3 % in December. This is the third consecutive month that the unemployment rate was lower than it was one year earlier.

Claims for unemployment in the region fell in December with the number of initial claims down 15.8% over the month and the number of continued claims down 7.3% over the month.

The Houston-Sugar Land-Baytown MSA recorded the largest over-the-year employment increase out of all 239 MSA's in the nation in December, up 75,800 jobs or 3.0% over the year. The pace of job growth slowed, however, from what it had been over much of 2011. Weak seasonal gains in Retail Trade and continued declines in Construction were primarily responsible for the slow down.

Many private industry sectors continue to post healthy over-the-year jobs gains, especially those with ties to oil and gas exploration. The most rapid rate of job growth has been in the Mining and Logging industry, up 10,100 jobs or 12.1%. Professional and Business services added the largest number of jobs to the region, up 19,700 jobs over the year. Job growth in Manufacturing leveled off back in August of 2011 yet the super sector continued to report a healthy over-the-year increase of 11,500 jobs, 5.3% in December.

The public sector continues to struggle with budget constraints and has reported over-the-year losses for the past eight consecutive months, currently down 3,700 jobs or 1.0% from December 2010.

According to the Federal Reserve Bank of Dallas, Houston Branch, the Houston Business-Cycle Index indicates economic activity in the Mesa grew at an annualized rate of 7.0% in November, trending downward from 9.8% in October, but noted that Houston for the most part left the Great Recession behind in 2011 and its outlook remains positive.

Mr. Bradshaw mentioned that if your term expired at the end of 2011, please get your paperwork in so that we can get the reappointments completed timely.

Mr. Bradshaw also stated that Brandalyn Patton resigned and went to work for Rice University. Barbara Murphy a long time employee has also resigned.

Mr. Bradshaw explained that a flyer regarding a panel discussion scheduled for February 29, 2012 was handed out. This panel discussion is about recognizing the essential role that college and universities play in building the talent pipeline for the Houston-Galveston region.

ADJOURN

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

Career Office Committee

Honeycomb Awards

Background

Workforce Solutions' Honeycomb Service Excellence Awards recognize exemplary work by staff throughout the system. Twice a year, a committee composed of contractor and Board staff makes awards from nominations received in two categories: Innovation/Initiative and Teamwork.

For spring 2012, the committee received the following nominations:

Innovation and Initiative	Go beyond prescribed job duties to implement new ideas resulting in a better Workforce Solutions where customers get the help they need more efficiently.	8 nominations
Teamwork	Cooperation among more than one contractor and at least two of the three system parts	6 nominations

Innovation and Initiative

❖ Carmen Simpson (Houston Works)

As an employment counselor, Carmen Simpson is extraordinarily successful in finding the good jobs for her customers. Her efforts to create job opportunities for people have resulted in valuable connections for other parts of the Workforce Solutions system.

Key performance results:

- ✓ Worked with the Houston International Chamber of Commerce to help attract relocations/expansions
- ✓ Leveraged connections with the Cy-Fair Chamber of Commerce to secure job listings from Sysco for its new facility
- ✓ Helped three local school systems get access to Workforce Solutions' wide range of labor market/career planning information for students

Carmen Simpson goes beyond simply matching customers to the jobs listed with us. She understands that employers are the source of good jobs—and she works with them to make sure the people who come to us looking for work have access to those jobs.

Furthermore, she sees that keeping good jobs in the region requires an educated and skilled workforce and works to connect education to labor market information and employers.

Teamwork

❖ **Rosie Trevino** (Interfaith), **Cheryl Sandifer** (Interfaith), **Danny Zendejas** (ETC), and **Michael Webster** (H-GAC).

The multi-contractor team provided active support to school districts and the people losing jobs in the layoffs from public school systems across the region. The team:

- ✓ Reached out to 78 school districts to introduce available Workforce Solutions services
- ✓ Customized the “Rebranding Your Skills” seminar to help customers recognize and value transferable skills
- ✓ Helped customers learn to present their skills as relevant to the needs of employers outside of the education industry
- ✓ Created an outreach network using email, Facebook, Twitter and LinkedIn,

Work in Texas records show that customers who attended the customized seminar return to work sooner than those who did not. Because of the team effort, 300 customers returned to work in new jobs within six months.

Audit/Monitoring Committee

April 2012 Update

Recent Activity

- The regional Quality Assurance Team completed a review of the Financial Aid Payment Office in January, revealing some areas throughout our entire system that need tweaking. FAPO has already implemented some of the changes suggested in the report, and we have assigned issues that affect FAPO and the career offices to our existing joint contractor-Board staff workgroups for resolution.
- The regional team has just completed reviews of the Northline, Pasadena and Rosenberg career offices and currently is looking at the financial aid call center operations of the career office contractors (Houston Works, Interfaith, and ResCare).
- The few remaining issues from last year's financial reviews with Collaborative for Children, Neighborhood Centers, and Houston Works have been resolved.
- We have recently issued reports from the financial aid payments annual review. Common issues included: missing signatures on applications and other customer documents, reconciliations of cash substitutes not performed or not completed, and data in our Financial Aid Management System (FAMS) not matching data in our central customer data base.
- The U.S. Department of Labor's regional office and the Workforce Commission reviewed our small on-the-job training/customized training project funded with Recovery Act dollars. The reviewers complimented our employer-focused approach and took back with them several best practices. There were no findings. We will be discussing with Employment and Training Centers, our Employer Service contractor, continuing this activity beyond the end date of the Recovery Act funds and possibly expanding it to meet employers' needs.
- The Workforce Commission will be back to visit us for its annual monitoring review in June 2012 – a month earlier than usual.

Education Committee

March 21, 2012 Summary

The Education Committee met on Wednesday, March 21, 2012 with committee vice chair Elaine Barber presiding and members Betty Baitland, Eduardo Honold, Jeff Labroski, Ray Laughter, Lynn Lumsden, Allene Schmitt, Richard Shaw, and Sarah Wroblewski present.

- Members reviewed the committee's work plan from prior years and discussed how to continue or expand efforts to support the Board's goal of an educated workforce in the region. Mike Webster briefly discussed the staff efforts to disseminate labor market information products and services developed from the committee's direction.
- Ann Stiles of Project GRAD and Sandra Wegman from the Center for Houston's Future made presentations to the members. Dr. Stiles described how Project GRAD works to increase high school graduation rates and postsecondary attainment. Ms. Wegman provided an overview of the Center's 2012 Community Indicator report.
- Vice Chair Barber and Ray Laughter presented a Greater Houston Partnership resolution asking the business community to recognize the value of the associate's degree. Members generally agreed that they supported this concept; however, they asked for additional research on how to frame their support in business terms. They also discussed the need for conversation between businesses and associate's degree granting institutions to ensure that the degrees reflect the business community's needs for skilled workers.

Staff is gathering information on developmental education for adults as well as the support for associate degree programs. The committee did not set a next date for meeting.

How Are We Doing?

2011 Report on Achieving the Board's Results

The Strategic Planning Committee met on March 21, 2012 with committee chair Carl Bowles presiding and members Mark Guthrie, Evelyn Timmins and Frank Thompson attending.

Introduction

We ended the 2010 progress report with an air of cautious optimism. The picture for 2011 looks somewhat better. Whether looking at job growth, the unemployment rate or measures of economic activity, most experts agree the Gulf Coast Region has largely recovered from the recession. By October, we had added back the number of job lost, and then some. Economic activity in early 2012 is up significantly.

Workforce Solutions once again met most of its production and performance goals in 2011 although the regional economy did not recover enough to reach expected targets.

Some Thoughts about 2011

Economic recovery in the Gulf Coast region that began in 2010 continued through 2011. Many areas of the nation are not experiencing the same level of economic recovery we're seeing in Texas and Gulf Coast.

By the end of the year, the region had netted an additional 75,800 jobs, some 167,500 more than when the market bottomed out in January 2010 and 14,711 more than the peak employment in December 2008.

- About 8,200 jobs added in the professional and businesses services sector are highly-skilled scientific and technical support service jobs while another 12,000 are middle- and lower-skilled jobs.
- We see more oil rigs in operation compared to the previous year, and virtually all jobs related to oil and gas and petro-chemical manufacturing saw growth.
- Construction, on the other hand, remained down, and we saw continued job losses in transportation, warehousing and the information industries.

People are buying homes but don't appear to be building homes. We are once again eating out, travelling and spending money on entertainment. Christmas holiday-related sales were strong. However, we saw a shift with consumers buying more over the web. Retail stores countered by offering deep discounts well in advance of the conventional holiday selling season and ramped up their workforce earlier which then fueled the weakest December employment going back to 1990. All levels of government, particularly local government and public education, lost jobs and we have no reason to expect this to turn around in the near term.

The number of initial unemployment claims for benefits — a good barometer of layoff activity — has steadily declined with 17,037 claims filed in December, that is 2,842 fewer than December 2010 and 3,100 fewer than November 2011. Continued claims — a good indicator of whether people are going back to work — also fell in December to 76,104, a decrease of 5,951 from November and 14,413 December 2010.

The Board's Plan and Performance

Ten years ago, the Gulf Coast Workforce Board adopted a strategic plan that describes and quantifies results the Board expected the regional workforce system to achieve. It includes values, mission and vision statements that explain what its members value most, why they exist as a board, and where they want the regional workforce system to be in the future. The plan continues to guide our efforts to help employers meet their human resource needs and individuals build careers. In keeping with its key values — innovation, productivity, performance and results — the Board identified four results statements that describe the difference it intends to make in the Gulf Coast region.

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

The Board's measures, developed from these statements, help determine progress towards achieving the results both for the region and for Workforce Solutions, our operating affiliate. 2011 was the third year of the five-year strategic planning period, 2009 – 2013. We used 10 strategic metrics to assess performance and progress towards annual targets and longer-term goals.

For the Regional Workforce System, we focused on total employment — a gauge of how well we create and keep jobs in the region — and education credentials of working-age residents — a gauge of the skill level of the region's workforce. In 2011, we missed three of four Regional Workforce System targets, albeit one by only a narrow margin and an improvement from the previous year.

- Although we met only one Regional Workforce education target, our performance improved for all three measures. We also see some encouraging trends.
 - More people have an education credential than we've seen since the Board has been tracking this measure, and perhaps more importantly, more people hold a post-secondary credential. During the worst of the recession, we think some of the region's workforce went home, perhaps temporarily, to Central and South America.
 - More people are pursuing and earning education credentials. It is common to see increased enrollment in post-secondary institutions when the unemployment rate is up.

- The percentage of people earning a post-secondary credential in a field that prepares them for work in a high-skill, high-growth occupation targeted by the Board increased by 1.3%, an increase of almost 3,000.

Note: Most of the most current data for the educational measures is from the 2009 – 2010 academic year when the region was still deeply feeling the effects of the recession.

For the part of the system we directly control, Workforce Solutions, we focused on outcomes for people — employment, education and earnings. We also looked at our contribution to employers — job creation, market share and customer loyalty. We exceeded four targets and missed two, an improvement from the previous year.

- Although we had about 1,100 fewer customers pursuing an education credential, we saw a healthy improvement in the credentialing rate of about 3.5%.
- When we measured regional employment, the region had added back another 50,000 jobs. Since then, we continued to create jobs, were back on level ground by October and hit a new high of 2.64 million employed by year end.
- Workforce Solutions exceeded its goal for the number of jobs it helped create and is back on target performing at pre-recession levels. Almost two-thirds of the new jobs were in our key industries — an improvement over last year — but many are still not in high-skill/high-growth occupations.
- Our ability to help people find jobs and increase their income slipped from last year.
 - Fewer found jobs quickly
 - Fewer of those who were unemployed when they came to us found jobs
 - Of those that did find jobs after working with us, fewer were still employed six months later.
- Our service to employers continued to improve with increases in the number of customers we work with, market share and customer loyalty rates. Almost 4,300 more employers came back for service. Equally encouraging is the continued gradual increase in the number of employers in the region, up about 2,000.

Job Creation and Employment

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

Regional Workforce System	Workforce Solutions
<p>— Total number of people employed <i>Did not meet target, 2.55 million people were working</i> The number of people working increased last year, reflecting recovery from the recession of the previous two years. We missed our target of 2.7 million employed by about 150,000.</p>	<p>— Number of new jobs created as a results of Workforce Solutions partnering with other business organizations <i>Exceeded target at 2,236</i> This year we hit our target of creating 2,000 new jobs.</p>
	<p>— Percentage of customers employed after leaving Workforce Solutions <i>Did not meet target at 66.76%</i> The percentage of customers employed after leaving Workforce Solutions slipped sharply from last year's 72.3%, missing our target of 79%.</p>
	<p>— Percentage of customers with earning gains of at least 20% after leaving Workforce Solutions <i>Did not meet target at 25.5%</i> The percentage of customers who saw earnings gains of at least 20% after leaving Workforce Solutions decreased from the previous year 28%. Our performance has slipped every year on this measure since a high of 38% in 2008. Our target of 40%.</p>

Education Credentials

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

Regional Workforce System	Workforce Solutions
<p>— Percent of the population with an education credential</p> <p><i>Met target at 80.4%</i></p> <p>The percentage of people holding an education credential (GED, high-school diploma, associate, bachelors or graduate degree) moved up almost 1% from last year. Our target was 80%.</p>	<p>— Percent of customers pursuing an education credential who earn one</p> <p><i>Exceeded target at 41%</i></p> <p>Performance improved from last year's 37% surpassing our target of 35%. We had about 250 fewer customers earning credentials than we did last year with about 1,200 fewer enrolled in school.</p>
<p>— Percent of the population with a post-secondary credential</p> <p><i>Did not meet target at 34%</i></p> <p>The percentage of people holding a post-secondary credential moved up slightly from last year. Our target was 36%.</p>	
<p>— Percent of those pursuing an education credential who earned one</p> <p><i>Narrowly missed target at 19.7%</i></p> <p>The percentage of people pursuing a credential who earned one increased slightly from last year. Our goal for 2011 was 20%. This measure is an aggregate of the number of people who attain a high school diploma, GED or post-secondary degree.</p>	

Market Share and Customer Loyalty

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

Market Share	Customer Loyalty
<p>— Percent of employers using Workforce Solutions</p> <p><i>Exceeded target at 32.9%</i></p> <p>We increased the share of the region's employers we served from last year's 29.4%. In 2002, we had 7% market share — or about 7,500 employer customers. Last year we had more than 43,000 customers. Our target was 28%.</p>	<p>— Percent of employers who are repeat customers</p> <p><i>Exceeded target at 78.2%</i></p> <p>We increased repeat business in 2011 to 26,805, up from 23,190 in 2010. In 2002, just 34% or 2,700 employers were repeat customers. Our target was 73%.</p>

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

Targeted Industry Title	2008 Penetration Rate	2009 Penetration Rate	2010 Penetration Rate	2011 Penetration Rate
Oil and Gas Extraction	3.37%	9.7%	10.94%	18.86%
Support Activities for Mining	10%	19.3%	18.71%	26.23%
Petroleum and Coal Products Manufacturing	12.96%	25.7%	31.25%	33.33%
Building Equipment Contractors	18%	23.5%	27.01%	28.03%
Computer Systems Design & Related Services	4.38%	10.8%	10.65%	13.97%
Management, Scientific, & Technical Consulting Services	4.94%	9.7%	10.47%	15.43%
Elementary & Secondary Schools, Public/Private	42.22%	75.8%	69.17%	52%
Colleges, Universities, & Professional Schools. Public/Private	11.82%	62.9%	54.24%	47.9%
Offices of Physicians	17.3%	19.9%	28.29%	28.35%
General Medical & Surgical Hospitals, Public/Private	42.71%	100%	72.12%	28.16%

Targeted Industry Title	2011 Total Establishments	2011 Number Served	2011 Penetration Rate
Oil and Gas Extraction	1,039	196	18.86%
Support Activities for Mining	873	229	26.23%
Petroleum and Coal Products Manufacturing	99	33	33.33%
Building Equipment Contractors	2,683	752	28.03%
Computer Systems Design & Related Services	2,771	387	13.97%
Management, Scientific, & Technical Consulting Services	4,045	624	15.43%
Elementary & Secondary Schools, Public/Private	300	156	52%
Colleges, Universities, & Professional Schools. Public/Private	119	57	47.9%
Offices of Physicians	4,948	1,403	28.35%
General Medical & Surgical Hospitals, Public/Private	490	138	28.16%

Next Steps

We do not recommend any changes to the Board's Strategic Plan, measures or targets. The Board's current strategic plan will be ready for review in 2013.

Report Card Committee

April 2012 Update

Background

In 2005, the Gulf Coast Workforce Board published the first Report Card to evaluate our region in terms of economy and workforce as compared to other similar areas. We compared the Houston-Galveston region to those of Dallas, San Antonio, San Diego, Miami and Atlanta.

We evaluated each region in terms of indicators that affect economy and workforce conditions:

- Industries and Employer
- Labor Force and Knowledge Jobs
- Market Alignment
- Education
- Income, Wealth and Poverty
- Places to Live and Work

Current Situation

In this fourth update, the 2011 Report Card tells us that despite the negative impact of the “Great Recession” our region appears well equipped for recovery. Education remains the critical issue for our region, and we must continue to emphasize the importance of education to the region’s economic prosperity. We should continue to draw attention to high-school graduation rates, as well as the alignment of post-secondary credentials that align with employer demand.

Report Card Committee Chair Richard Shaw will present the 2011 Report Card at the Board meeting.

Procurement Committee

Training Youth for Jobs

The Board's Procurement Committee will meet at 9:00 a.m. on Tuesday, April 3, 2012 prior to the April Board meeting to consider renewing contracts to train youth for jobs.

The committee will provide materials for Board members at the Board meeting.

Gulf Coast Workforce Board
System Performance
October 2011 through February 2012

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expected to provide services to 21,806 employers this year which is about 16% of the 134,604 employers identified for the Gulf Coast area. Through February, we provided services to 9,238 employers.	16.2%	6.9%	11.7%
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 15,548 employers, 4,379 returned to Workforce Solutions for additional services.	55%	24%	54.5%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average.	2,000	2,352	2,236
<u>Customers employed by the 1st Qtr after exit</u> Reporting for two quarters (Oct 10 – March 11), 133,632 of the 198,042 customers who exited from services were employed in the quarter after exit.	79%	67.5%	66.8%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for two quarters (April 10 – September 10), 38,005 of the 227,328 customers who exited had earnings gains of at least 20%.	41%	29.9%	25.5%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Through February, 173 of the 2,458 customers pursuing an education diploma, degree or certificate achieved one.	36%	7.0%	40.8%

Production

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

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

- Total Job Postings Filled. This is a new measure. The target for this measure is 32.2%. Our performance for two quarters (1/11-6/11) was 26.1%. This is an improvement from the first quarter performance 23.7%.
- Total Employer Success Rate. This is a new measure. The target for this measure is 49%. Our performance for two quarters (1/11-6/11) was 41.2%. This is an improvement from the first quarter performance 39.4%.
- Employer Workforce Assistance. The target for this measure is 16.2%. Our performance through February (10/11 – 2/12) was 6.9%.
- Youth Literacy/Numeracy Gains. The target for this measure is 35%. Our performance in the first two quarters (7/11 – 12/11) was 28.8%.

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

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

GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Two Months Ended February 29, 2012

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	172,158,975	28,693,163	29,230,766	(537,604)
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,279,205	713,201	522,682	190,519
SYSTEM IT	537,387	89,565	26,529	63,036
EMPLOYER SERVICES	5,353,000	892,167	818,379	73,788
RESIDENT SERVICES	161,989,383	26,998,231	27,863,176	(864,946)
OFFICE OPERATIONS	36,731,509	6,121,918	6,805,378	(683,460)
FINANCIAL AID*	124,382,874	20,730,479	20,969,371	(238,892)
SPECIAL PROJECTS	875,000	145,833	88,427	57,406
<i>TOTAL WORKFORCE EXPENDITURES</i>	172,158,975	28,693,163	29,230,766	(537,604)

VARIANCE ANALYSIS

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



Labor Market Information
JANUARY 2012 Employment Data

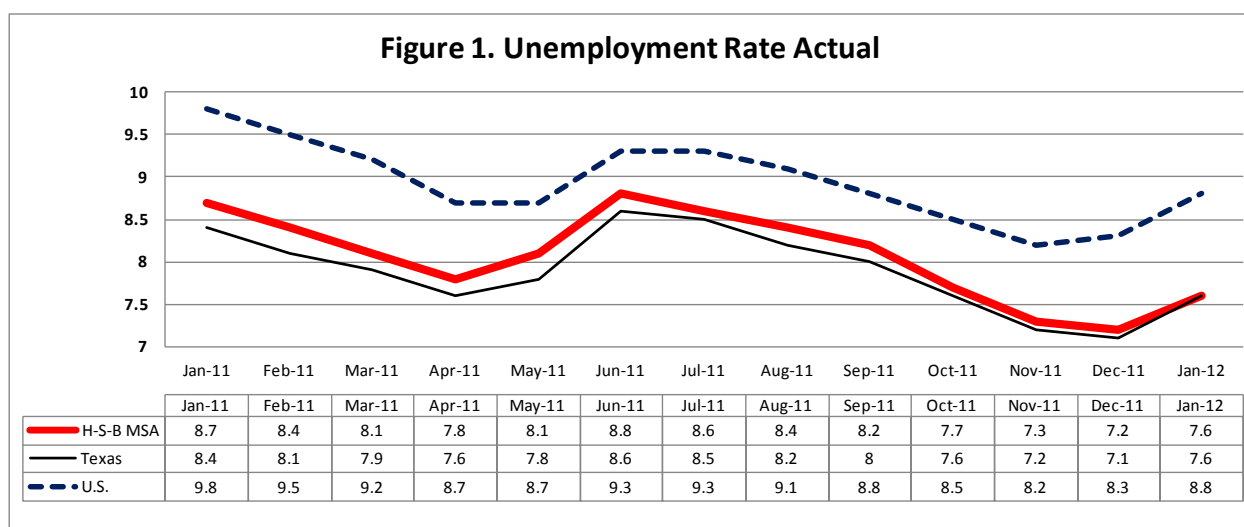
This report includes revisions to both the Current Employment Statistics series and Local Area Unemployment Statistics series. Any prior reports should be considered obsolete.

As of January 2012 the Texas Workforce Commission LMCI Department discontinued providing monthly initial and continued claims data.

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

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THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA) INCREASED FOUR-TENTHS OF PERCENTAGE TO 7.6 PERCENT IN JANUARY. A rise in the rate of unemployment is normal for January and is a result of seasonal declines across many industries. Unemployment in the H-S-B MSA is the same as the state's and more than one full percentage point lower than the nation's 8.8 percent rate, see figure 1.



The Texas Workforce Commission released their annual benchmark revisions to nonagricultural employment estimates this month with the overall rate of job growth remaining basically unchanged for December 2011 at 3.0 percent. While overall growth did not see much of a change, several super sectors incurred significant revisions. Read more on revisions by super sector beginning on page 3.

JOB GROWTH JUMPED TO 3.7 PERCENT IN JANUARY AS A RESULT OF SMALLER THAN NORMAL SEASONAL DECLINES, AN INCREASE OF 94,700 JOBS OVER THE YEAR. January's seasonal decline of 24,000 jobs was much lower than one year earlier when employers reduced payrolls by 41,900 jobs. The H-S-B MSA's 3.7 percent rate of job growth is more than double the nation's 1.5 percent rate, see figure 2. Most private sectors continue to see healthy over-the-year job gains, especially those with ties to oil and gas exploration. Job growth over the past year has been strongest in Mining and Logging, Healthcare, Manufacturing, Professional and Business Services, and Food Services and Drinking Places. The public sector continues to struggle with budget constraints and has reported over-the-year losses for the last eleven months. Seasonally adjusted data for the H-S-B MSA and nation seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. Note that the H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011. Additional details by super sector provided beginning on page 3.

**Figure 2. Current Employment Statistics
Actual Over-The-Year Increase/Decrease**

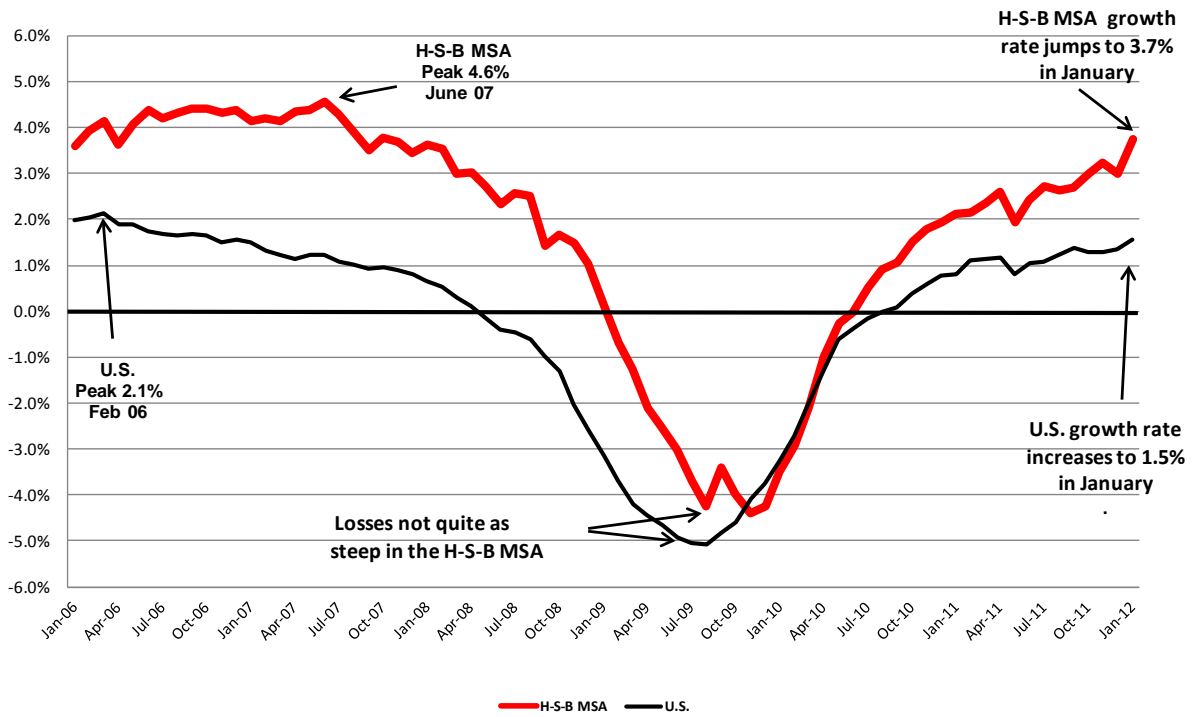
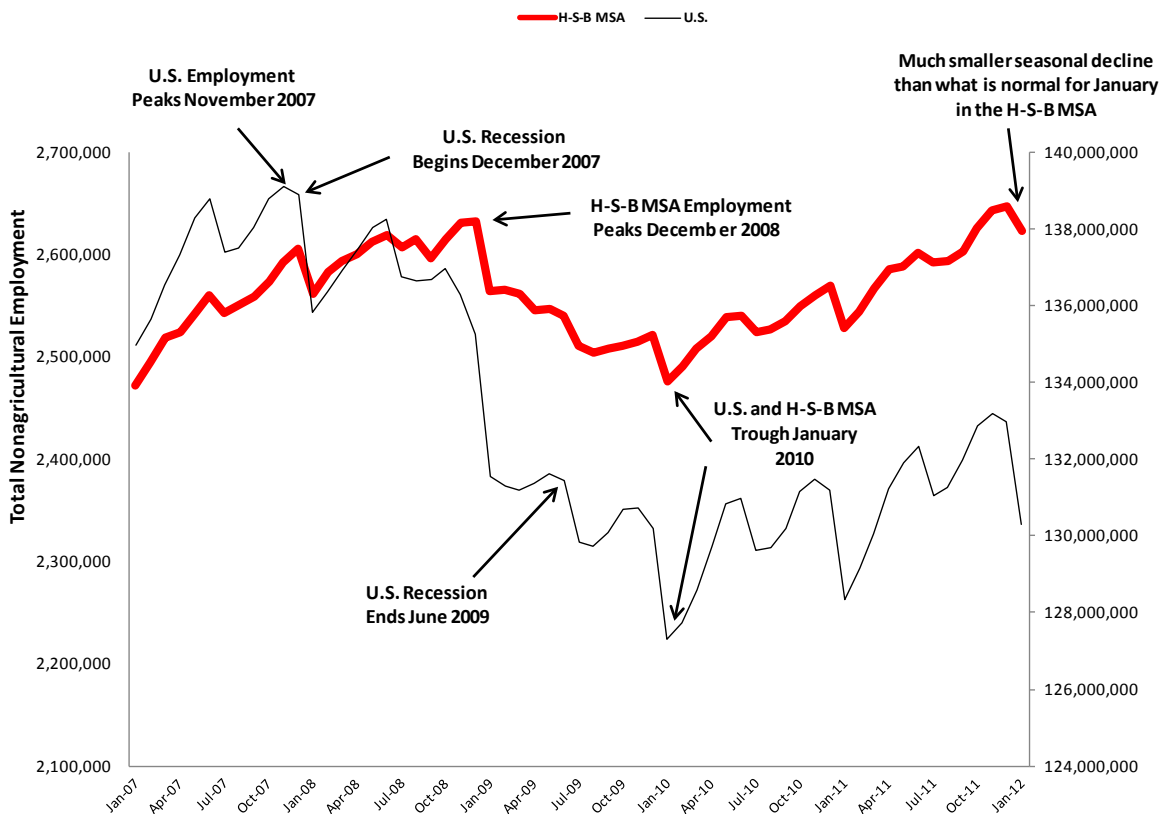
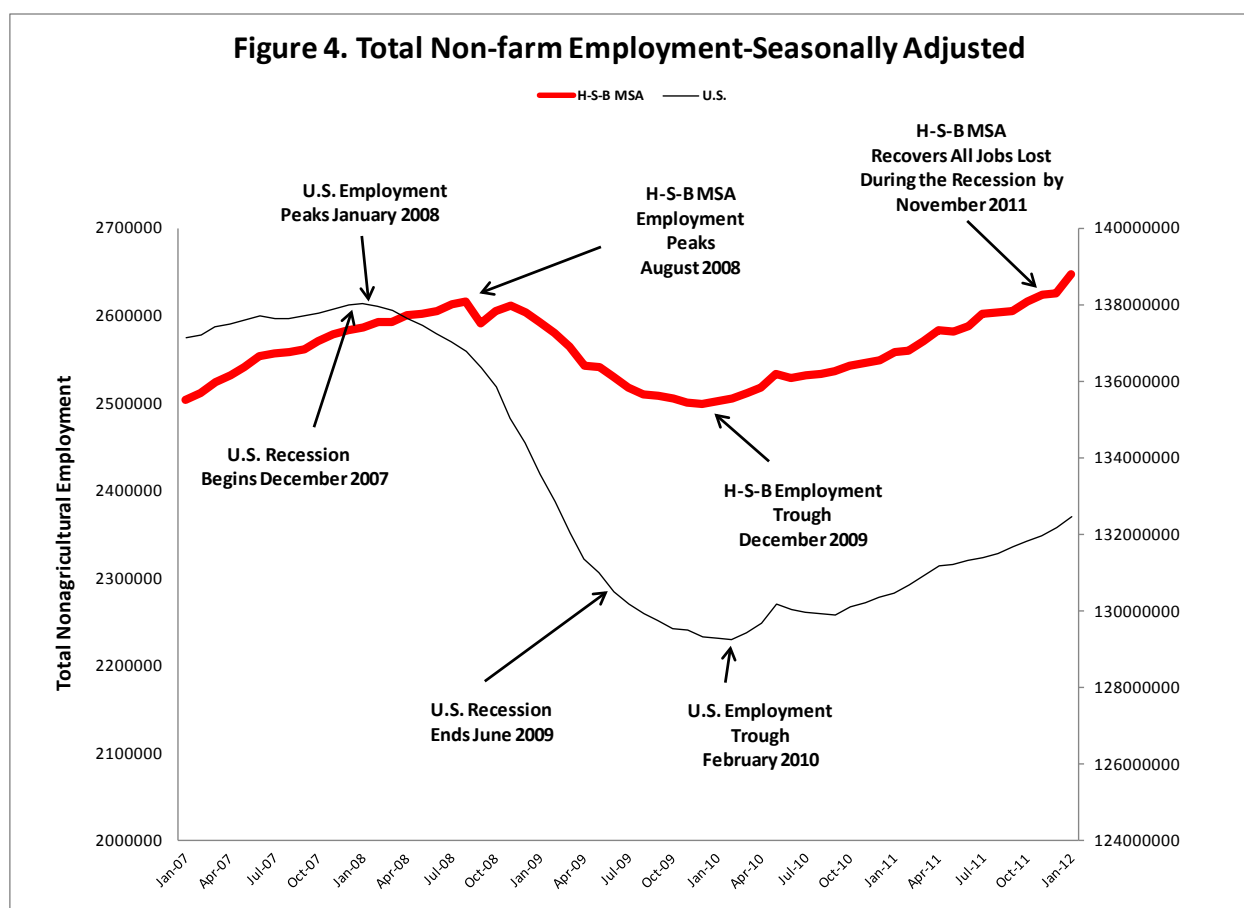


Figure 3. Total Non-farm Employment-Actual

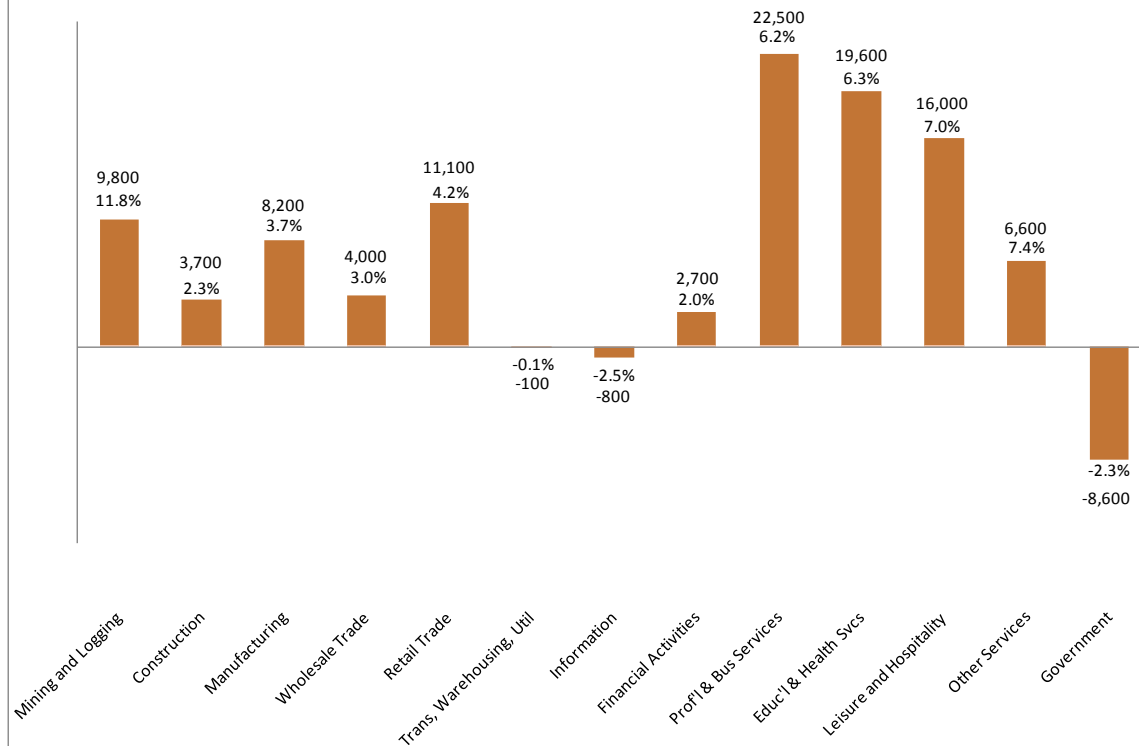




Mining and Logging received a small revision and was reporting 800 fewer jobs than originally estimated in December 2011. The super sector was up 400 jobs in January and continues to report strong over-the-year gains, up 9,800 jobs or 11.8 percent over the year, see figure 5. Support Activities for Mining experienced the fastest rate of job growth, up 4,300 jobs or 12.1 percent over the year. Oil and Gas Extraction also added jobs at a brisk pace, up 4,000 jobs or 8.5 percent over the year. The average weekly U.S. rig count was 2,003 in January. Oil activity continues to displace gas as producers take advantage of higher oil prices. Eagle Ford and other shale regions continue to be major sources of activity. Skill shortages are becoming a rising concern in the industry.

Revised data for **Construction** reports that losses since the beginning of the recession were deeper than originally estimated peaking at 45,600 jobs in January 2011 compared to the original estimated peak loss of 40,200 jobs. Job recovery in the super sector has been slow with 41,900 fewer jobs in January 2012 than there were at the start of the recession. While current estimates show the super sector up 3,700 jobs or 2.3 percent over the year there has not been an increase in payrolls since last August. Over-the-year job gains are found in Construction of Buildings, up 1,000 jobs or 2.2 percent, and Heavy and Civil Engineering Construction, up 3,100 jobs or 8.4 percent. Specialty Trade Contractors is reporting a loss of 400 jobs over the year, down 0.5 percent. Demand for housing and development of multifamily complexes continue to rise although construction remains at low levels.

**Figure 5. Houston-Sugar Land-Baytown MSA
Annual Change January 2011 to January 2012**



While revised estimates for **Manufacturing** as a whole were mostly unchanged there were changes at sub-sector levels. Durable Goods Manufacturing was reporting an additional 2,400 jobs as of December 2011 than originally estimated with most of the increase found in Machinery Manufacturing. Nondurable Goods was reporting 1,800 fewer jobs as of December 2011. The super sector was up 8,200 jobs or 3.7 percent over the year in January, see figure 5. There remain, however, 16,500 fewer jobs in Manufacturing than there were at its most recent peak in November 2008. Durable Goods Manufacturing is currently reporting an increase of 7,900 jobs over the year, up 5.5 percent, with the largest gain found in Fabricated Metal Product Fabricating, up 4,800 jobs or 10.1 percent. Employment in Nondurable Goods Manufacturing is up 300 jobs or 0.4 percent over the year. Demand for oil field and gas equipment continues to be strong. Petrochemical producers report that export demand for polyethylene and caustic soda continued to trend up while domestic PVC demand remained weak due to low levels of housing construction and infrastructure projects. Refiners described weak demand for petroleum products nationally. The Houston Purchasing Managers Index was 59.6 in February, a 0.1 reduction from January. Any index over 50 indicates production gains over the near term.

Revised estimates for **Trade Transportation & Utilities** as a whole left most recent employment estimates virtually unchanged. There were, however, several areas within the super sector that received revisions. Estimates for Air Transportation were lowered significantly reporting 4,500 fewer jobs in December 2011, an 18.5 percent reduction. There were several areas that received favorable revisions offsetting the decline in Air Transportation including an increase of 1,500 jobs in Retail Trade and 1,100 jobs in Truck Transportation. Trade, Transportation & Utilities incurred a seasonal loss of 8,100 jobs in January, much smaller than a loss of 17,300 jobs in January 2011. The super sector was up 15,000 jobs or 2.9 percent over the year. Most of the increase was in Retail Trade, up

11,100 jobs or 4.2 percent over the year, and Wholesale Trade, up 4,000 jobs or 3.0 percent over the year. Transportation Warehousing and Utilities was reporting a loss of 100 jobs over the year as a result of declines in Air Transportation which was down 3,400 jobs or 14.7 percent from January 2011. Utilities, Truck Transportation, and Pipeline Transportation reported job gains helping to offset losses in Air Transportation. Reports from transportation service firms have been positive. Railroads noted a broad based increase of various materials and equipment.

Revised data for **Information** reports that the super sector lost fewer jobs than originally thought over 2011 raising employment estimates by 2,000 jobs for December. Information was one of the few sectors to report an over-the-year loss in January, down 800 jobs or 2.5 percent over the year, see figure 5. About half of the MSA's employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

Revised data for **Financial Activities** indicate there were fewer jobs lost during the second half of 2010 than originally estimated and by December 2011 the super sector was reporting an additional 2,600 jobs. As of January the super sector was reflecting an increase of 2,700 jobs over the year, up 2.0 percent, see figure 5. Most of the increase was in Finance and Insurance, up 2,500 jobs or 2.8 percent. Financial firms reported a modest uptick in loan demand and several regional banks noted energy-related activity was robust. Outlooks were generally more optimistic than at year-end 2011. Nonresidential real estate activity continues to pick up. Demand from the energy sector is driving moderate gains on leasing for office and industrial space.

Revised estimates show that there were 4,300 additional jobs in **Professional and Business Services** by December 2011. Most of the revision was a result of higher estimates for Employment Services and Architectural, Engineering, and Related Services. The super sector suffered a seasonal decline of 3,600 jobs in January but continues to report healthy over-the-year growth, up 22,500 jobs or 6.2 percent, see figure 5. More than half of the increase is found in Employment Services, up 12,400 jobs or 21.5 percent. Staffing firms report demand has been holding steady at high levels noting more direct hires than temporary placements. Demand for skilled professionals, particularly IT workers, was strong while orders from the banking sector and demand for clerical staff declined. Accounting, Tax Preparation, Bookkeeping, and Payroll Services is still reporting an over-the-year decline, down 900 jobs or 4.6 percent from January 2011.

Revised data for **Education and Health Services** reflect that growth was stronger over the second half of 2011 than originally estimated resulting in an additional 6,300 jobs by December. The super sector suffered a seasonal decline of 1,700 jobs in January but continues to report healthy over-the-year growth, up 19,600 jobs or 6.3 percent, see figure 5. The largest job gains were in Ambulatory Health Care Services, up 14,100 jobs or 11.1 percent from January 2011. Educational Services was up 1,500 jobs or 3.5 percent over the year. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

Revisions to estimates in **Leisure and Hospitality** show that there were 2,700 additional jobs than originally estimated by December 2011. Current estimates show that the super sector did not follow historical trends and shed jobs in January and instead added 100 jobs over the month due to an atypical increase at Food Services and Drinking Places. Payrolls in Leisure and Hospitality were up 16,000 jobs or 7.0 percent over the year in January, see figure 5, with almost all of the increase found in Food Services and Drinking Places, up 15,100 jobs or 8.1 percent. While Accommodation also managed to experience healthy job growth over the year, up 700 jobs or 3.6 percent, Arts, Entertainment, and Recreation was reporting much weaker growth, up 200 jobs or 0.8 percent.

Revisions to estimates in **Other Services** were not favorable reflecting 2,700 fewer jobs by December 2011 as a result of weaker job growth in 2010. The super sector added 600 jobs over the

month and was reporting a healthy increase of 6,600 jobs over the year in January, up 7.4 percent, see figure 5. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Revisions to **Government** estimates show that losses were deeper than originally estimated reporting 5,400 fewer jobs by December 2011. While State Government received a favorable revision of an additional 1,300 jobs, Local Government is now reporting 6,900 fewer jobs on payrolls by December 2011. The super sector suffered a seasonal loss of 6,800 jobs in January, down 1.8 percent, and is down 8,600 jobs or 2.3 percent over the year, see figure 5. Most of the decline was in Local Government Educational Services, down 7,200 jobs or 3.7 percent from January 2011.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	JAN 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,622,500	-24,000	-0.9%	94,700	3.7%
Total Private	2,253,400	-17,200	-0.8%	103,300	4.8%
Goods Producing	490,100	-2,400	-0.5%	21,700	4.6%
..Mining and Logging	93,200	400	0.4%	9,800	11.8%
...Oil and Gas Extraction	51,000	200	0.4%	4,000	8.5%
...Support Activities for Mining	39,700	100	0.3%	4,300	12.1%
..Construction	168,100	-800	-0.5%	3,700	2.3%
..Construction of Buildings	46,800	-300	-0.6%	1,000	2.2%
..Heavy and Civil Engineering Construction	40,200	-300	-0.7%	3,100	8.4%
..Specialty Trade Contractors	81,100	-200	-0.2%	-400	-0.5%
..Manufacturing	228,800	-2,000	-0.9%	8,200	3.7%
..Durable Goods	152,200	-800	-0.5%	7,900	5.5%
...Fabricated Metal Product Manufacturing	52,100	100	0.2%	4,800	10.1%
...Machinery Manufacturing	49,700	300	0.6%	4,800	10.7%
....Agriculture, Construction, and Mining Machinery Manufacturing	36,400	200	0.6%	3,300	10.0%
...Computer and Electronic Product Manufacturing	19,300	-200	-1.0%	500	2.7%
..Non-Durable Goods	76,600	-1,200	-1.5%	300	0.4%
...Petroleum and Coal Products Manufacturing	12,100	-100	-0.8%	-100	-0.8%
...Chemical Manufacturing	34,400	-200	-0.6%	700	2.1%
Service Providing	2,132,400	-21,600	-1.0%	73,000	3.5%
..Private Service Providing	1,763,300	-14,800	-0.8%	81,600	4.9%
..Trade, Transportation, and Utilities	535,400	-8,100	-1.5%	15,000	2.9%
...Wholesale Trade	136,200	-800	-0.6%	4,000	3.0%
....Merchant Wholesalers, Durable Goods	80,900	-200	-0.2%	3,700	4.8%
.....Professional and Commercial Equipment and Supplies Merchant	10,300	-200	-1.9%	100	1.0%
....Merchant Wholesalers, Nondurable Goods	38,900	-200	-0.5%	800	2.1%
...Retail Trade	275,900	-5,800	-2.1%	11,100	4.2%
....Motor Vehicle and Parts Dealers	32,500	-100	-0.3%	700	2.2%
....Building Material and Garden Equipment and Supplies Dealers	18,700	-200	-1.1%	200	1.1%
....Food and Beverage Stores	56,400	-300	-0.5%	1,100	2.0%
....Health and Personal Care Stores	17,500	-400	-2.2%	900	5.4%
....Clothing and Clothing Accessories Stores	31,200	-3,200	-9.3%	2,200	7.6%
....General Merchandise Stores	61,000	-3,100	-4.8%	2,000	3.4%
.....Department Stores	24,300	-1,800	-6.9%	700	3.0%
.....Other General Merchandise Stores	36,700	-1,300	-3.4%	1,300	3.7%
...Transportation, Warehousing, and Utilities	123,300	-1,500	-1.2%	-100	-0.1%
...Utilities	16,500	0	0.0%	500	3.1%
.....Air Transportation	19,800	0	0.0%	-3,400	-14.7%
.....Truck Transportation	22,300	-200	-0.9%	1,300	6.2%
.....Pipeline Transportation	10,700	0	0.0%	400	3.9%
..Information	31,100	-400	-1.3%	-800	-2.5%
...Telecommunications	15,700	-100	-0.6%	-500	-3.1%
..Financial Activities	138,600	-1,700	-1.2%	2,700	2.0%
...Finance and Insurance	90,500	-1,000	-1.1%	2,500	2.8%
....Credit Intermediation and Related Activities	42,800	0	0.0%	700	1.7%
.....Depository Credit Intermediation	29,200	100	0.3%	500	1.7%
....Securities, Commodity Contracts, and Other Financial Investment	13,400	-100	-0.7%	600	4.7%
....Insurance Carriers and Related Activities	29,600	-400	-1.3%	200	0.7%
...Real Estate and Rental and Leasing	48,100	-700	-1.4%	200	0.4%

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	JAN 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	386,600	-3,600	-0.9%	22,500	6.2%
...Professional, Scientific, and Technical Services	188,100	-1,200	-0.6%	9,500	5.3%
....Legal Services	23,000	-400	-1.7%	200	0.9%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	18,800	600	3.3%	-900	-4.6%
....Architectural, Engineering, and Related Services	62,200	-1,000	-1.6%	3,300	5.6%
....Computer Systems Design and Related Services	25,800	0	0.0%	1,500	6.2%
....Management of Companies and Enterprises	21,200				
....Administrative and Support and Waste Management and Remediation Services	177,300	-2,300	-1.3%	12,000	7.3%
....Administrative and Support Services	167,100	-3,000	-1.8%	9,700	6.2%
.....Employment Services	70,000	-2,900	-4.0%	12,400	21.5%
.....Services to Buildings and Dwellings	39,000	-1,200	-3.0%	1,000	2.6%
..Educational and Health Services	329,300	-1,700	-0.5%	19,600	6.3%
...Educational Services	43,800	-200	-0.5%	1,500	3.5%
...Health Care and Social Assistance	285,500	-1,500	-0.5%	18,100	6.8%
....Ambulatory Health Care Services	138,200	-400	-0.3%	14,100	11.4%
....Hospitals	75,500	-100	-0.1%	2,800	3.9%
..Leisure and Hospitality	246,000	100	0.0%	16,000	7.0%
...Arts, Entertainment, and Recreation	24,300	-1,000	-4.0%	200	0.8%
...Accommodation and Food Services	221,700	1,100	0.5%	15,800	7.7%
....Accommodation	20,100	-600	-2.9%	700	3.6%
....Food Services and Drinking Places	201,600	1,700	0.9%	15,100	8.1%
..Other Services	96,300	600	0.6%	6,600	7.4%
Government	369,100	-6,800	-1.8%	-8,600	-2.3%
.Federal Government	27,300	-200	-0.7%	-600	-2.2%
.State Government	72,100	-300	-0.4%	-500	-0.7%
..State Government Educational Services	38,800	-600	-1.5%	-600	-1.5%
.Local Government	269,700	-6,300	-2.3%	-7,500	-2.7%
..Local Government Educational Services	187,700	-5,000	-2.6%	-7,200	-3.7%

UNEMPLOYMENT RATE

	JAN 2012	DEC 2011	JAN 2011
H-S-B MSA	7.6	7.2	8.7
Texas (Actual)	7.6	7.1	8.4
United States (Actual)	8.8	8.3	9.8

Houston-Sugar Land-Baytown MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2011 levels and are estimated by the U.S. Department of Labor, Bureau of Labor Statistics. All Data is Subject To Revision.

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