



GULF COAST WORKFORCE BOARD

TENTATIVE AGENDA
10:00 A.M. TUESDAY, April 7, 2020
BY TELECONFERENCE

Dial 713-481-0090 or 1-800-240-3895
Passcode 1066423#

1. Call Roll
2. Adopt Agenda
3. Hear Public Comment
4. Review February 2020 meeting minutes
5. Declare Conflicts of Interest
6. Consider Reports
 - a. Chair's Remarks.
 - b. Audit/Monitoring. Briefing on committee's March meeting.
7. Take Action
 - a. Procurement. Consider renewing contracts with 15 adult education providers in a total amount not to exceed \$18,193,000 for adult education and literacy instruction throughout the region and add \$394,000 to career office contracts to further integrate adult education.
 - b. Request authority to negotiate increases in contract amounts for BakerRipley, Interfaith of the Woodlands,



- and Employment and Training Centers for expansion of services in total amounts not to exceed \$17.7 million.
- c. Request authority for Chair and Vice Chairs to act on behalf of the Board temporarily to accept funds, approve procurements, and authorize contracts.

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. Update on operations. Report on activity regarding COVID 19.

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

10. Take Up Other Business.

11. Adjourn

If you wish to make a public comment you may do so by providing your comments in writing no later than 5:00 pm on Monday, April 6-2020 to Deborah Duke at deborah.duke@wrksolutions.net.

Meeting materials are available on our website at www.wrksolutions.com/about-us/meetings.

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Relay Texas 1-800-735-2989 (TTY) or 1-800-735-2988 (Voice) or 711.

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**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, FEBRUARY 4, 2020**

MEMBERS PRESENT

Willie Alexander	Alan Heskamp	Danielle Scheiner
Gerald Andrews	Guy Robert Jackson	Richard Shaw
Peter Beard	Sarah Janes	Isaac Shi
Sarah Bouse	Doug Karr	Gil Staley
Carl Bowles	Stephanie Nellons-Paige	Michael Stewart
Mary Helen Cavazos	Jerry Nevlud	Evelyn Timmins
Renea Dillon	Adrian Ozuna	Lizandra Vazquez
Cheryl Guido	Monica Riley	Carolyn Watson
Mark Guthrie	Adria Ross	
Bobbie Allen Henderson	Janice Ruley	

H-GAC STAFF MEMBERS PRESENT

Ron Borski
AJ Dean
Philip Garcia
Parker Harvey
Mike Temple

Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, February 4, 2020, 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 presented the agenda and proposed that item 6, Welcome New Members, be moved to take place prior to Public Comments. A motion was made and seconded to adopt the agenda as amended. The motion carried and the amended agenda was adopted.

WELCOME NEW MEMBERS

Chair Guthrie welcomed new Board members Carl Bowles, Monica Riley, Adria Ross and Carolyn Watson. Each member was asked to give a brief introduction to the Board. The new members each did so and were welcomed enthusiastically by the Board.

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM DECEMBER 3, 2019 MEETING

Chair Guthrie asked for any additions or corrections to the minutes for the December 3, 2019 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 conflicts of interest were declared. Chair Guthrie reminded the members that they were welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

a. Chair's Report.

Chair Guthrie began by reporting that he and other board members and staff attended the Texas Workforce Commission Annual Conference in Grapevine, Texas in early December. The conference hosted over 1600 attendees and included a number of speakers with good information. One informative discussion was presented by a futurist who provided job forecast information, including details of how the AI component is expected to affect the job market in Texas.

Chair Guthrie said that he attended the Texas Association of Workforce Boards (TAWB) director meeting preceded the TWC Annual Conference. Margaret Spellings, a former United States Secretary of Education, and the current CEO and President of the Texas 2036 organization, spoke at that meeting. Their goal is to get everyone working together to prepare for what the economy will look like in 2036. A primary focus of the organization is education. Recognizing that if we fail

to do a good job in educating our current base of students, our economy will be difficult in 2036.

Chair Guthrie also reported that attended the National Association of Workforce Boards quarterly directors' meeting in Panama City, Florida in January. The focus of that meeting was on disaster recovery. Chair Guthrie served on a panel that included senior Workforce development representatives from the State of Florida and Puerto Rico. The focus of the panel discussion was recovery from natural disasters such as hurricanes.

Chair Guthrie reported that, at the end of 2019, Congress agreed on a budget for our Workforce programs. In general, the Workforce programs we touch were reauthorized for funding with increases on average of 2-3%, depending on the program.

Chair Guthrie concluded his report and no action was taken.

b. Audit/Monitoring Committee.

Committee Chair Guy Robert Jackson provided the following report.

The Audit/Monitoring Committee met on Wednesday, January 22, 2020 in the Pearland career office with Chair Guy Jackson and members Carl Bowles, Helen Cavazos, Willie Alexander, Sara Bouse, Evelyn Timmins, and Cheryl Guido attending.

Operations

We have changed our review process this year. We are looking at each contract as a whole, rather than focusing on the various different parts – such as career offices – at different times during the year. We expect this to give us a slightly different view of our contractors' operations.

- Staff checked on ResCare – which operates three career offices for us: Westheimer, Pearland, and Acres Homes. ResCare is in its third year of managing Westheimer and, at the time of this review, had completed the first year for Pearland and Acres Homes.
 - Staff noted a decline in several compliance elements from our previous year review, primarily at the Westheimer location. Staff noted a lack of standard procedures for the tracking unit which is based at Westheimer. Staff also commented on a high staff turnover rate at the Westheimer location and voiced concerns about office management, staff training, and corporate level support for the local operation.
 - For these reasons, staff has rated ResCare as Building Performance – a drop in the rating from last year. Staff is currently working with ResCare

on an extended corrective action plan, and staff will go back out to review progress in summer 2020.

Financial Systems

Staff reviews each contractor at least once a year for compliance with financial requirements.

Staff completed reviews for Community Family Centers, the H.E.A.R.T. Program, University of Houston Downtown, Houston Community College System, Wharton County Junior College, San Jacinto College, and Interfaith of the Woodlands.

Trends

- As usual, smaller organizations and those who are new to our system tend to have a larger number of findings and recommendations from financial monitors.
- Staff commonly finds small errors, including a limited number of unallowable charges to our contracts, and confusion around federal and state requirements for policies and procedures.
- Staff has not seen problems that it believes rise to a level of high risk.
- Staff provides direct technical assistance to contractors to support resolution of financial monitoring issues, and staff is building additional training on key areas.

Chair Jackson concluded his report and no action was taken.

TAKE ACTION

- a. Budget. Consider proposed Board budget for 2020 in amount of \$313,742,103.*

The Budget Committee met on Wednesday, January 22, 2020 with Committee Chair Willie Alexander and Committee Vice Chair Gerald Andrews attending. Chair Willie Alexander provided the following report to the Board:

Background

Each year the Workforce Board approves a budget showing how it uses the revenue it receives to achieve results set out in the Board's strategic plan – competitive employers, an educated workforce, more and better jobs, and higher incomes – and to operate Workforce Solutions and leverage results in the region.

The Board's revenue landscape has increased substantially in recent years. As our population grows and the labor market changes, funding we receive has increased as well. From 2017 to 2020 the Board's available revenue has increased nearly 37%.

Current Situation

The proposed 2020 budget at just over \$313 million is 1.7% more than 2019, attributable principally to increases in our general revenue.

- Our larger formula allotments show the largest increase in early education dollars. We project general revenue will be 2.7% larger than in 2019. The general revenue fund contains the primary dollars which power Workforce Solutions.
- Special federal and state revenue, funds we consider short-lived or with a limited guarantee of continuance, are down in 2020. We have exhausted the disaster recovery dollars made available as a response to Hurricane Harvey.
- We continue incorporating staff from the Vocational Rehabilitation Service into the career offices and estimate contributions over \$3,100,000 for this fiscal year. We plan to integrate four additional locations in 2020.
- We have a little over \$3.1 million in statewide activity funds available to support a variety of initiatives.

The proposed 2020 Board budget reserves 2.6% of total revenue for operations at the administrative level. The remaining 97.4% delivers direct service to customers.

Proposed Board operations total \$8,236,883 for 2020, which is a 4.1% increase from the previous year. System operations have increased to \$305,505,220, which is a 1.7% increase from 2019.

Direct service to employers and people makes up system operations. Proposed 2020 expenditures are in line with contracts the Board approved for Workforce Solutions in August 2019 and include a portion of the funds we plan to use for contracts beginning in fall 2020.

- Financial aid, the highest dollar value service for people, represents the large demand for early education, scholarships, work-based learning, and work support in our region. We request an increase to the financial aid pool to \$221.5 million.
- We recommend a modest 1% increase to our career office network for the new year. In 2019, we made a sizeable increase in this area to provide more access points for customers.

- Service through our adult education consortium will continue at a comparable level as 2019. Currently we include 14 adult education providers in the consortium and one lead agency.
- We propose increasing dollars budgeted for employer service by 4.6% to expand talent development opportunities and continue our efforts in assisting employers to recruit and screen talent from qualified job seekers.
- We do not propose any major changes in our System IT for 2020 and recommend preserving the budget at its current level.

We are proposing a Board administrative operations budget at \$8.2 million, an increase of 4.1% from 2019. Board operations represent 2.6% of the total budget.

- The personnel line item reflects the Board's staffing at 49 positions. The increase in personnel cost results from H-GAC's budgeted merit increase, the addition of three career outreach specialists, and a project manager. H-GAC provides a pool of funds for merit raises in most years. Managers recommend raises based on an evaluation of employees' performance. This year the pool will be set at 4%.
- In 2019 H-GAC formed a communications group to assist with public information & outreach efforts. The added agency support will allow us to reduce the amount we contract out for this function. This change results in a \$390,000 decrease in consultants and contracted services.
- Shared costs provided by H-GAC represent the increases identified under indirect and other line items. Shared support includes functions such as human resources, accounting, and purchasing. The increase in rent is attributable to the additional board staff positions to be housed at H-GAC.

Results

With this budget, we plan to achieve the following:

- Serve at least 28,500 employers and 425,000 individuals
- Ensure 17,670 of our employers return for service
- Assist in creating 3,300 new jobs
- Spend at least \$15 million on scholarships for more than 5,000 individuals in high-skill, high-growth occupational training
- Support about 24,000 families and 44,000 children with early education
- Help more than 230,000 individuals go to work
- Raise the incomes of 105,000 by at least 20%
- Help 85% of individuals pursuing a post-secondary education attain a credential (certificate or degree)

Action

A motion was made and seconded to approve the Budget Committee's recommended 2020 budget in the amount of \$313,742,103. After some discussion by the Board, the motion was approved as presented.

- b. Budget. Consider proposed funding projects with statewide activity dollars in amount of \$3,214,224.*

Chair Willie Alexander continued his report, providing the following information to the Board:

Background

The Workforce Innovation and Opportunity Act provides funds at the state level with greater flexibility than the dollars formula-allocated to local boards.

In the past, Texas competed for these "statewide activity funds", but this summer allocated most of the dollars among the state's local boards.

Since our report to the Board in August 2019 about these dollars, we have been working to structure projects that invest in our priorities and meet the state's requirements for use.

Current Situation

We have included the statewide funds in the draft 2020 Board budget and the Budget Committee proposes using these dollars as follows:

Project	Budget	Board Contribution	Match
Texas Industry Partnership	\$70,000	\$35,000	\$35,000
Teacher Externships	137,500	107,500	30,000
Entrepreneur Boot Camps	125,000	100,000	25,000
Second Chance/Reentry Network	410,000	410,000	-
Youth Docket Diversion	240,000	240,000	-
Income Now	250,000	250,000	-
Supported Employment	600,000	600,000	-
CTE Partnership	120,000	120,000	-
Reserve for Scholarships	1,261,724	1,261,724	-
Total	\$ 3,214,224	\$ 3,124,224	\$ 90,000

Several of the projects require matching funds or resources from partners in the projects, as reflected in the table above.

We will reserve \$1.26 million to add to our general scholarship fund and to be available to expand the Second Chance Youth Network, Income Now, and Supported Employment projects, if needed.

Action

A motion was made and seconded to approve the Budget Committee's recommendation to fund projects and the reserve for scholarships in the amount of \$3,214,224, and to additionally fund expansions of the Second Chance Youth Network, Income Now, and Supported Employment projects, if needed from the reserve for scholarships. Renea Dillon declared a conflict of interest and abstained from voting. After some discussion by the Board, the motion was approved as presented.

Chair Alexander concluded his report and no further action was taken.

RECEIVE INFORMATION

a. Performance and Production.

Philip Garcia reviewed the Performance and Production measures for October 2019 through December 2019, as follows:

- More Competitive Employers: Market Share and Loyalty data accumulates over the course of the year. However, the TWC reporting system used for these measures stopped functioning in July. TWC is working to correct the reporting system.
- New jobs created: we did not meet goal for this measure. Board staff is working with partners to bring jobs to our region and develop best practices to improve this measure.
- Earnings Gains: although we did better than last year for the people who successfully gained 20% increase in wages, we still have improvements to make. We continue to follow up with customers and review wage data for this population.

The Texas Workforce Commission has 25 production measures we must meet. Of those measures, we met or exceeded 19 of the measures for the year. The following measures require additional focus:

- Employed Q2 Post Exit (WIOA Dislocated Workers (DW))
- Employed Q4 Post Exit (WIOA DW)
- Credential Rate (WIOA DW)
- Employed/Enrolled Q2 Post Exit (WIOA Youth)
- TANF Full Work Rate
- Integrated English Language/Civics (July 2019 – December 2019)

Mr. Garcia completed his report and no action was taken.

b. Expenditures

AJ Dean reviewed the Financial Status Report representing expenses for the 12 months ending in December 2019, and provided the following report:

Overall, we spent approximately 95% of our estimated budget. System expenses included approximately 75% Financial Aid, followed by Office Operations, Adult Education and Employer Service.

Mr. Dean completed his report and no action was taken.

LOOK AT THE ECONOMY

Ron Borski provided the Board with a report of employment data and economic trends:

We continue to see record low unemployment rates. Houston – MSA and Texas are unchanged compared to previous reporting periods. The US unemployment rate increased slightly to 3.4%. Houston’s unemployment rate has hit record lows each month for the last 9 months of data that has been released.

On an over-the-year basis, MSA is up 2.8% which is twice the rate of the nation as a whole. That equates to approximately 88,000 jobs with the largest number of new jobs coming in the category of Professional and Business Services. These numbers are expected to change with the release of benchmark revisions in March. Job growth is expected to remain positive after revisions.

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

Parker Harvey provided the Board with a report on geographic sources of workers flowing into the Houston Metropolitan Area:

This report looked at the inter-connectedness of our labor market compared with other labor markets around the country as workers flow across geographic areas. In our region, approximately 170,000 workers change jobs in a given quarter. Of those 170,000 job changes, approximately 105,000 workers were already located in the Houston area. Approximately 47,000 workers come into the region from other Texas metropolitan areas and 6,000 workers come from our border states (Arkansas, Louisiana, New Mexico and Oklahoma). The remaining 12,000 workers come from other states.

Mr. Harvey examined the volume of workers flowing into the Gulf Coast region from other metropolitan areas in the state of Texas, those from metropolitan areas in bordering states and those from metropolitan areas across the US. Board members discussed potential benefits this information might provide to employers in our region for their recruitment efforts.

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

OTHER BUSINESS

There was no other business to be brought before the Board.

ADJOURN

Chair Guthrie adjourned the meeting at approximately 11:15 a.m.

GULF COAST WORKFORCE BOARD

Board Member	06/04/19	08/06/19	10/01/19	12/03/19	02/04/20	04/07/20
Alexander, Willie	✓	✓	✓	✓	✓	
Allen, Karlos			✓	✓		
Andrews, Gerald		✓	✓	✓	✓	
Beard, Peter	✓	✓	✓	✓	✓	
Bouse, Sara	✓	✓	✓		✓	
Bowles, Carl					✓	
Cavazos, Mary Helen	✓	✓		✓	✓	
Dillon, Renea	✓	✓	✓	✓	✓	
Edwards, Todd						
Guido, Cheryl	✓	✓	✓		✓	
Guthrie, Mark	✓	✓	✓	✓	✓	
Henderson, Bobbie Allen	✓	✓	✓	✓	✓	
Heskamp, Alan	✓		✓	✓	✓	
Jackson, Guy Robert	✓	✓	✓	✓	✓	
Janes, Sarah	✓	✓			✓	
Karr, Doug	✓	✓	✓		✓	
LaBroski, Jeff	✓	✓	✓	✓		
Lewis, Ernest	✓	✓	✓			
Mahagaokar, Rajen			✓	✓		
Marshall, Scott		✓				
McCleskey, Kendrick						
McCoy, Dexter	✓	✓	✓	✓		
Mechler, Steve	✓	✓				
Melton, Edward		✓	✓	✓		
Nellons-Paige, Stephanie	✓	✓			✓	
Nevlud, Jerry			✓	✓	✓	
Ozuna, Adrian		✓	✓	✓	✓	
Puente, Paul		✓	✓	✓		
Riley, Monica					✓	
Ross, Adria					✓	
Ruley, Janice	✓	✓	✓		✓	
Scheiner, Danielle	✓		✓		✓	
Segovia, Valerie	✓	✓	✓	✓		
Shaw, Richard		✓	✓	✓	✓	
Shi, Isaac	✓	✓			✓	
Staley, Gil	✓			✓	✓	
Stewart, Michael	✓	✓			✓	
Timmins, Evelyn	✓	✓	✓	✓	✓	
Vazquez, Lizandra			✓		✓	
Watson, Carolyn					✓	
Webster, Michael	✓	✓		✓		

GULF COAST WORKFORCE BOARD

ALEXANDER, WILLIE

W J Alexander Associates P.C.
1770 St. James Place, Suite 407
Houston, TX 77056
(713) 802-0900, ext. 12
Fax: (713) 802-1188
Category: Business
County: City of Houston
walex@wjalexander.com
Term: January 1, 2019 thru December 31, 2020

ALLEN, KARLOS

PFM Financial Advisors LLC
1200 Smith Street, Suite 1600
Houston, TX 77002
(713) 353-4600
Category: Business
County: City of Houston
allenka@pfm.com
Term: January 1, 2016 thru December 31, 2020

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
Term: January 1, 2019 thru December 31, 2020

BEARD, PETER

Greater Houston Partnership
701 Avenida de las Americas, Suite 900
Houston, TX 77010
(713) 844-3602 – office
Fax: (713) 844-0200
Category: Business
County: City of Houston
pbeard@houston.org
Term: January 1, 2019 thru December 31, 2020
Term: January 1, 2019 thru December 31, 2020

BOWLES, Carl

Bowles, Womack & Company, P.C.
24 Greenway Plaza, Suite 970
Houston, TX 77046
(713) 621-0050
Fax: (713) 621-0046
Category: Business
County: Waller
carl@bowleswomack.com
Term: January 1, 2019 thru December 31, 2020

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
Term: January 1, 2019 thru December 31, 2020

CAVAZOS, MARY HELEN

M.H. Cavazos & Associates
1124 W. Clay Street
Houston, TX 77019
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Category: Business
County: Harris
mhcavazos@aol.com
Term: January 1, 2019 thru December 31, 2020

DILLON, RENE A

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

EDWARDS, TODD

Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, TX 77002
(713) 526-7577
Fax: (713) 526-7519
Category: Business
todd3e@houstonmidtown.com
Term: January 1, 2019 thru December 31, 2020

GUIDO, CHERYL

Department of Assistive and
Rehabilitation Services
427 W. 20th, Suite 407
Houston, TX 77008
(713) 802-3101
Fax: (713) 802-3143
Category: State Agency
cheryl.guido@twc.state.tx.us
Term: January 1, 2018 thru December 31, 2021

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
Term: January 1, 2019 thru December 31, 2020

HAWTHORNE, CARI

HR Defined, LLC
10101 Fondren #206
Houston, TX 77096
Category: Business
County: City of Houston
info@hrdefined.com
Term: June 21, 2018 thru December 31, 2020

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
Term: January 1, 2019 thru December 31, 2020

HESKAMP, ALAN

Heskamp & Associates LLC
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El Campo, TX 77437
(979) 758-4521
Category: Business
County: Wharton
aheskamp@sbcglobal.net
Term: January 1, 2018 thru December 31, 2021

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
Term: January 1, 2019 thru December 31, 2020

JANES, SARAH

San Jacinto College
8060 Spencer Highway
Pasadena, TX 77505
(281) 478-3605
Fax: (281) 479-8127
Category: Education
County: Harris
sarah.janes@sjcd.edu
Term: January 1, 2018 thru December 31, 2019

KARR, DOUG

Pro Staff/Atterro
27 Canoe Birch Place
The Woodlands, TX 77382
832-967-7684

Category: Business

County: Montgomery

raiderkarr@aol.com

Term: January 1, 2018 thru December 31, 2019

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

Term: January 1, 2019 thru December 31, 2020

LEWIS, ERNEST

Adult Reading Center
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(281) 485-1000

Category: Literacy

County: Brazoria

ernest.lewis@adultreadingcenter.org

Term: January 1, 2018 thru December 31, 2021

MAHAGAOKAR, RAJEN

Riverstone Holdings LLC
1000 Louisiana St, 1450
Houston, TX 77002
(713) 844-3600

Category: Business

County: Harris

rmahagaikar@riverstonellc.com

Term: June 21, 2019 thru December 31, 2020

MARSHALL, SCOTT

Worley
5995 Rogerdale Road
Houston, TX 77072
(832) 351-6655

Category: Business

County: Harris

scott.marshall@worley.com

Term: January 1, 2018 thru December 31, 2019

McCLESKEY, KENDRICK

PricewaterhouseCoopers-
1903 Crockett St.
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(281) 788-6046

Category: Business

County: City of Houston

klmccleskey@gmail.com

Term: January 1, 2019 thru December 31, 2020

McCOY, DEXTER

Fort Bend Independent School District
16431 Lexington Blvd
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Fax: (281) 327-2834

Category: Education

County: Fort Bend

Dexter.mccoy@fortbendisd.com

Term: January 1, 2019 thru December 31, 2020

MECHLER, STEVE

TI Constructors
4321 Directors Row, Suite 101
Houston, TX 77092
(281) 272-7980

Category: Business

County: Harris

smechler@ticonstructors.com

Term: January 1, 2018 thru December 31, 2019

MELTON, EDWARD

Texas Library Association
5749 South Loop East
Houston, TX 77033
(713) 274-6600

Category: Literacy

County: Harris County

edward.melton@hcpl.net

Term: January 1, 2018 thru December 31, 2019

NELLONS-PAIGE, STEPHANIE

Texas Central Rail Holdings
1021 Main Street
Houston, TX 77002
(443) 610-3487

Category: Business

County: Houston

Snellons-paige@texascentral.com

Term: January 1, 2019 thru December 21, 2020

NEVLUD, JERRY

AGC Houston
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Houston, TX 77092
(713) 843-3700

Fax: (713) 843-3777

Category: Business

County: Harris

jerry.n@agchouston.org

Term: January 1, 2018 thru December 21, 2019

OZUNA, ADRIAN

Prosperity Bank
80 Sugar Creek Center Blvd
Sugar Land, TX 77478
(832) 259-7692

Category: Business

County: Harris

adrian.ozuna@prosperitybankusa.com

Term: June 21, 2019 thru December 31, 2020

PUENTE, PAUL J.

Houston Gulf Coast Building and
Construction

Trades Council
1301 West 13th St, Suite D
Deer Park, TX 77536
(713) 926-4433

Fax: (713) 926-4918

Category: Labor

County: City of Houston

paul@hgcbctc.org

Term: January 1, 2019 thru December 31, 2020

RILEY, MONICA

The Community Gatekeepers
P.O. Box 2082
Missouri City, TX 77459
(281) 235-3933

Category: CBO

County: Fort Bend County

monicariley7@gmail.com

Term: January 1, 2019 thru December 31, 2020

ROSS, ADRIA

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002
(713) 289-4569

Category: Business

County: Fort Bend County

adria.ross@centerpointenergy.com

Term: January 1, 2019 thru December 31, 2020

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

Term: January 1, 2019 thru December 31, 2020

SCHEINER, DANIELLE

Conroe Economic Development Council
300 W Davis Street
Conroe, TX 77301
(936) 522-3529

Category: Economic Development

County: Montgomery

scheiner@conroeedc.org

Term: January 1, 2018 thru December 31, 2019

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: Matagorda

vsegovia@tamu.edu

valeriegsegovia@gmail.com

Term: January 1, 2019 thru December 31, 2020

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

Term: January 1, 2019 thru December 31, 2020

SHI, ISAAC

Golden Section Technology
808 Travis St, Suite 1406
Houston, TX 77002
(713) 806-3020

Category: Business

County: City of Houston

isaac@gstdev.com

Term: January 1, 2019 thru December 31, 2020

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

Term: January 1, 2018 thru December 31, 2019

STEWART, MICHAEL

United Way of Greater Houston
50 Waugh Drive
Houston, TX 77007
(713) 685-2401

Fax: (844) 768-0346

Category: CBO

County: City of Houston

mstewart@unitedwayhouston.org

Term: January 1, 2019 thru December 31, 2020

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

evtimmings@aol.com

Term: January 1, 2019 thru December 31, 2020

VAZQUEZ, LIZANDRA

Texas Workforce Commission
3555 Timmons Lane, Suite 120
Houston, TX 77027
(713) 688-6890

Category: State Agency

lizandra.vazquez@wrksolutions.com

Term: January 1, 2019 thru December 31, 2020

WATSON, CAROLYN

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712 Main, 4th Floor
Houston, TX 77002
(713) 216-5008
Home: (832) 419-9156
Category: Business
County: City of Houston
carolyn17968@gmail.com
Term: January 1, 2019 thru December 31, 2020

WEBSTER, MICHAEL

Houston Community College
3100 Main Street
Houston, TX 77002
(713) 718-8030
Fax: (713) 718-5018
Category: Education
County: City of Houston
michael.webster@hccs.edu
Term: January 1, 2019 thru December 31, 2020

WORKFORCE BOARD KEY STAFF:

Mike Temple, Director
Brenda Williams, Senior Manager
Michelle Castrow, Program Manager
Dorian Cockrell, Operation Manager
Susan Dixon, Employer Service
Manager
Jenny Johnson, Quality Assurance
Manager
Deborah Duke, Administrative
Coordinator
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

- Guy Robert Jackson – Chair
- – Vice Chair
- Karlos Allen
- Carl Bowles
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Doug Karr
- Ernest Lewis – conflict? call him
- Scott Marshall
- Kendrick McCleskey
- Evelyn Timmins

Budget

- Willie Alexander – Chair
- Gerald Andrews – Vice Chair
- Karlos Allen
- Bobbie Henderson
- Guy Robert Jackson
- Sarah Janes
- Doug Karr
- Scott Marshall
- Jerry Nevlud
- Mike Stewart

By-Laws

Appointed by Board Chair as needed

Nominating

- Guy Robert Jackson – Chair
- Jeff LaBroski – Vice Chair
- Alan Heskamp
- Evelyn Timmins

Oversight Committee (Delete?)

- Gerald Andrews
- Bobbie Henderson

Education

- Bobbie Henderson – Chair
- Doug Karr – Vice Chair
- Karlos Allen
- Sara Bouse
- Helen Cavazos
- Renea Dillon
- Cheryl Guido
- Alan Heskamp
- Sarah Janes
- Jeff LaBroski
- Scott Marshall
- Dexter McCoy
- Steve Mechler
- Jerry Nevlud
- Valerie Segovia
- Richard Shaw

Career Office

- Karlos Allen – Chair
- – Vice Chair
- Cheryl Guido

Employer Services

- Gerald Andrews – Chair
- Jeff LaBroski – Vice Chair
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Alan Heskamp
- Guy Robert Jackson
- Sarah Janes
- Scott Marshall
- Steve Mechler
- Danielle Scheiner
- Richard Shaw
- Gil Staley
- Evelyn Timmins

Procurement

- Evelyn Timmins – Chair
- Bobbie Henderson – Vice Chair
- Willie Alexander
- Karlos Allen
- Sara Bouse
- Helen Cavazos
- Cheryl Guido
- Alan Heskamp
- Doug Karr
- Jeff LaBroski
- Scott Marshall
- Adrian Ozuna
- Richard Shaw
- Gil Staley

Report Card

Appointed by Board Chair as needed

Strategic Planning

- – Chair
- – Vice Chair
- Peter Beard
- Sarah Janes
- Doug Karr
- Kendrick McCleskey
- Dexter McCoy
- Stephanie Nellons-Paige
- Adrian Ozuna
- Paul Puente
- Richard Shaw
- Isaac Shi
- Evelyn Timmins

Communications

- Evelyn Timmins – Chair
- – Vice Chair
- Willie Alexander
- Karlos Allen
- Gerald Andrews
- Bobbie Henderson
- Guy Robert Jackson
- Rajen Mahagaokar
- Stephanie Nellons-Paige
- Richard Shaw
- Mike Webster

Government Relations

- Guy Robert Jackson – Chair
- – Vice Chair
- Gerald Andrews
- Scott Marshall
- Jerry Nevlud
- Richard Shaw

Audit/Monitoring Committee

Update for April 2020

The Audit/Monitoring Committee met on Tuesday, March 24, 2020 by conference call career office with Chair Guy Jackson and members Mark Guthrie, Helen Cavazos, Willie Alexander, Sara Bouse, Evelyn Timmins, Scott Marshall, Gerald Andrews and Cheryl Guido attending.

Adult Education

We completed reviews of five Adult Education providers. These organizations provide instruction for English as Second Language; English Language Civics; Integrated English Language Civics; Intensive Services as well as other courses to further skills in the workforce at various locations throughout the region.

We noticed eligibility documents were missing in some cases as a result of a change in document requirements.

The Association for the Advancement of Mexican Americans, Brazosport College, Chinese Community Center, and Community Family Centers were all rated Strong Performance. Boys and Girls Club of Walker County was rated Solid Performance.

Career Offices

We completed the review of the career offices operated by Interfaith of the Woodlands and have issued the draft report as of March 9, 2020. Interfaith is scheduled to submit a response to all issues identified by April 3, 2020.

Financial Systems

We review each contractor at least once a year for compliance with financial requirements.

Employment & Training Centers

Financial monitors conducted a review of Employment & Training Centers in July 2019 to review financial aid payments. We noted there were no findings in the report. *There was no response necessary, and the report was accepted.*

Procurement Committee

Adult Education 2021

The Procurement Committee met on Tuesday, March 24, 2020 by teleconference to consider recommendations for 2010 adult education provider contracts. Members present included the committee chair Evelyn Timmins; the committee vice chair Bobbie Henderson; the Board chair Mark Guthrie; and members Guy Jackson, Doug Karr, Richard Ozuna, and Richard Shaw.

Overview

The Workforce Board is the grantee/fiscal agent for the Gulf Coast Adult Education Consortium. Region VI is the lead agency providing technical assistance and support to our fourteen contractors in the consortium. These partners offer a variety of adult education instruction throughout the region.

The Adult Education and Family Literacy Act – which authorizes the activities for publicly funded adult education – is part of the Workforce Innovation & Opportunity Act (Title II of the Act).

What we will do

We propose continuing adult education and literacy instruction at more than 250 sites throughout the 13-county region. Service includes English language instruction, literacy classes, adult basic education, adult secondary education, integrated education, GED preparation, and joint basic education-skills training classes.

During 2021 we will also:

- Work with adult education and career offices in identifying youth customers in order to inform them of available service.
- Continue the integration of adult education with our Employer Service by continuing to increase employer awareness and offering on-site basic skills and English language instruction.
- Continue integrating adult education providers and service with the career offices and the Vocational Rehabilitation Service to make it easy for customers to access a full range of Workforce Solutions service no matter where they enter.
- Continue to work on improving outcomes.

Recommendations

We estimate the availability of just under \$19.2 million for the adult education 2021 program year. This is a 2% decrease from 2020. We recommend the target enrollments below:

Target Enrollments 2020-2021		
	2020	2021
Total Students	21,770	22,205
12 Hour Students	19,593	19,929
Integrated Education/Training	1,265	1,000
English Language/ Civics	1,000	1,000
Integrated English Language/ Civics/ Training	575	575
Intensive Services	620	750

As a part of our funding recommendations for 2021, we have included a range. The end of the range is a “not-to-exceed” limit and the beginning is a proposed starting point for contract negotiations.

Adult Education Budget Planning			
Provider	Current	Proposed Range	
Adult Reading Center	\$ 245,000	\$ 200,000	\$ 245,000
Alliance	585,000	525,000	585,000
BakerRipley	605,000	535,000	605,000
Boys and Girls Club of Walker County	221,000	200,000	221,000
Brazosport College	700,000	650,000	700,000
Chinese Community Center	235,000	220,000	235,000
College of Mainland	1,216,000	1,116,000	1,216,000
Community Family Center	558,000	522,000	558,000
Harris County Department of Education	4,976,000	4,750,000	4,976,000
Houston Community College	4,222,000	4,000,000	4,222,000
Lone Star College	1,405,000	1,350,000	1,405,000
Region VI Education Service Center	990,000	900,000	990,000
San Jacinto College	720,000	650,000	720,000
Association for the Advancement of Mex Am.	650,000	610,000	650,000
Wharton County Junior College	865,000	765,000	865,000
Subtotal	\$ 18,193,000	\$ 16,993,000	\$ 18,193,000
Board administration	968,028	968,028	1,056,000
Total	\$ 19,161,028	\$ 17,961,028	\$ 19,249,000

Action

Request the Board authorize staff to negotiate contracts with adult education providers as shown above for the period July 1, 2020 through June 30, 2021 in total amount not to exceed \$18,193,000 and to add funding to career office contractors to integrate adult education in the amount of \$ 394,073.

Contract Amendments

2020 Workforce Solutions Operations

Background

From time to time, the Board receives additional funds during a budget year or we see a need to redistribute funds to assist contractors with expanding service. In either of these situations we work to place or reallocate funds to the best advantage of our system and to make sure we are providing higher levels of service to more customers with the additional dollars.

Current Situation

At the present time, we are expecting additional funds (principally for early education/care) and have some uncommitted funds in the current year budget. We propose the following:

- An additional \$16 million for the Financial Aid Payment Office contract with BakerRipley to provide financial aid for individuals. Fully \$14 million will be used to expand the availability of early education/care for families and children - including those parents who are essential workers during the current public health emergency in health care, governments, and other industries. This amendment will help an additional 3,500 children and bring the total number of children we assist annually to about 36,000 per day. The \$2 million balance of this amendment would be available for all other financial aid we provide.
- An additional \$1.5 million for career office operations by Interfaith of the Woodlands. These funds will allow completion of the build-out of local offices in Missouri City, Huntsville, and the Willowbrook area and expansion of workforce service to more ex-offenders re-entering society as well as a job-coaching pilot for individuals with disabilities.
- An additional \$200,000 for Employer Service operated by Employment and Training Centers, Inc. These funds will expand the number of employers we can assist with talent acquisition and talent development and focus Employer Service on employers who need skilled workers during the current public emergency.

The chart below shows requested amendments and proposed contract totals.

Action

Authorize Workforce Solutions contract amendments for BakerRipley, Interfaith of the Woodlands, and Employment and Training Centers as described in the chart below; total not to exceed \$17,700,000.

Contractor	Activity	Current Contract	Proposed Amendment	Proposed Contract Total
Employment and Training Centers	Employer Service	\$ 7,300,000	\$ 200,000	\$ 7,500,000
BakerRipley	Financial Aid Payment Office	209,281,500	16,000,000	225,281,500
Interfaith of the Woodlands	Career Offices	14,800,000	1,500,000	16,300,000
Totals			\$ 17,700,000	\$ 249,081,500

Board Officer Temporary Authority

Current Situation

In anticipation of agreements with grantors, contractors, and others that directly effect on-going Workforce Board and Workforce Solutions operations, we request that the Board delegate temporary authority to the Chair and Vice Chairs to authorize related grant agreements, procurements, contracts, or contract amendments which require expeditious action.

We will present any such agreement to the Board for ratification at the next regularly scheduled Board meeting. This action would include any COVID-19 funding opportunities and resulting procurements or contracts.

Any action requires the Chair and at least two of three Vice Chairs to approve, and the temporary authority will expire July 30, 2020.

Action

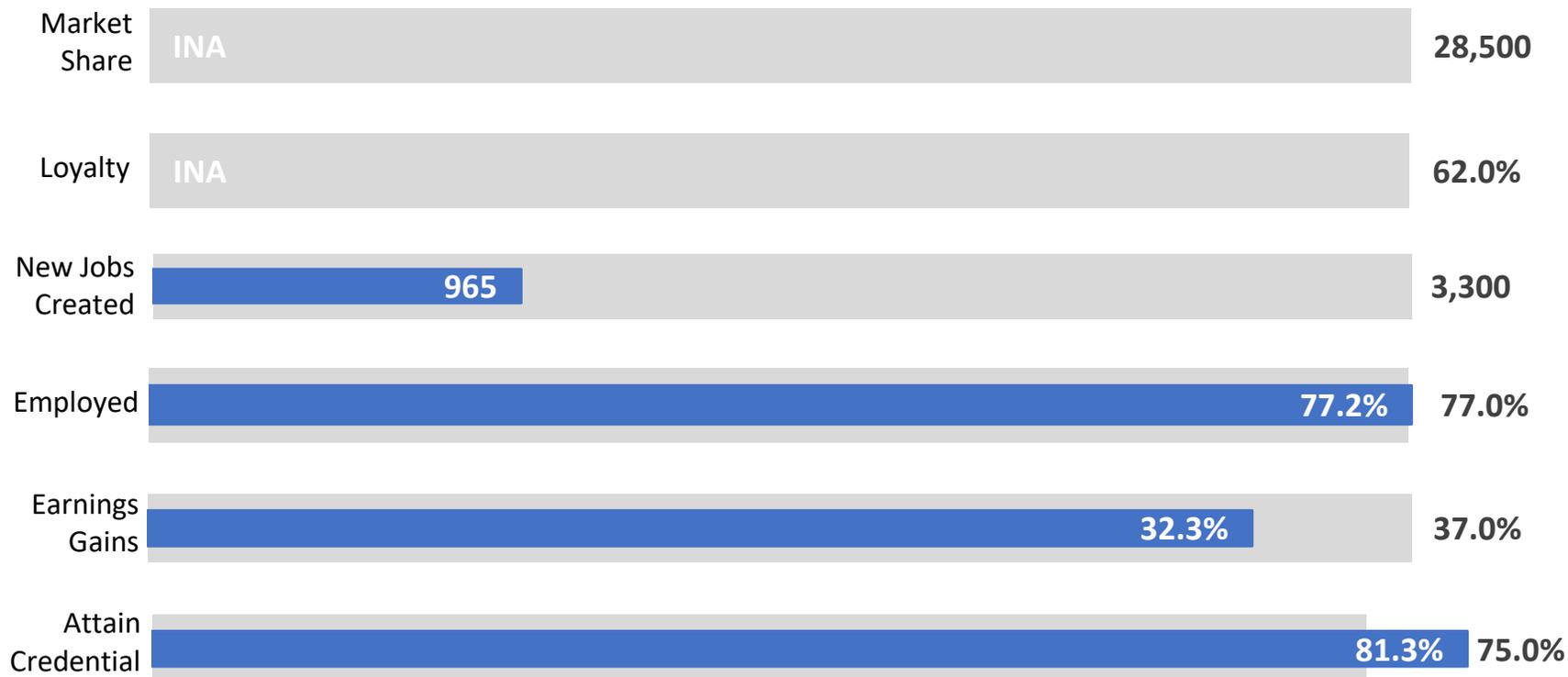
Delegate temporary authority to the Board Chair and Vice Chairs acting together to authorize related grant agreements, procurements, contracts, or contract amendments, conditional about Board ratification at the next regularly scheduled Board meeting; and temporary authority to expire July 30, 2020.

Gulf Coast Workforce Board

System Performance

Performance Measures

October 2019 to February 2020

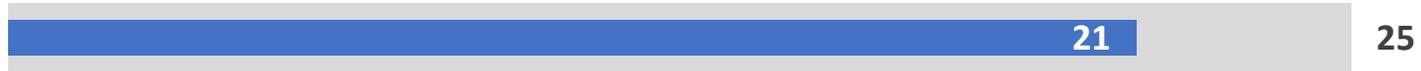


Gulf Coast Workforce Board

System Performance

Production Measures

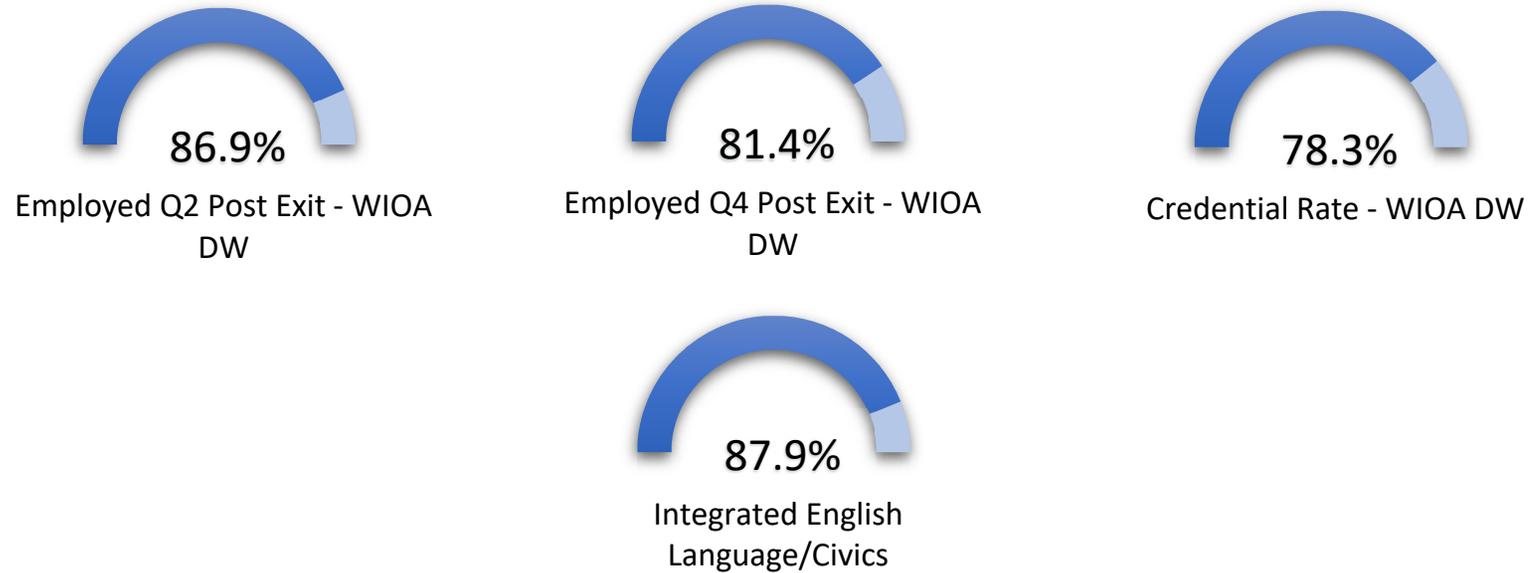
Number of measures meeting or exceeding



Measures that require additional focus

Workforce

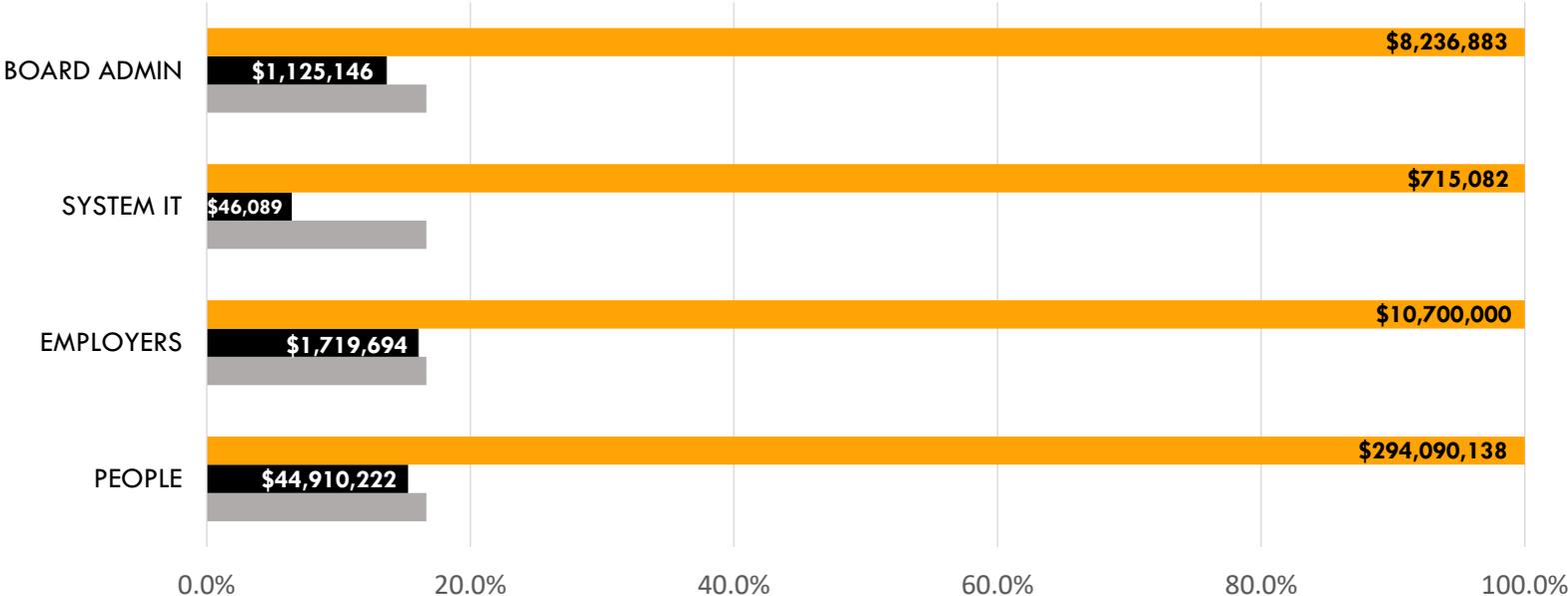
October 2019 to February 2020



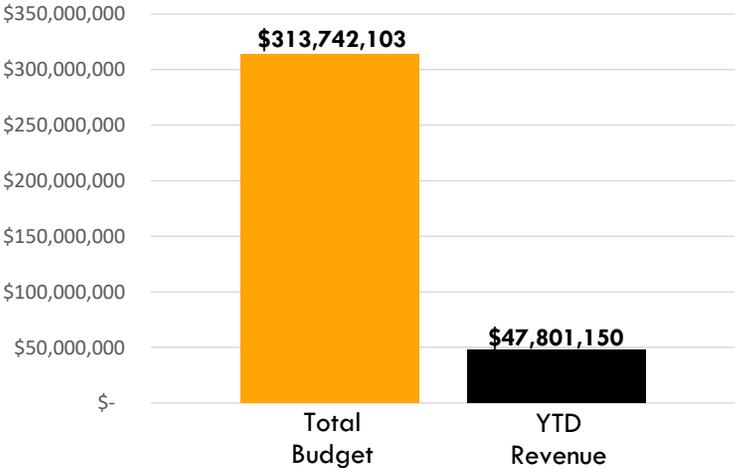
Gulf Coast Workforce Financial Status Report

For the 2 months ending February 29, 2020

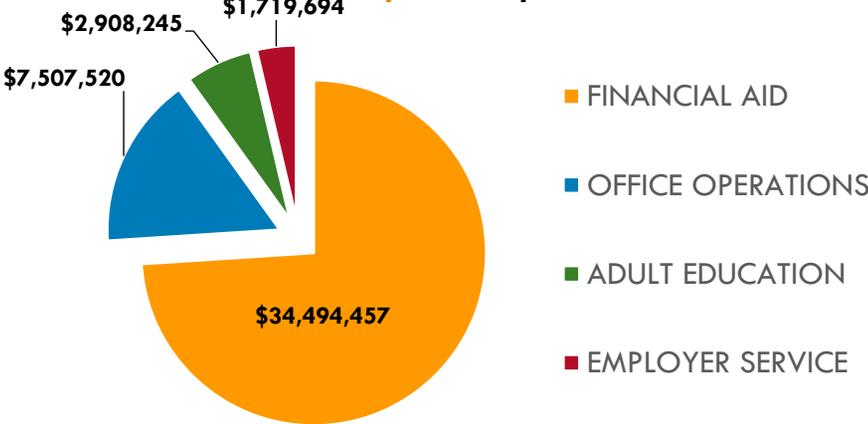
Budget Expenses Target



Workforce Revenue



System Expenses



Workforce Solutions Operations

Updates

- All local career offices are closed to public traffic, but we continue to promote our accessibility by telephone, email, and internet to all customers.
- Employer Service is also closed to public traffic, but the staff are available and working.
- All other parts of Workforce Solutions are up and working, including the Financial Aid Support Center and Payment Office. Adult education classes are migrating to online learning.
- We have job postings and continue to work with individuals who want or need to go to work and with the employers that are hiring.
- Most of the inquiries we receive through the offices are individuals calling about unemployment assistance.
- We continue to pay early education/childcare providers and are now able to offer financial assistance to essential workers for childcare.
- We are fielding media inquiries related to unemployment. All comments on unemployment claims are made by the Texas Workforce Commission, while Workforce Solutions addresses available service and advice for employers and prospective job candidates.

Labor Market Information
FEBRUARY 2020 Employment Data

HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA Visit our website at www.wrksolutions.com

Impacts of the COVID-19 Virus

The February employment survey was taken during the week that included February 12th, several weeks prior to the first reported COVID-19 case in the Houston area. Given that mandatory stay-at-home orders were not issued until late March, any substantial impacts will not be known until the release of April data on May 22nd.

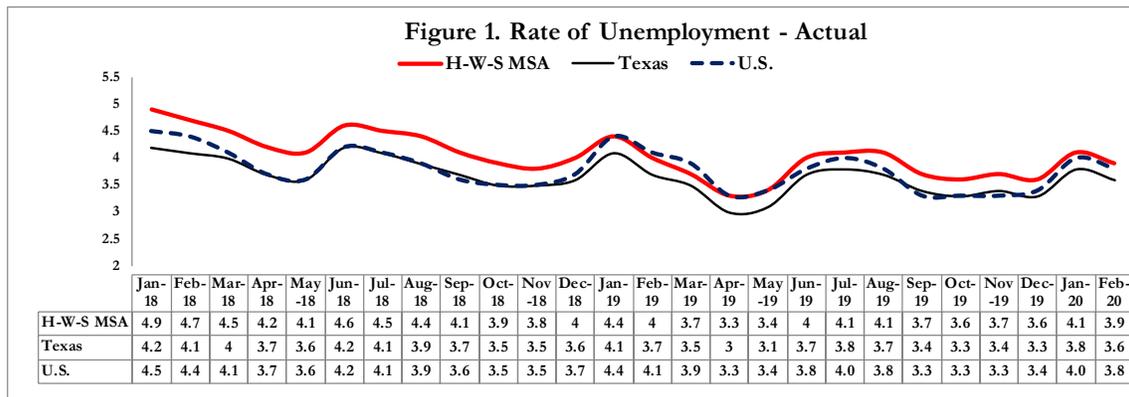
Principle economist Parker Harvey provides a “rudimentary” basic baseline of what to expect going forward. The analysis looked at the three most recent employment disruptors: Hurricane Harvey, the collapse of oil prices beginning in 2014, and the great recession of 2008. A copy of Parker Harvey’s report is available for download at www.wrksolutions.com/localstats.

February 2020 increases reflected below are expected to be wiped out by job losses related to the COVID-19 outbreak.

The actual rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) fell two-tenths of a percentage point to 3.9 percent, the lowest for the month of February since 2001. Over the previous year the number of individuals in the labor force in the H-W-S MSA increased by 63,114 while the number of unemployed declined by 1,074 driving the rate of unemployment down one-tenth of a percentage point. The rate of unemployment at the state and national level also fell two-tenths of a percentage points in February to 3.6 percent and 3.8 percent respectively, see figure 1.

Unemployment Rate (Actual)

	FEB 2020	JAN 2020	FEB 2019
Civilian Labor Force	3,493,272	3,461,219	3,430,158
Total Employed	3,358,703	3,319,680	3,294,515
Unemployed	134,569	141,539	135,643
Unemployment Rate	3.9%	4.1%	4.0%



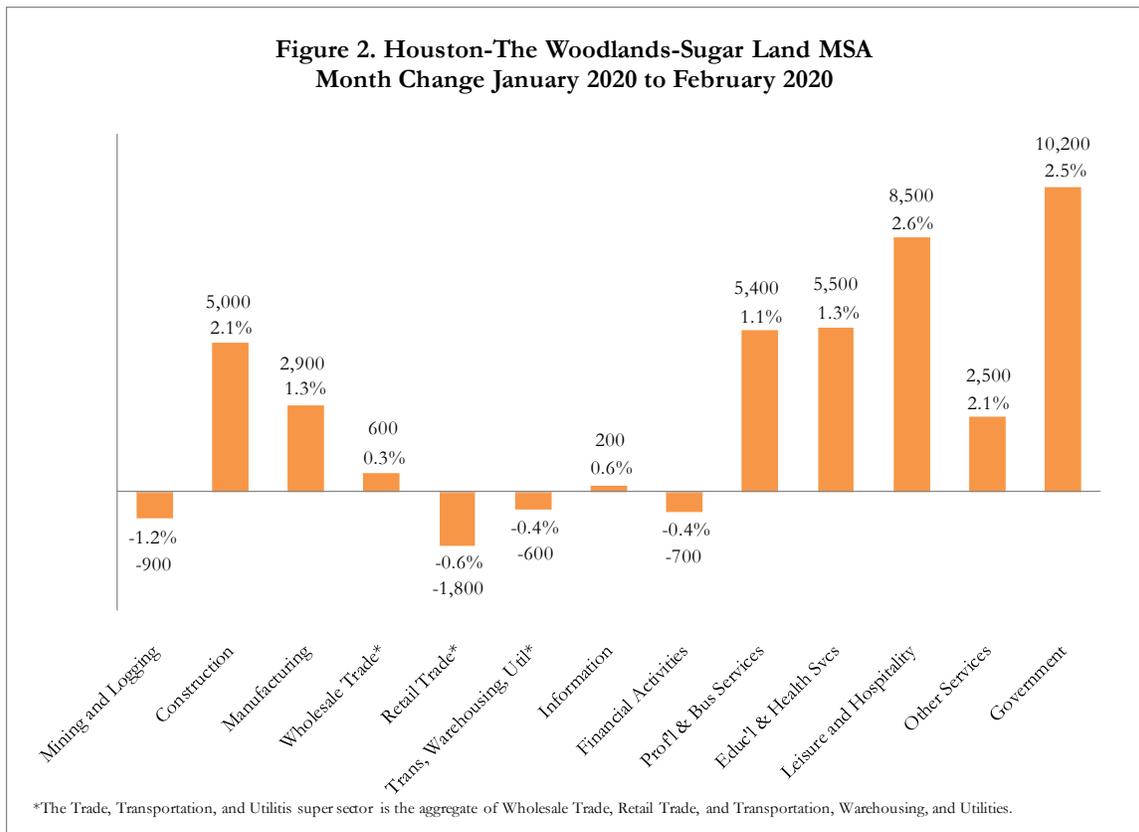
The Texas Workforce Commission released annual benchmark revisions with the release of January data. Revised data indicate job growth was not as strong as first estimated with payrolls up 62,200 jobs over the year in December 2019, a difference of 25,800 fewer jobs added than original estimates. Revisions were widespread across industries resulting in a much different picture of year-over-year job growth by December 2019.

- Industry sectors with ties to oil and gas exploration and production received revisions indicating things were much weaker than originally estimated with Natural Resources and Mining as well as Manufacturing reporting year-over-year losses by December and Professional and Business Services reporting growth that was nearly halved
- Growth in Construction was slightly stronger overall. While growth in Specialty Trade Contractors was substantially lowered, Construction of Buildings was reporting an increase instead of a loss
- Growth in Trade, Transportation, and Utilities was weaker than originally estimated with Retail Trade reflecting deeper losses and Transportation, Warehousing, and Utilities reporting weaker gains
- Information was no longer reporting a year-over-year loss
- Growth in Other Services was lowered substantially

Houston-The Woodlands-Sugar Land Metropolitan Statistical Area	December 2018 to December 2019				Difference
	Original Estimate		Revised Estimate		
	Over-the-Year Change Net	Percent	Over-the-Year Change Net	Percent	
Total Nonfarm	88,000	2.8%	62,200	2.0%	(25,800)
Mining and Logging	4,300	5.3%	-1,900	-2.4%	(6,200)
Oil and Gas Extraction	3,300	9.0%	400	1.1%	(2,900)
Support Activities for Mining	-1,600	-3.7%	-2,500	-6.0%	(900)
Construction	9,300	4.2%	12,200	5.3%	2,900
Construction of Buildings	-3,100	-5.5%	3,400	6.0%	6,500
Heavy and Civil Engineering Construction	4,400	8.0%	5,600	9.6%	1,200
Specialty Trade Contractors	8,000	7.1%	3,200	2.8%	(4,800)
Manufacturing	6,700	2.8%	-800	-0.3%	(7,500)
Trade, Transportation, and Utilities	10,400	1.6%	6,000	0.9%	(4,400)
Wholesale Trade	3,200	1.9%	6,100	3.6%	2,900
Retail Trade	-100	0.0%	-5,000	-1.6%	(4,900)
Transportation, Warehousing, and Utilities	7,300	4.6%	4,900	3.1%	(2,400)
Information	-1,900	-6.0%	700	2.2%	2,600
Financial Activities	4,000	2.4%	4,000	2.4%	0
Professional and Business Services	26,300	5.3%	13,600	2.7%	(12,700)
Educational and Health Services	10,300	2.6%	9,700	2.4%	(600)
Leisure and Hospitality	4,800	1.5%	7,200	2.2%	2,400
Other Services	9,700	8.6%	3,700	3.3%	(6,000)
Government	4,100	1.0%	7,800	1.9%	3,700

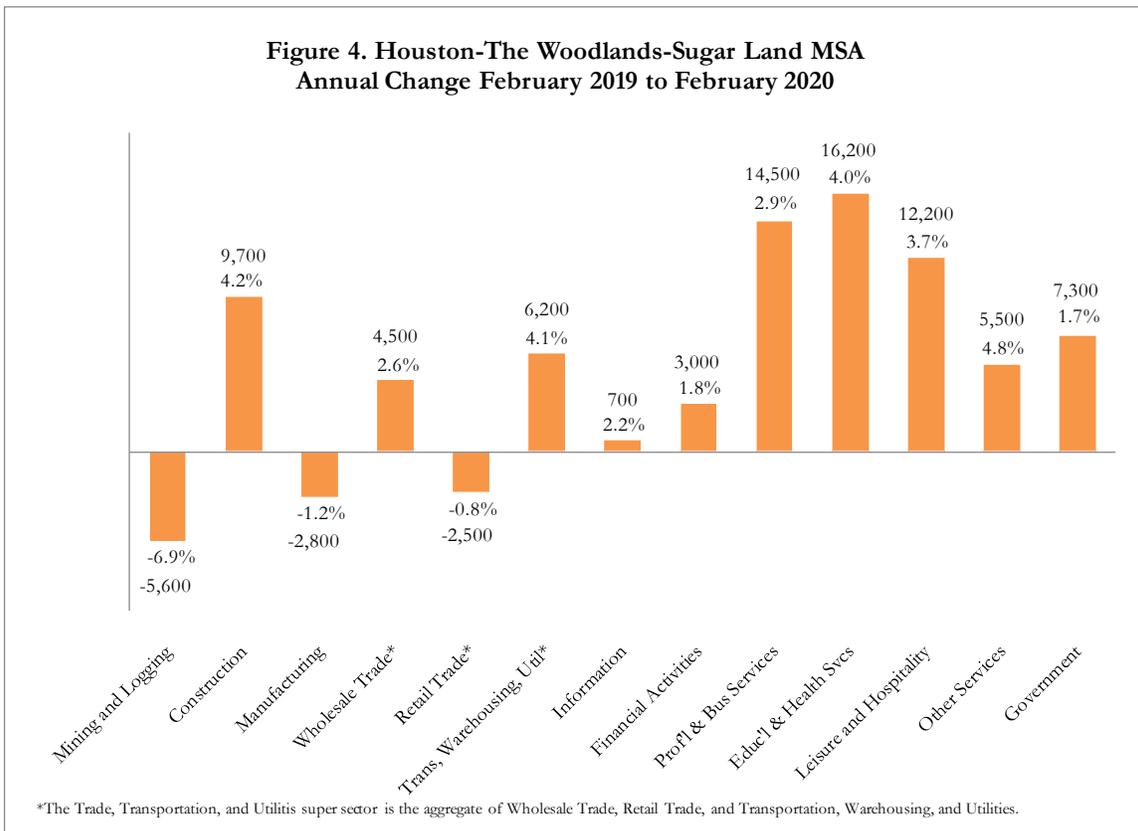
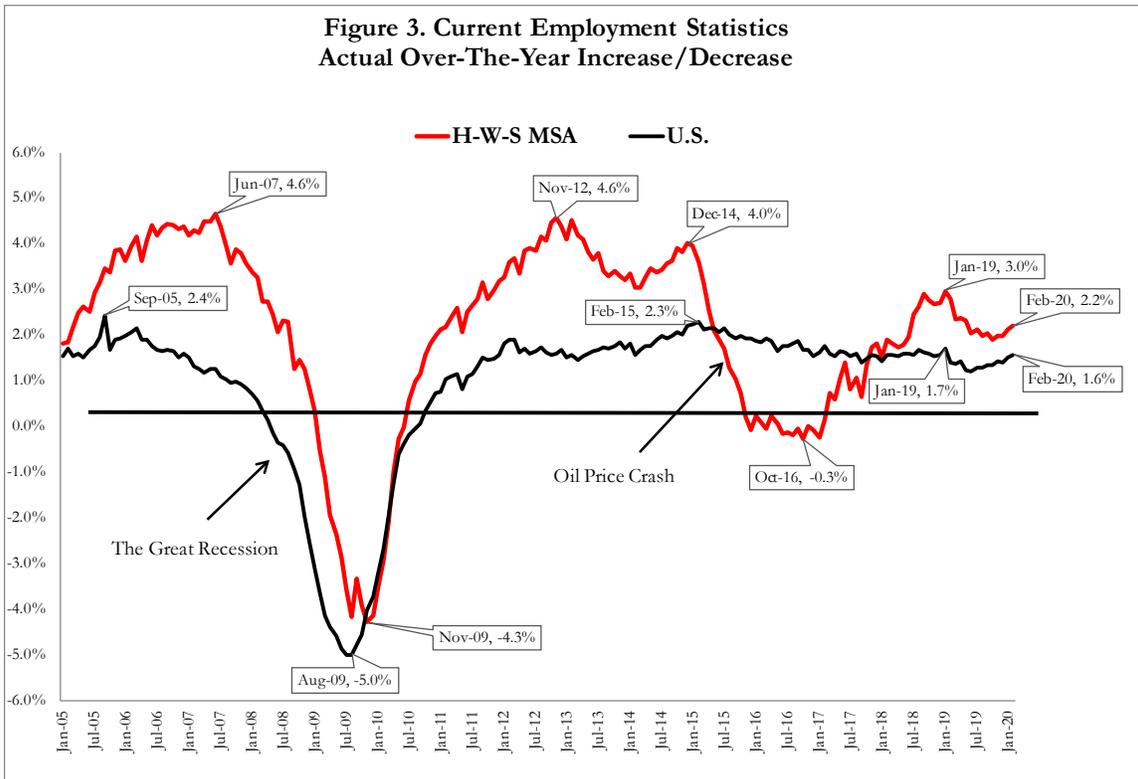
A complete list of growth revisions can be found on pages 15 and 16. Supporting charts showing monthly comparison of original and revised estimates for industry sectors with most substantial revisions are found on pages 17 to 23.

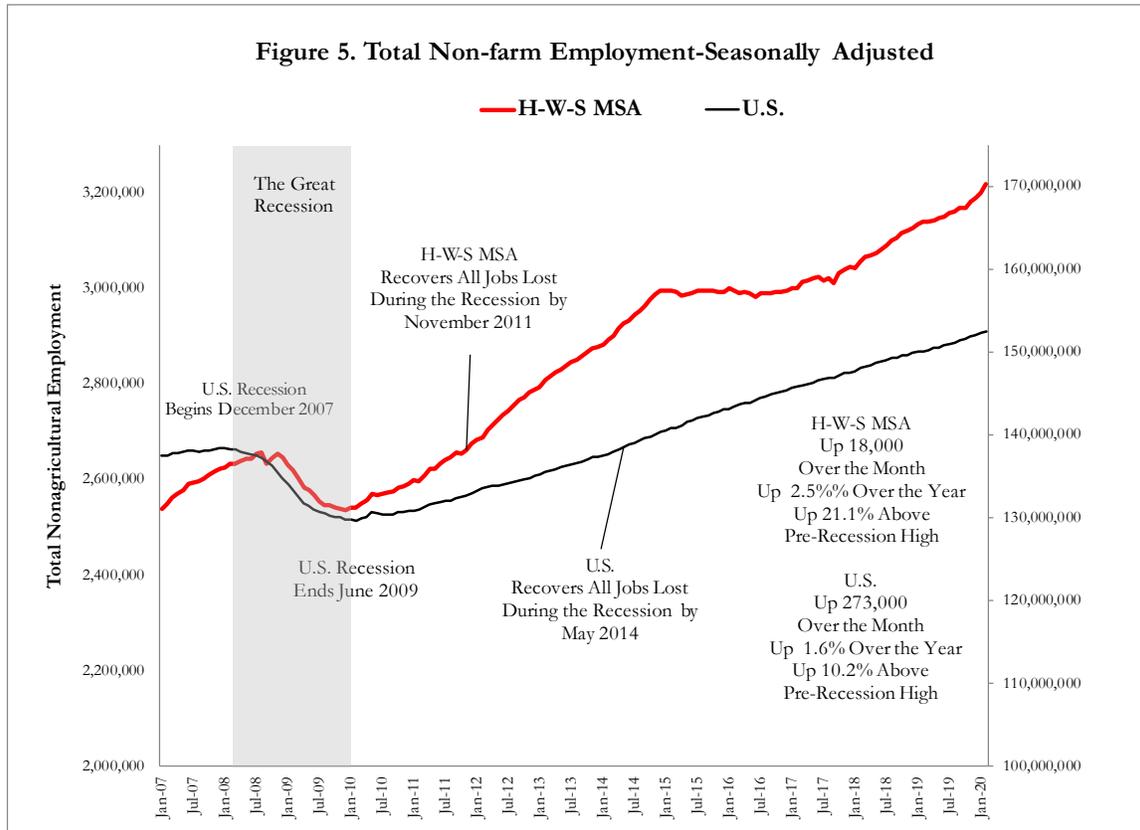
Total Nonfarm Employment in the H-W-S MSA added 36,800 jobs over the month. February's 1.2 percent increase was comparable to a 1.1 percent increase in 2019 and 1.3 percent increase in 2018. More than half of the increase was found in two industry sectors: Government, up 10,200 jobs as educational institutions boosted payrolls for the spring semester, and Leisure and Hospitality, up 8,500 jobs due to seasonal hiring. Substantial increases were also found in Financial Activities, Professional and Business Services, Construction, and Manufacturing. The only substantial declines were in Retail Trade, down 1,800 jobs, and Mining and Logging, down 900 jobs. Over-the-month changes for industry sectors can be seen in figure 2. For a complete list of February employment estimates see pages 13 & 14.



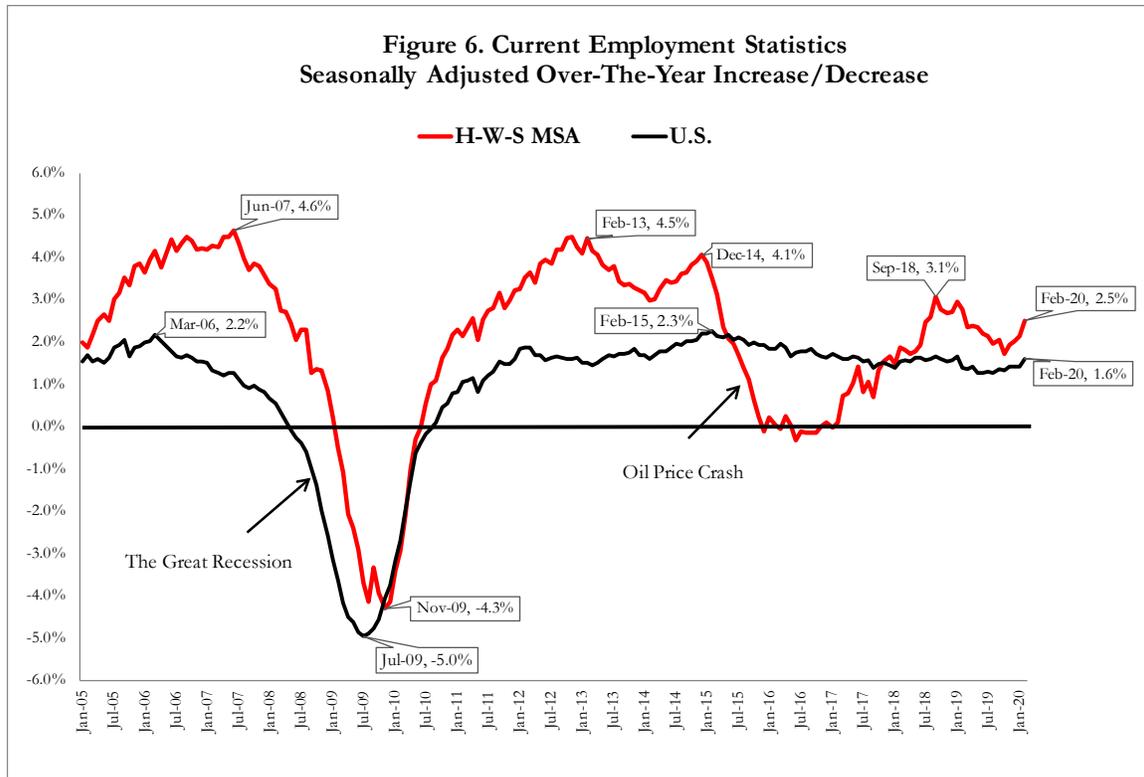
Total Nonfarm Employment in the H-W-S MSA increased by 68,900 jobs over the year in February with the pace of job at 2.2 percent, six-tenths of a percentage faster than 1.6 percent at the national level, see figure 3. Most industry sectors were reporting positive over-the-year growth with largest gains found in Education and Health Services, up 16,200 jobs, Professional and Business Services, up 14,500 jobs, and Leisure and Hospitality, up 12,200 jobs, see figure 4. Other Services added jobs at the fastest pace, up 5,500 jobs or 4.8 percent. Several industry sectors were reporting losses with Mining and Logging seeing the most substantial declines, down 5,600 jobs or 6.9 percent.

Additional comments by super sector can be found beginning on page 6. Detailed data can be viewed on pages 13 & 14.





Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 5 and 6 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment was up 18,000 jobs over the month in February and 78,400 jobs over the year. The annual pace of job growth was 2.5 percent, nearly one full percentage-point faster than the nation’s 1.6 percent pace. Growth of Total Nonfarm Employment in the H-W-S MSA has also outperformed the nation over the long-term as well with payrolls up 21.1 percent above the prerecession high compared to 10.2 percent at the national level.

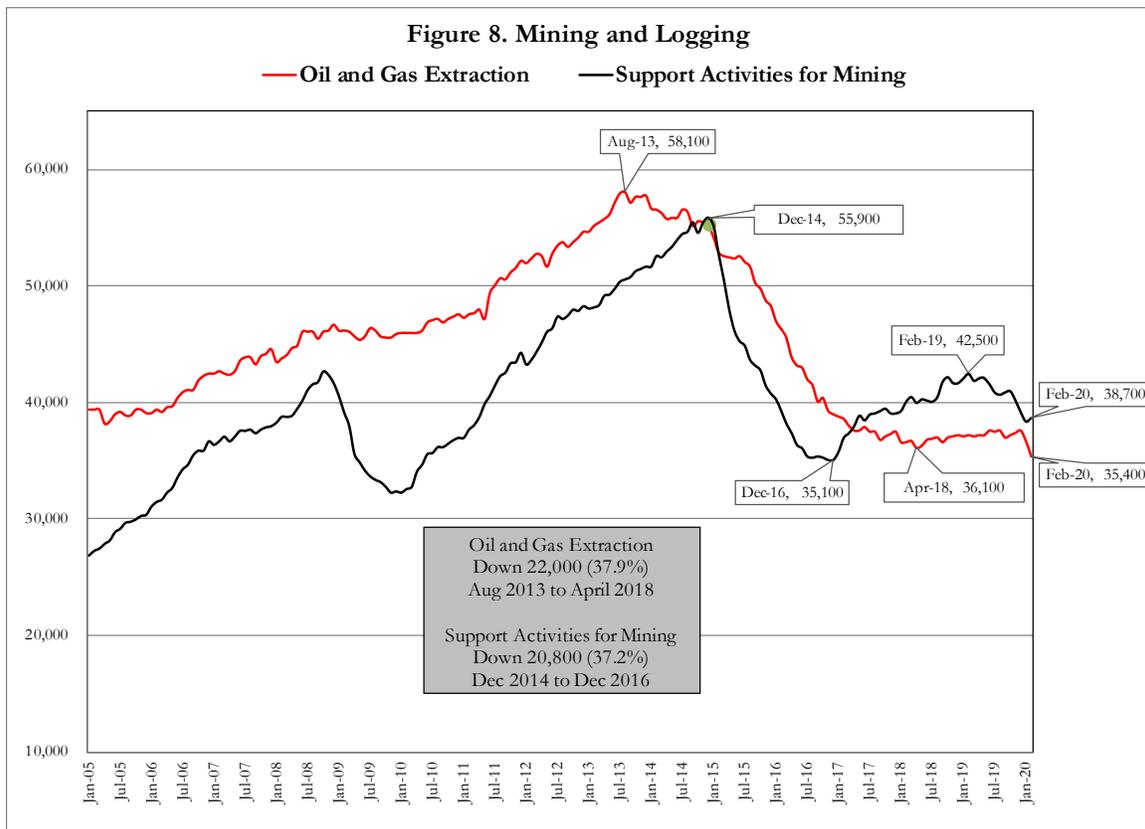
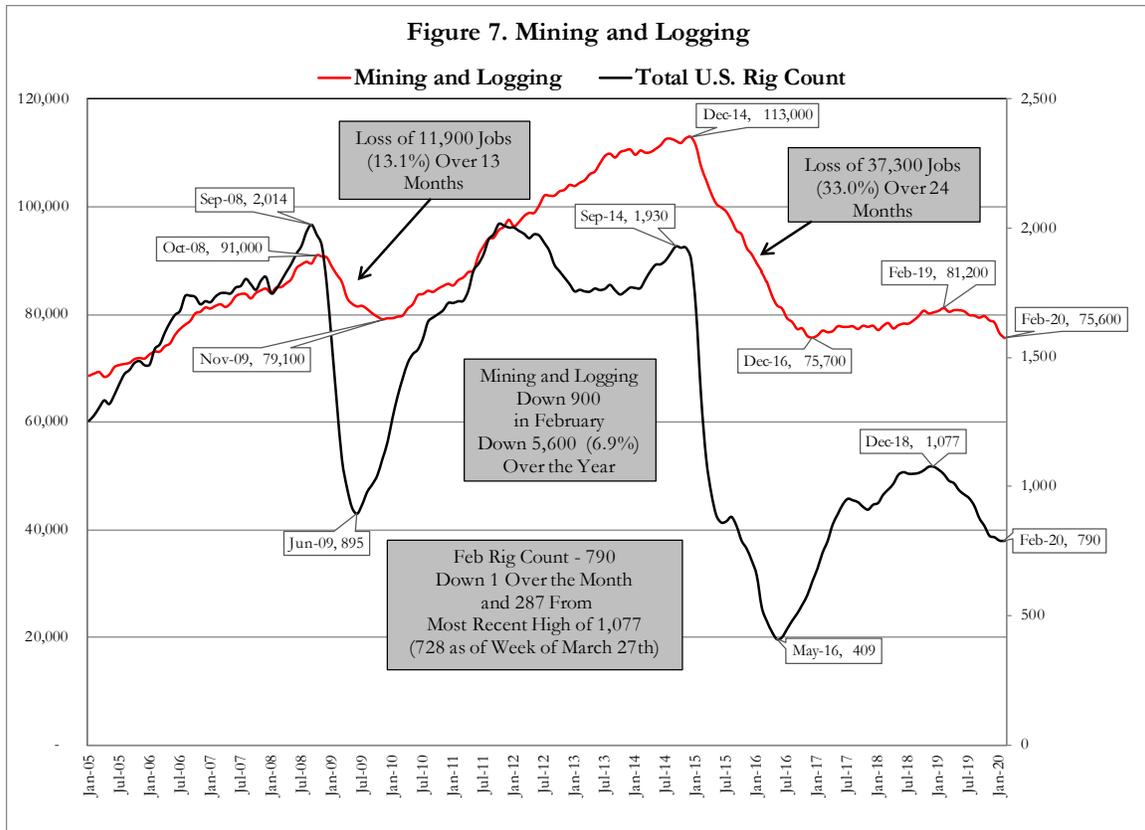


DETAILS BY SUPER SECTOR

Mining and Logging, down 900 jobs in February, has suffered declines in eight of the last nine months. This month's decline was driven by a loss of 1,300 jobs in Oil and Gas Extraction.

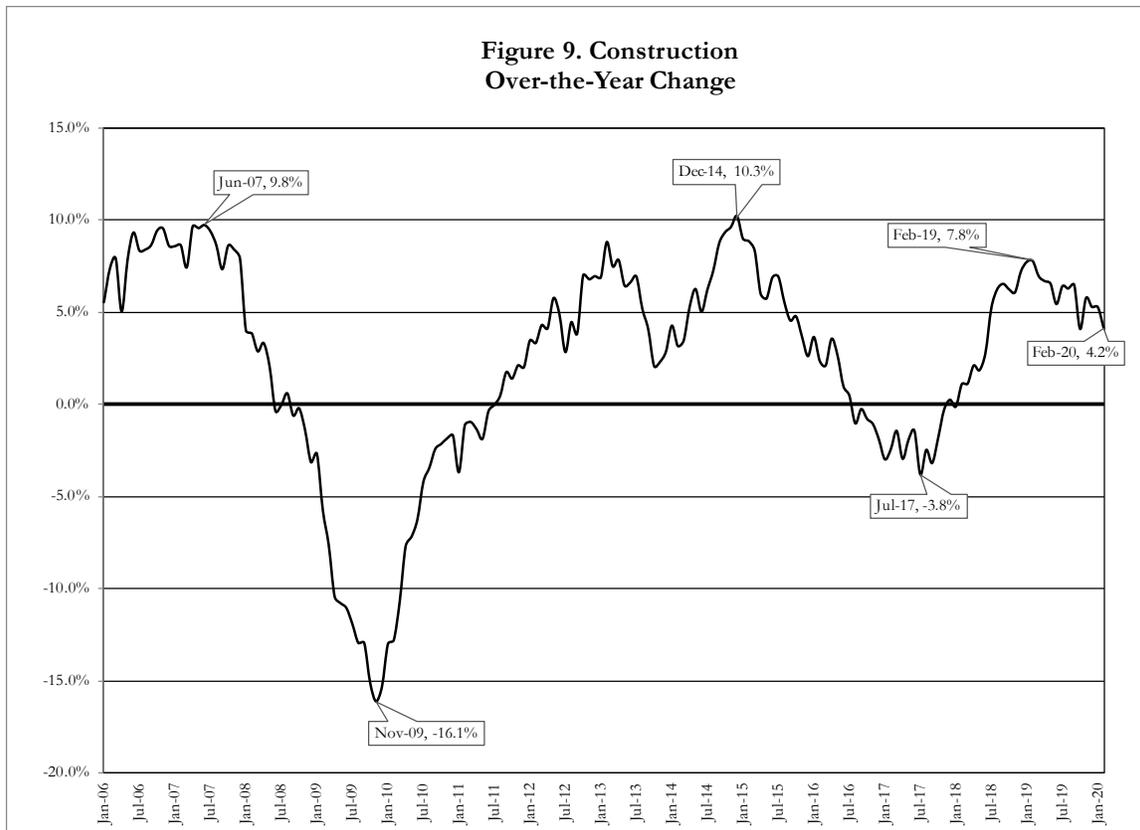
Mining and Logging employment peaked one year ago at 81,200 in February 2019 and since accumulated a loss 5,600 jobs or 6.9 percent, see figure 7 and 8. Support Activities for Mining has suffered the largest declines, down, 3,800 jobs or 8.9 percent. Oil and Gas Extraction accounted for the remainder of the loss, down 1,800 jobs or 4.8 percent.

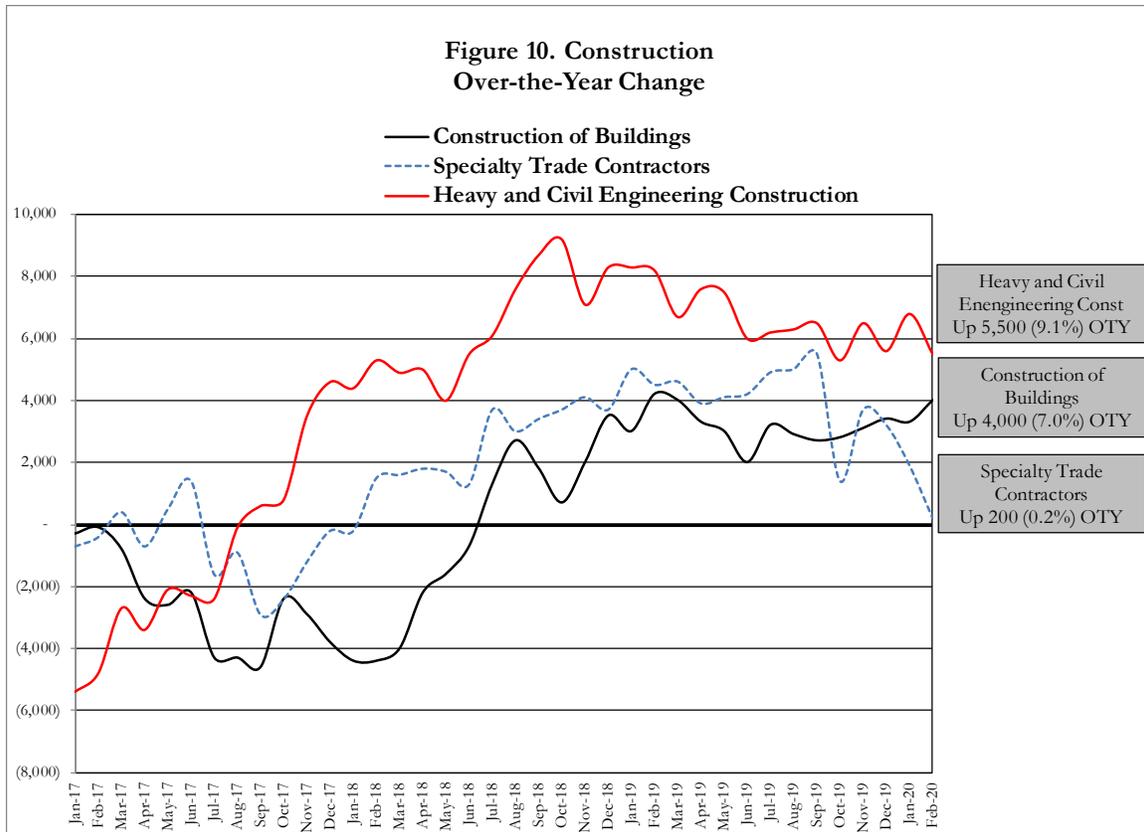
The average U.S. rig count fell for the fourteenth consecutive month in February, down by 1 to 790. One in four active rigs have been idled since December 2018, down 287 from 1,077. Combined impacts of an oil-price war between Russia and OPEC nations combined with the effects of COVID-19 have caused a collapse in oil prices by some 60 percent from the beginning of the year to an 18-year low of around \$20 by the end of March. Recent events will undoubtedly drive the Texas oil and gas industry into a recession that will likely last until 2021.



Construction added 5,000 jobs in February. More than half of the increase was in Construction of Buildings, up 2,700 jobs.

The pace of job growth in Construction peaked one year ago at 7.8 percent, see figure 9. The pace of job growth has since been on the decline resting at 4.2 percent in February, up 9,200 jobs. Most of the increase was found in Construction of Buildings, up 4,000 jobs or 7.0 percent, and Heavy and Civil Engineering Construction, up 5,500 jobs or 9.1 percent. Specialty Trade Contractors were up a mere 200 jobs over the year in February due to recent declines, see figure 10.





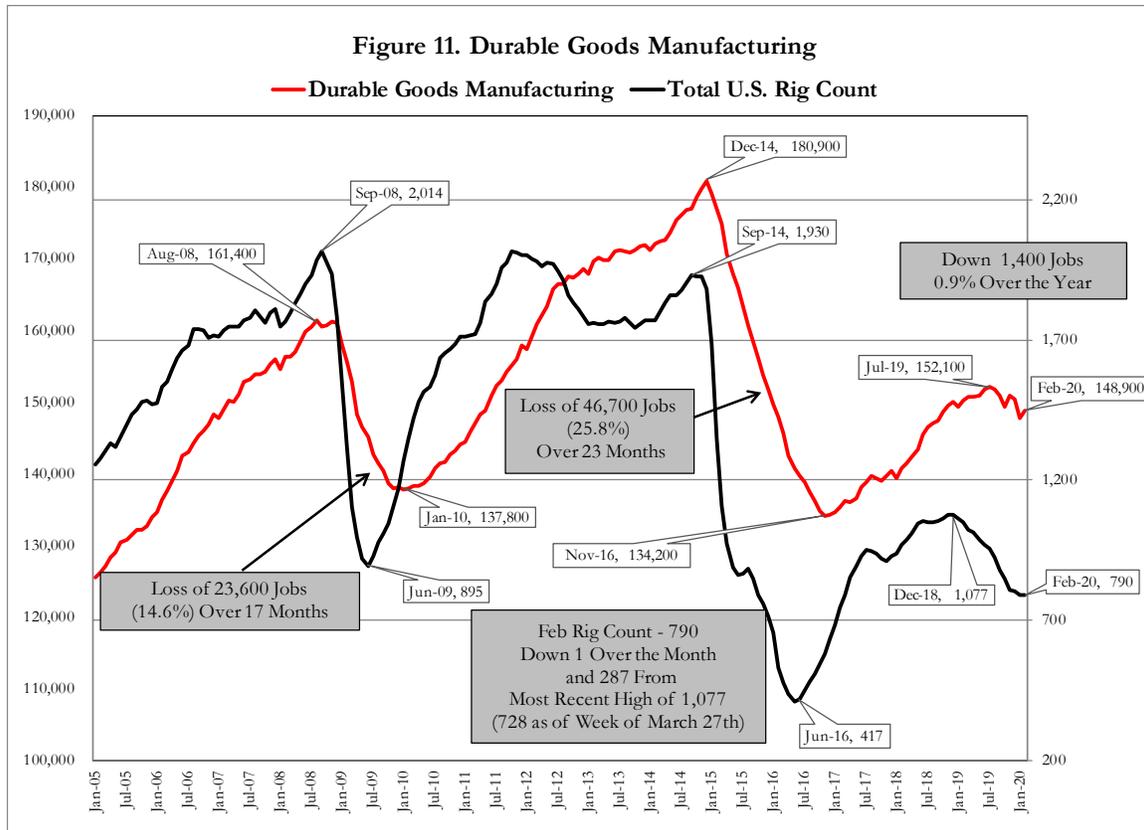
Manufacturing payrolls were up 2,900 jobs in February. Gains were shared among Durable Goods Manufacturing, up 1,200 jobs, and Non-durable Goods Manufacturing, up 1,700 jobs.

Manufacturing was reporting a loss of 2,800 jobs over the year in February, down 1.2 percent. The loss was shared among Durable Goods Manufacturing and Non-durable Goods Manufacturing.

Durable Goods Manufacturing was down 1,400 jobs or 0.9 percent over the year. Payrolls in Durable Goods Manufacturing peaked in July 2019 and have since been on the decline as oil and gas exploration related demand dry up due to declining oil prices, see figure 11.

Non-durable Goods Manufacturing was down 1,400 jobs or 1.6 percent over the year. Payrolls in Non-durable Goods Manufacturing began a gradual decline during the second half of 2019.

The Houston Purchasing Managers Index was 50.2 in February, down from 52.4 in January. The Houston PMI indicates likely shifts in production three or four months in advance. Readings over 50 generally indicate production expansion over the near term, while readings below 50 show coming contraction. Combined impacts of an oil-price war between Russia and OPEC nations combined with COVID-19 and their effects on consumption will unquestionably accelerate job losses in Manufacturing throughout the remainder of the year.



Trade Transportation, Warehousing & Utilities was down 1,800 jobs in February. Most of the decline was in Retail Trade as retailers continue to trim payrolls following the busy holiday season, down 1,800 jobs. In other areas, an increase of 600 jobs in Wholesale Trade was offset by a loss of 600 jobs in Transportation, Warehousing, and Utilities.

Trade, Transportation, Warehousing & Utilities was up 8,200 jobs over the year with the pace of job growth at 1.3 percent. Strongest growth was in Transportation, Warehousing and Utilities, up 6,200 jobs or 4.1 percent. Wholesale Trade also managed a substantial increase of 4,500 jobs over the year, up 2.6 percent. The pace of declines in Retail Trade peaked in November 2019 at 2.0 percent, down 6,300 jobs, and while it was still reporting declines it has since improved to a loss of 2,500 jobs, down 0.8 percent. While declines were found across most retail sectors, the bulk have been in Clothing and Clothing Accessories Stores, down 1,700 jobs or 5.8 percent. The only retail sector to report an increase was Motor Vehicles and Parts Dealers, up 800 jobs or 1.0 percent.

As with other industry sectors, COVID-19 will have a large impact on the super sector. As stay at home orders are enacted some retailers that provide day-to-day necessities are seeing increased demand but many others not providing necessities are getting hit hard being forced to shut their doors.

Information payrolls were up 700 jobs or 2.2 percent over the year in February. Some forty-two percent of the MSA's employment in Information resides in Telecommunications where payrolls were unchanged over the year. Increases were in areas such as newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

Financial Activities reported its first February loss since 2009 reducing payrolls by 700 jobs. The decline was driven by a loss of 800 jobs in Real Estate and Rental and Leasing.

The pace of job growth in Financial Activities fell one full percentage point to 1.8 percent as result of February's loss, up 3,000 jobs. The largest contributor to the increase was Real Estate and Rental and Leasing, up 2,200 jobs or 3.4 percent, followed by Insurance Carriers and Related Activities, up 1,300 jobs or 3.4 percent. Credit Intermediation and Related Activities reported the only decline, down 500 jobs or 1.1 percent over the year.

Professional and Business Services added 5,400 jobs in February. The 1.1 percent increase was slightly stronger than the historical average of 1.0 percent. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the increase, up 5,100 jobs. While the Professional, Scientific, and Technical Services sector only managed an overall net increase of 100 jobs in February, several of its sub-sectors reported gains including Accounting, Tax Preparation, Bookkeeping, and Payroll Services, up 800 jobs as business added staff to assist with the busy tax season, and Architectural, Engineering, and Related Services, up 400 jobs. Losses within Professional, Scientific, and Technical Services were in undefined areas therefore not identifiable.

Professional and Business Services was the second largest contributor to over-the-year job growth in the H-W-S MSA, up 14,500 jobs or 2.9 percent. Job gains were found across many industry sectors with most of the growth in Professional, Scientific, and Technical Services, up 12,100 jobs. Within the Professional, Scientific, and Technical Services sector Architectural, Engineering, and Related Services reported the strongest increase, up 4,100 jobs or 5.8 percent with strong gains also found in Accounting, Tax Preparation, Bookkeeping, and Payroll Services, up 1,400 jobs or 4.9 percent, and Computer Systems Design and Related Services, up 1,600 jobs or 4.7 percent. Administrative and Support and Waste Management and Remediation Services also managed a net increase of 4,000 jobs over the year even after accounting for a loss of 3,500 jobs in Employment Services. Lastly, Management of Companies and Enterprises suffered a loss of 1,600 jobs over the year, down 3.4 percent.

Education and Health Services was added 5,500 jobs over the month. While February's 1.3 percent increase was much stronger the historical average of 0.6 percent it was in line with a 1.1 percent average of the last three years. While Educational Services incurred the strongest gain, up 2,100 jobs or 3.3 percent, Health Care and Social Assistance was the largest contributor to the increase, 3,400 jobs or 1.0 percent.

Education and Health Services was the largest contributor to job growth in the H-W-W MSA adding 16,200 jobs over the year. The 4.0 percent increase was the fastest pace of job growth the super sector has seen since September 2015. Most of the new jobs were found in Health Care and Social Assistance, up 14,400 jobs or 4.3 percent. Educational Services was up 1,800 jobs or 2.8 percent over the year.

Leisure and Hospitality added 8,500 jobs over the month. The 2.6 percent increase was one of the strongest February increases on record and driven by gains in Food Services and Drinking Places, up 7,200 jobs.

Leisure and Hospitality added 12,200 jobs over the year. The pace of job growth in the super sector rose to 3.7 percent, its fastest pace since August 2016. Most of new jobs were created in Food Services and Drinking Places, up 8,900 jobs or 3.4 percent. Arts, Entertainment, and Recreation was the second largest contributor to growth, up 2,500 jobs, at the brisk pace of 7.3 percent.

COVID-19 will have some of its largest impact on the Leisure and Hospitality super sector with stay at home orders shuttering the doors of many businesses and greatly reducing the profitability of restaurants that are limited to delivery, curbside, and drive thru services.

Other Services added 2,500 jobs over the month. February's 2.1 percent increase was slightly stronger than a 1.8 percent average over the last three years. The super sector was up 5,500 jobs or 4.8 percent over the year. Other Services is comprised of personal care services, dry cleaning and laundry services, various repair service companies (industrial equipment, mining machinery and equipment), as well as religious and social advocacy organizations and others.

Government added 10,200 jobs in February as educational institutions boosted payrolls for the spring semester. Most of the increase was in Local Government Educational Services, up 9,100 jobs.

Government added 7,300 jobs over the year with the pace of job growth at 1.7 percent. More than half of the increase was in Local Government, up 4,900 jobs, largely driven by gains in Local Government Educational Services, up 3,300 jobs.

NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	FEB 2020	JAN 2020	FEB 2019	Month Change		Year Change	
				Net	Percent	Net	Percent
Total Nonfarm	3,201,800	3,165,000	3,132,900	36,800	1.2%	68,900	2.2%
Total Private	2,775,600	2,749,000	2,714,000	26,600	1.0%	61,600	2.3%
Goods Producing	551,700	544,700	550,400	7,000	1.3%	1,300	0.2%
Mining, Logging and Construction	318,800	314,700	314,700	4,100	1.3%	4,100	1.3%
Mining and Logging	75,600	76,500	81,200	-900	-1.2%	-5,600	-6.9%
Oil and Gas Extraction	35,400	36,700	37,200	-1,300	-3.5%	-1,800	-4.8%
Support Activities for Mining	38,700	38,400	42,500	300	0.8%	-3,800	-8.9%
Construction	243,200	238,200	233,500	5,000	2.1%	9,700	4.2%
Construction of Buildings	61,200	58,500	57,200	2,700	4.6%	4,000	7.0%
Heavy and Civil Engineering Construction	65,700	64,200	60,200	1,500	2.3%	5,500	9.1%
Specialty Trade Contractors	116,300	115,500	116,100	800	0.7%	200	0.2%
Manufacturing	232,900	230,000	235,700	2,900	1.3%	-2,800	-1.2%
Durable Goods	148,900	147,700	150,300	1,200	0.8%	-1,400	-0.9%
Fabricated Metal Product Manufacturing	52,400	52,200	55,000	200	0.4%	-2,600	-4.7%
Machinery Manufacturing	48,600	48,500	46,400	100	0.2%	2,200	4.7%
Agriculture, Construction, and Mining Machinery Manufacturing	29,900	30,100	29,900	-200	-0.7%	0	0.0%
Computer and Electronic Product Manufacturing	13,600	13,500	13,300	100	0.7%	300	2.3%
Non-Durable Goods	84,000	82,300	85,400	1,700	2.1%	-1,400	-1.6%
Petroleum and Coal Products Manufacturing	10,700	10,600	10,200	100	0.9%	500	4.9%
Chemical Manufacturing	40,400	40,200	40,100	200	0.5%	300	0.7%
Service-Providing	2,650,100	2,620,300	2,582,500	29,800	1.1%	67,600	2.6%
Private Service Providing	2,223,900	2,204,300	2,163,600	19,600	0.9%	60,300	2.8%
Trade, Transportation, and Utilities	634,100	635,900	625,900	-1,800	-0.3%	8,200	1.3%
Wholesale Trade	176,300	175,700	171,800	600	0.3%	4,500	2.6%
Merchant Wholesalers, Durable Goods	108,800	107,800	107,400	1,000	0.9%	1,400	1.3%
Professional and Commercial Equipment and Supplies Merchant Wholesalers	18,000	18,000	17,700	0	0.0%	300	1.7%
Merchant Wholesalers, Nondurable Goods	52,600	52,500	52,300	100	0.2%	300	0.6%
Retail Trade	300,400	302,200	302,900	-1,800	-0.6%	-2,500	-0.8%
Motor Vehicle and Parts Dealers	43,400	43,100	42,600	300	0.7%	800	1.9%
Building Material and Garden Equipment and Supplies Dealers	21,100	20,700	21,600	400	1.9%	-500	-2.3%
Food and Beverage Stores	66,600	66,400	66,800	200	0.3%	-200	-0.3%
Health and Personal Care Stores	19,100	19,200	19,300	-100	-0.5%	-200	-1.0%
Clothing and Clothing Accessories Stores	27,800	29,200	29,500	-1,400	-4.8%	-1,700	-5.8%
General Merchandise Stores	56,600	58,100	57,200	-1,500	-2.6%	-600	-1.0%
Department Stores	18,900	20,200	19,300	-1,300	-6.4%	-400	-2.1%
General Merchandise Stores, including Warehouse Clubs and Supercenters	37,700	37,900	37,900	-200	-0.5%	-200	-0.5%
Transportation, Warehousing, and Utilities	157,400	158,000	151,200	-600	-0.4%	6,200	4.1%
Utilities	17,200	17,100	17,200	100	0.6%	0	0.0%
Air Transportation	20,100	20,200	20,100	-100	-0.5%	0	0.0%
Truck Transportation	28,000	27,900	28,100	100	0.4%	-100	-0.4%
Pipeline Transportation	12,200	12,100	11,900	100	0.8%	300	2.5%
Information	32,700	32,500	32,000	200	0.6%	700	2.2%
Telecommunications	13,800	13,900	13,800	-100	-0.7%	0	0.0%
Financial Activities	167,400	168,100	164,400	-700	-0.4%	3,000	1.8%
Finance and Insurance	103,300	103,200	102,500	100	0.1%	800	0.8%
Credit Intermediation and Related Activities including Monetary Authorities -	43,500	43,700	44,000	-200	-0.5%	-500	-1.1%
Depository Credit Intermediation including Monetary Authorities - Central B	30,300	30,300	30,200	0	0.0%	100	0.3%
Financial Investments and Related Activities including Financial Vehicles	20,700	20,800	20,700	-100	-0.5%	0	0.0%
Insurance Carriers and Related Activities	39,100	38,700	37,800	400	1.0%	1,300	3.4%
Real Estate and Rental and Leasing	64,100	64,900	61,900	-800	-1.2%	2,200	3.6%

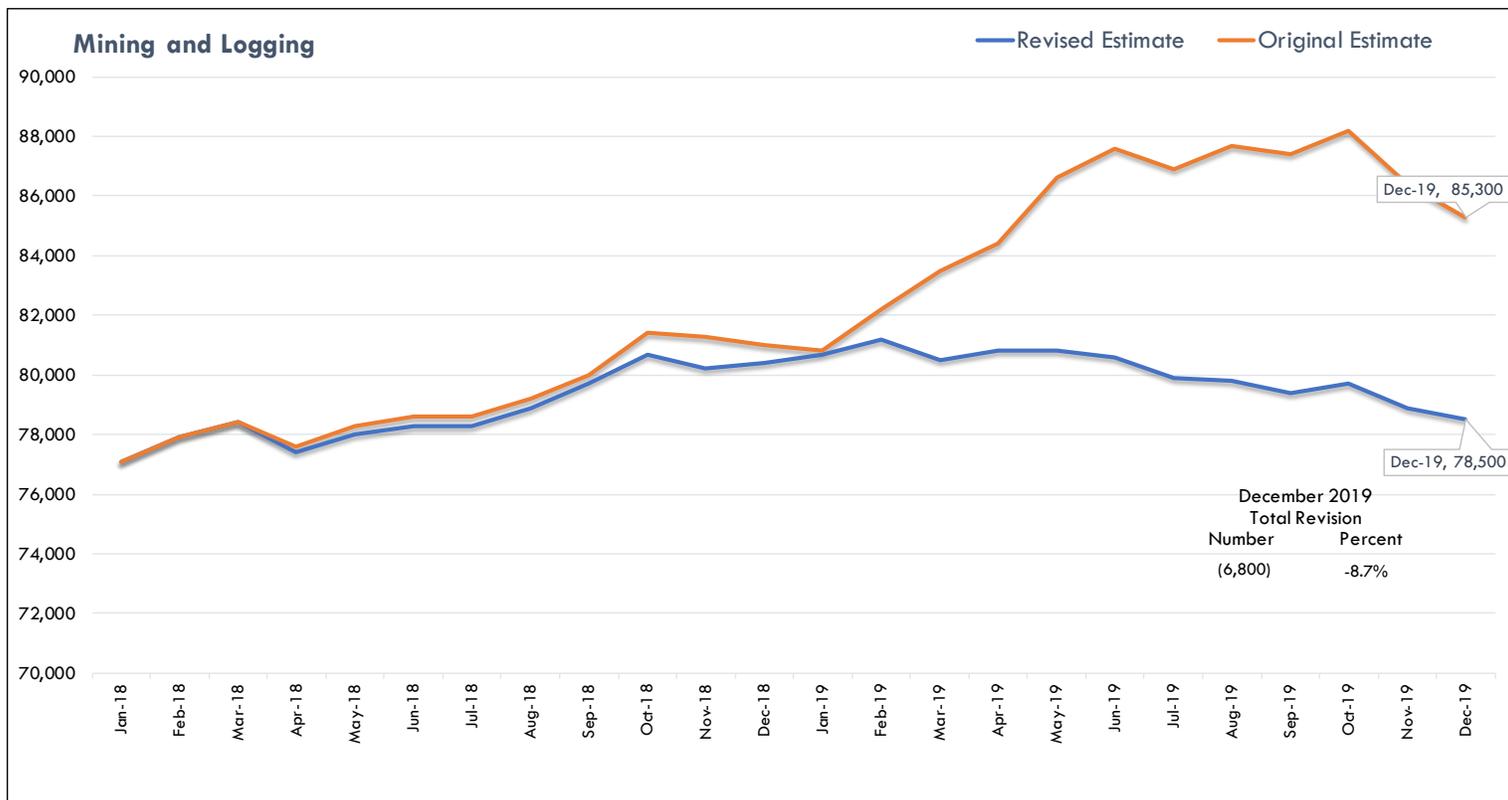
Houston-The Woodlands-Sugar Land MSA	FEB 2020	JAN 2020	FEB 2019	Net	Percent	Net	Percent
..Professional and Business Services	514,900	509,500	500,400	5,400	1.1%	14,500	2.9%
...Professional, Scientific, and Technical Services	249,100	249,000	237,000	100	0.0%	12,100	5.1%
.....Legal Services	27,200	27,000	26,700	200	0.7%	500	1.9%
.....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	29,800	29,000	28,400	800	2.8%	1,400	4.9%
.....Architectural, Engineering, and Related Services	75,200	74,800	71,100	400	0.5%	4,100	5.8%
.....Computer Systems Design and Related Services	35,700	35,700	34,100	0	0.0%	1,600	4.7%
...Management of Companies and Enterprises	45,900	45,700	47,500	200	0.4%	-1,600	-3.4%
...Administrative and Support and Waste Management and Remediation Services	219,900	214,800	215,900	5,100	2.4%	4,000	1.9%
.....Administrative and Support Services	206,300	203,300	204,500	3,000	1.5%	1,800	0.9%
.....Employment Services	75,400	75,000	78,900	400	0.5%	-3,500	-4.4%
.....Services to Buildings and Dwellings	50,700	49,600	49,500	1,100	2.2%	1,200	2.4%
..Education and Health Services	416,600	411,100	400,400	5,500	1.3%	16,200	4.0%
...Educational Services	65,100	63,000	63,300	2,100	3.3%	1,800	2.8%
...Health Care and Social Assistance	351,500	348,100	337,100	3,400	1.0%	14,400	4.3%
.....Ambulatory Health Care Services	167,300	166,900	163,700	400	0.2%	3,600	2.2%
.....Hospitals	88,900	88,600	86,500	300	0.3%	2,400	2.8%
..Leisure and Hospitality	338,200	329,700	326,000	8,500	2.6%	12,200	3.7%
...Arts, Entertainment, and Recreation	36,800	36,000	34,300	800	2.2%	2,500	7.3%
...Accommodation and Food Services	301,400	293,700	291,700	7,700	2.6%	9,700	3.3%
.....Accommodation	28,900	28,400	28,100	500	1.8%	800	2.8%
.....Food Services and Drinking Places	272,500	265,300	263,600	7,200	2.7%	8,900	3.4%
..Other Services	120,000	117,500	114,500	2,500	2.1%	5,500	4.8%
..Government	426,200	416,000	418,900	10,200	2.5%	7,300	1.7%
...Federal Government	30,300	30,200	29,500	100	0.3%	800	2.7%
...State Government	89,500	88,600	87,900	900	1.0%	1,600	1.8%
.....State Government Educational Services	51,800	51,100	52,600	700	1.4%	-800	-1.5%
...Local Government	306,400	297,200	301,500	9,200	3.1%	4,900	1.6%
.....Local Government Educational Services	214,000	204,900	210,700	9,100	4.4%	3,300	1.6%
UNEMPLOYMENT RATE	FEB 2020	JAN 2020	FEB 2019				
H-W-S MSA	3.9	4.1	4.0				
Texas (Actual)	3.6	3.8	3.7				
United States (Actual)	3.8	4.0	4.1				

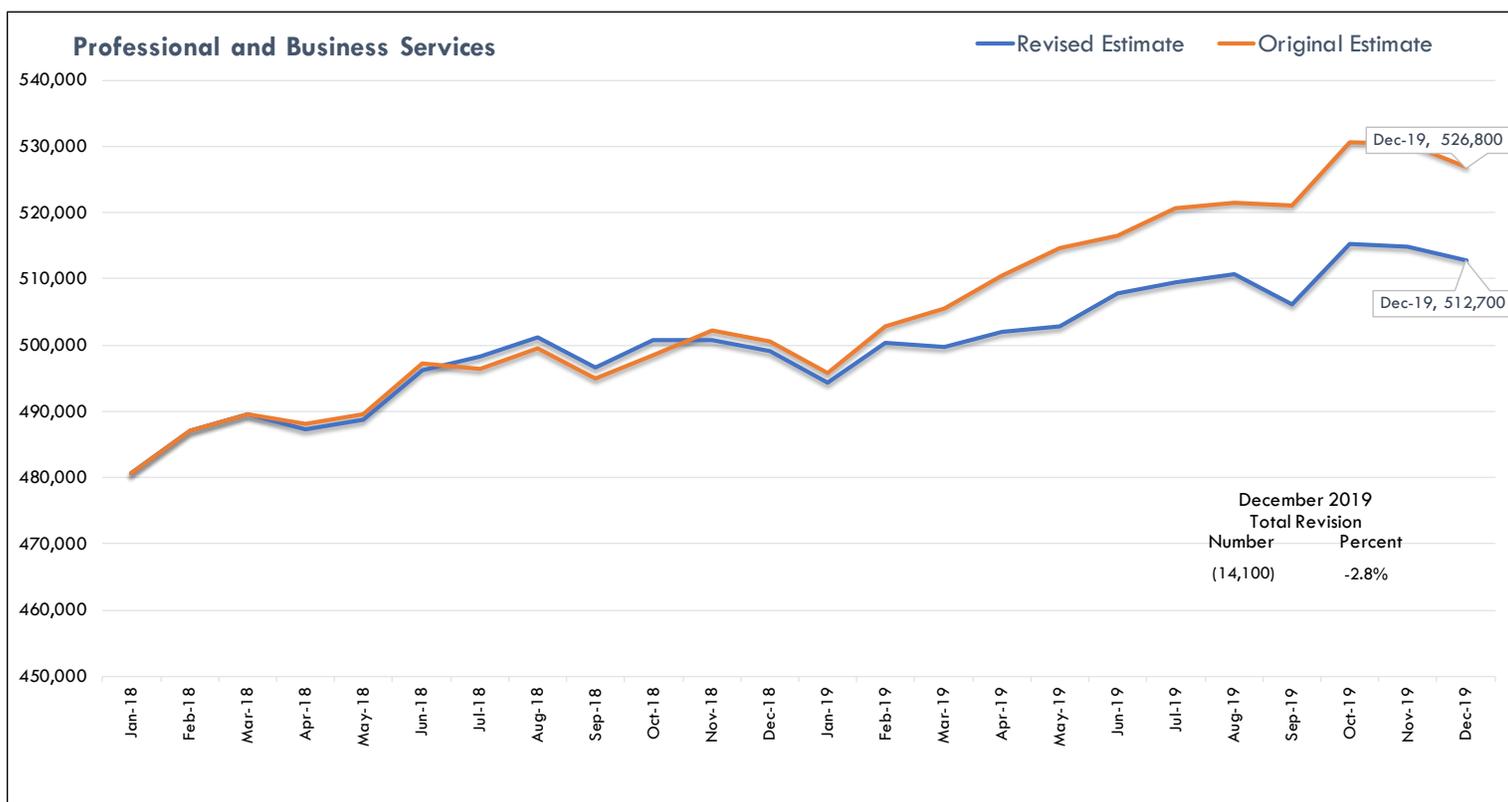
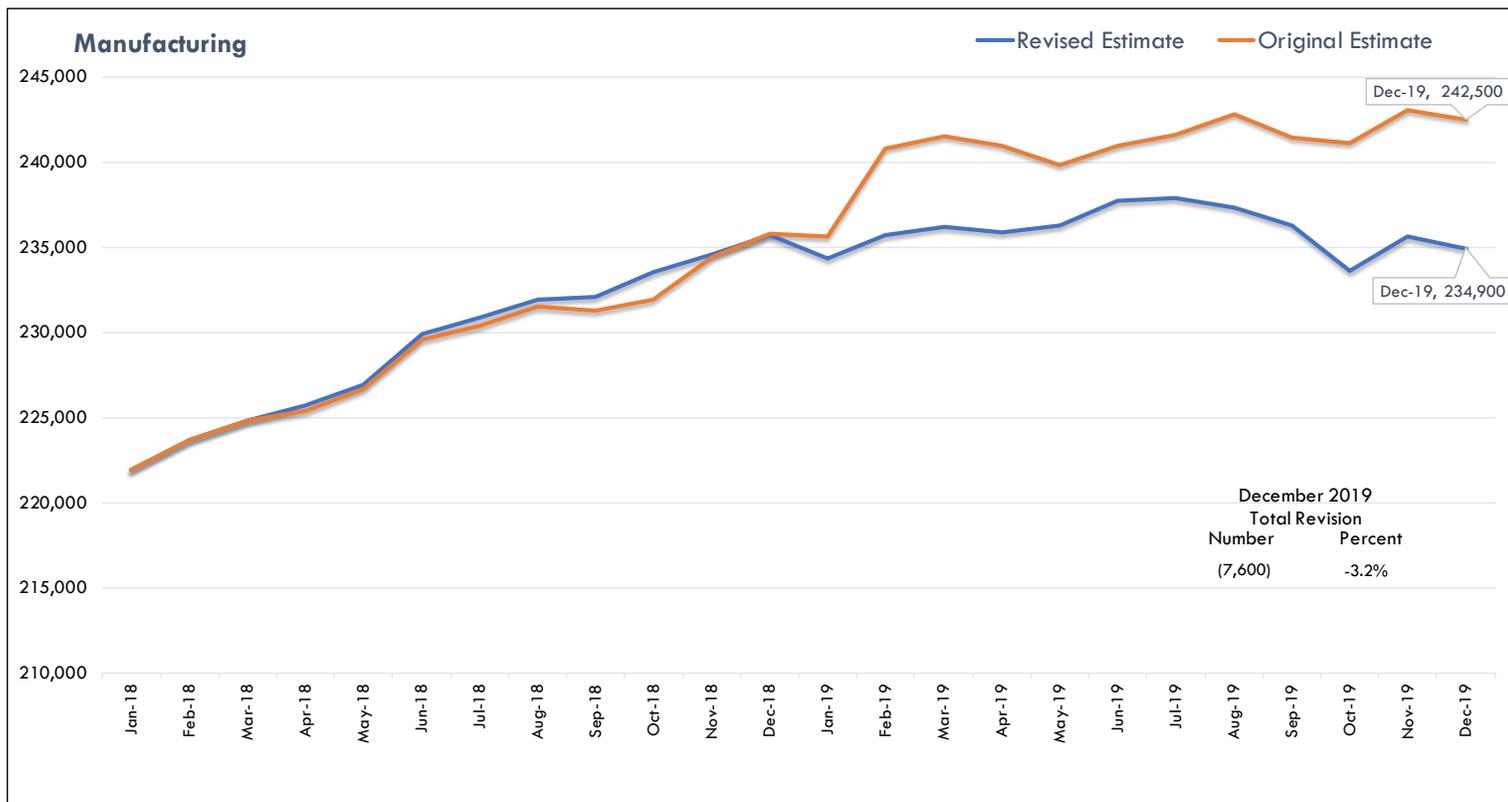
Houston-The Woodlands-Sugar Land MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. All Data is Subject to Revision.

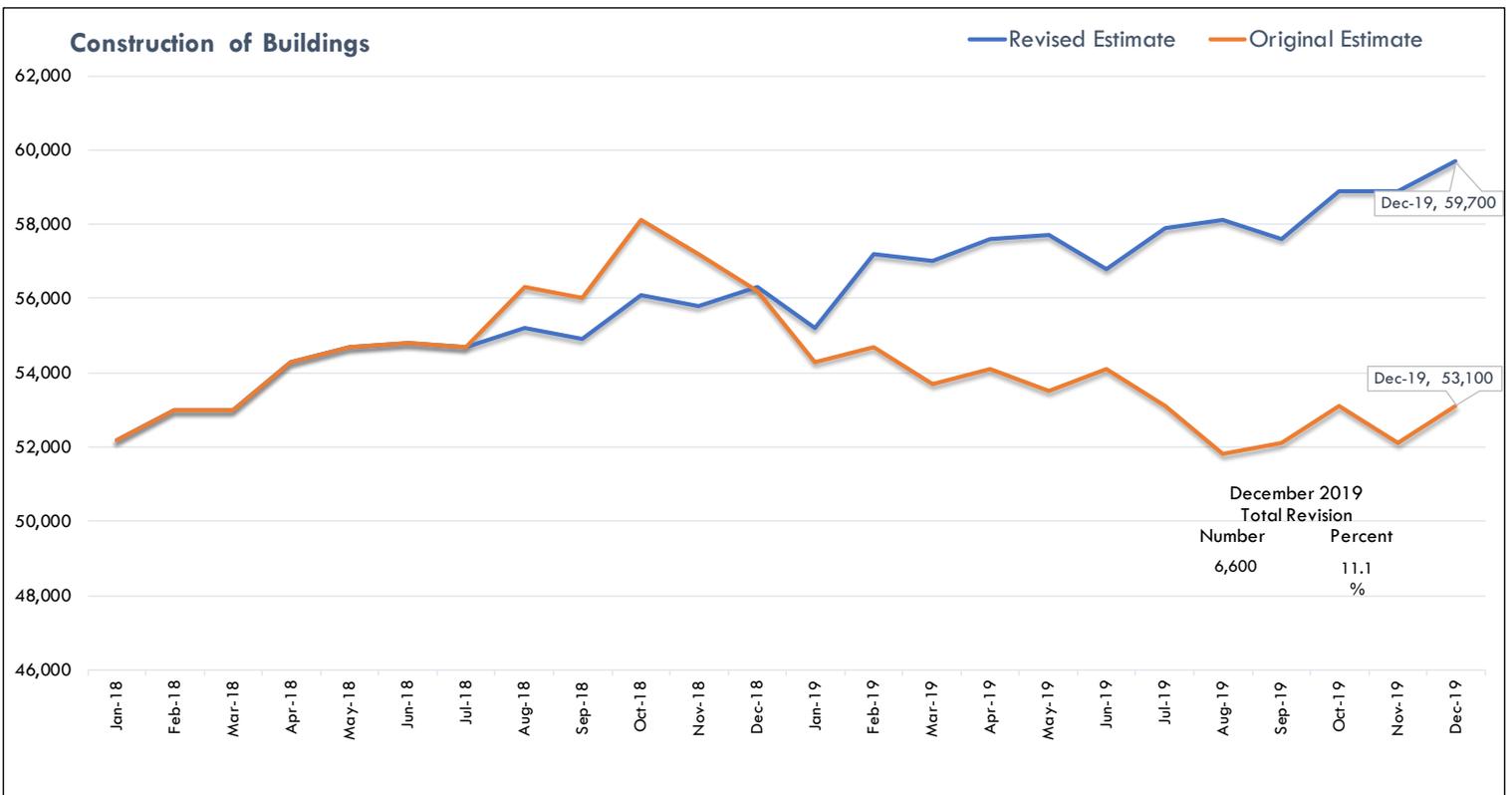
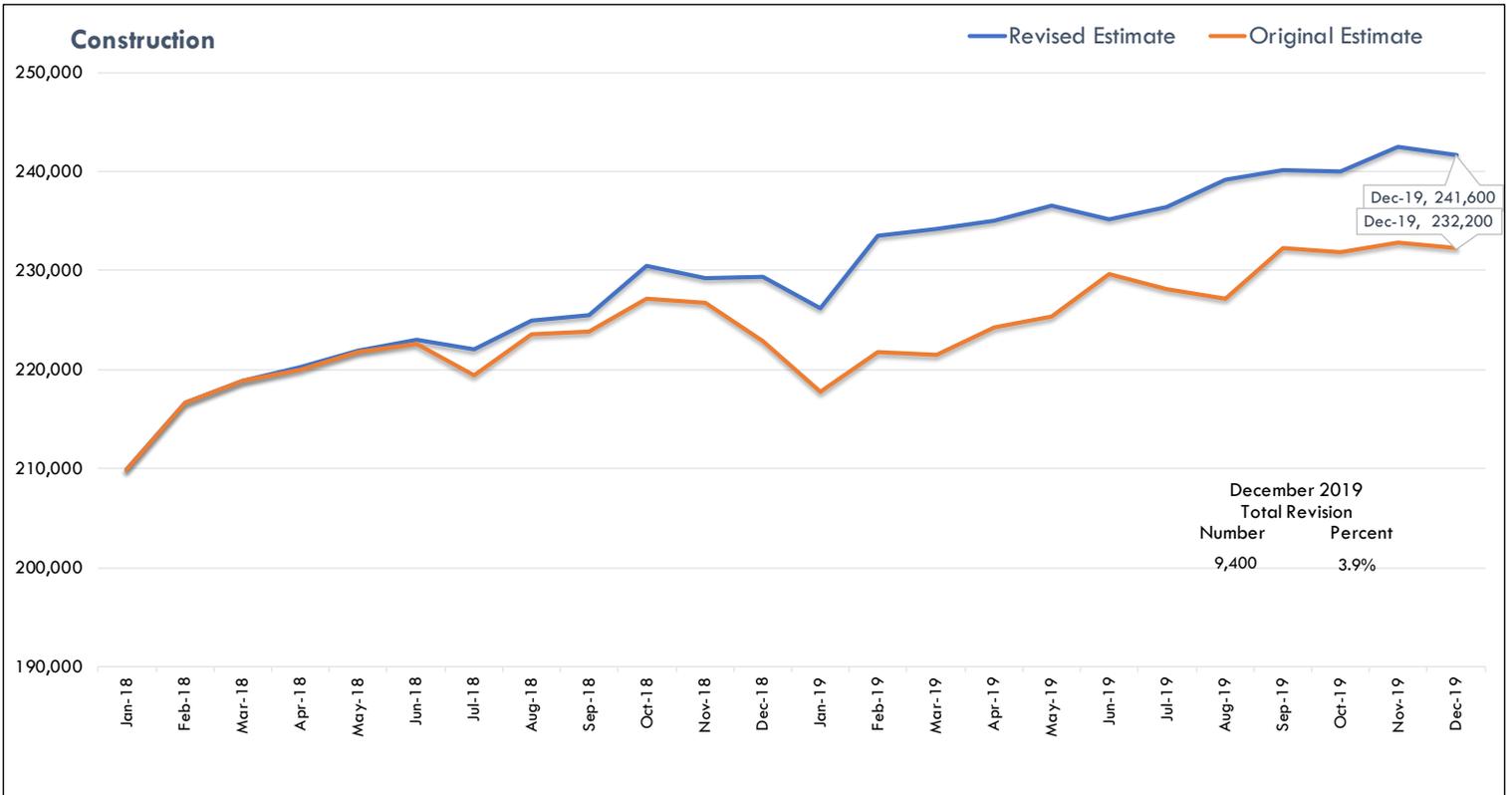
Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Institute for Supply Management, Baker Hughes, and The Federal Reserve Bank of Dallas.

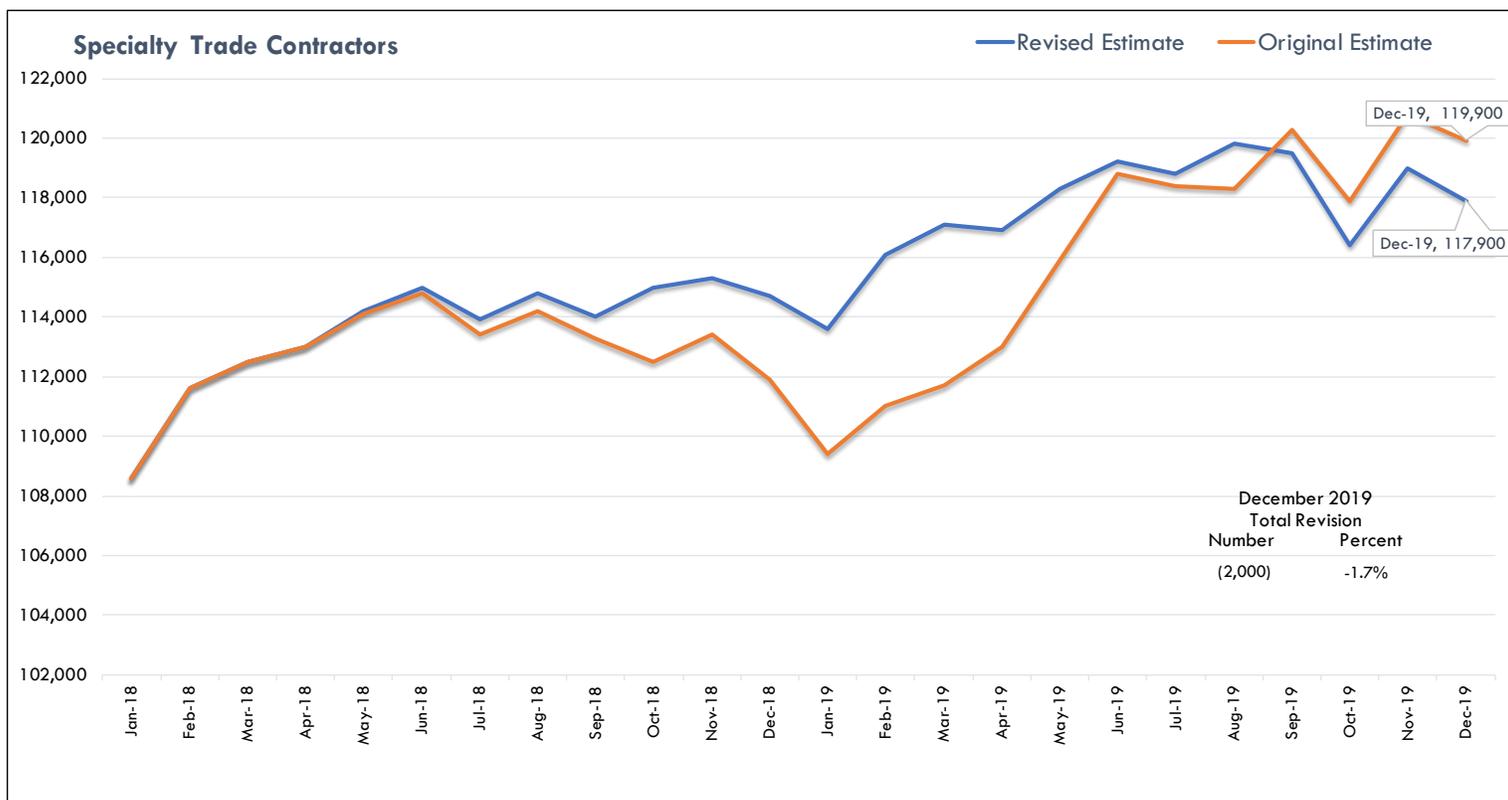
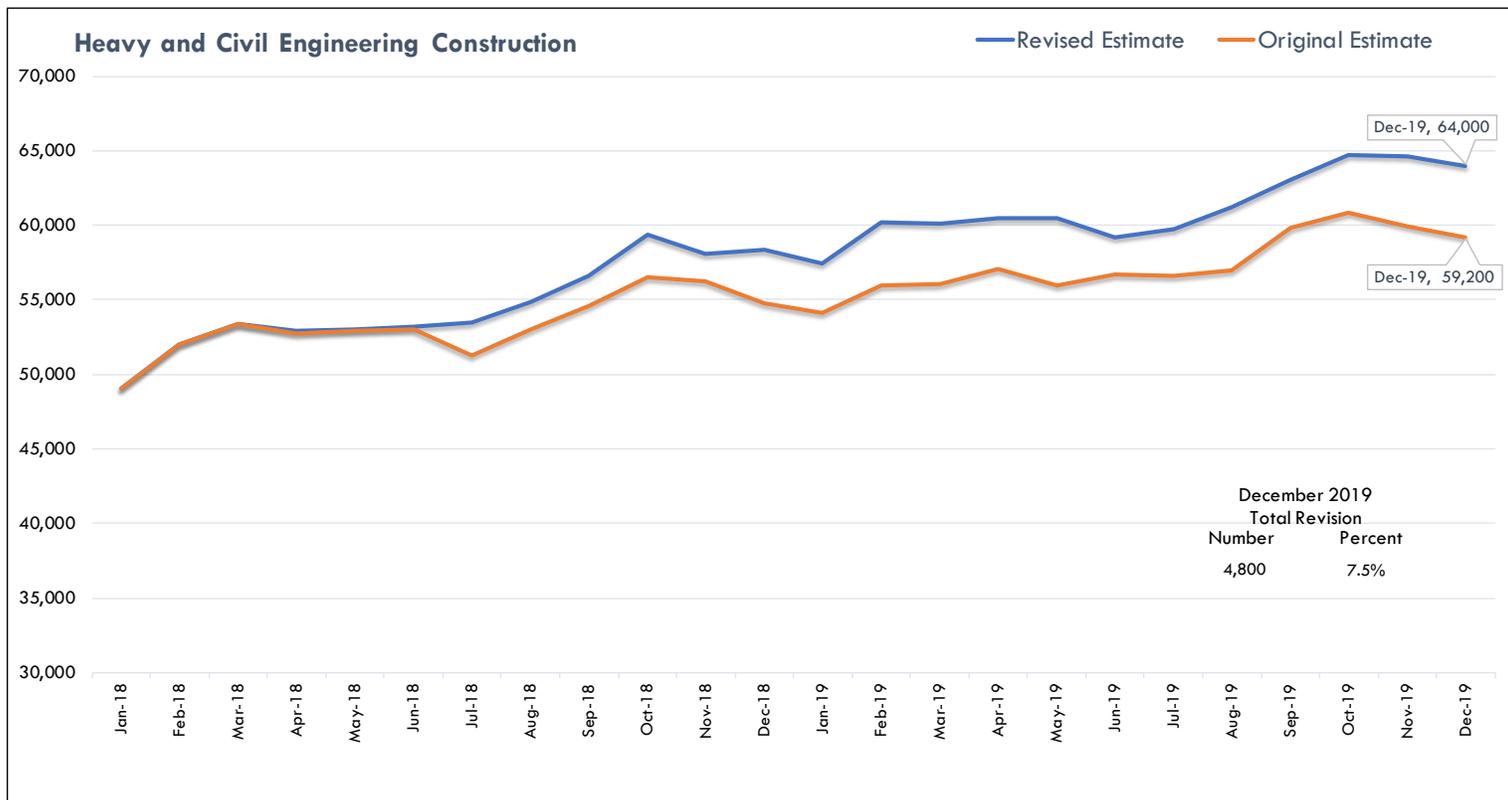
December 2018 to December 2019 NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	Original Growth		Revised Growth		DEC 2019	
	Year Change		Year Change		Growth Revision	
	Net	Percent	Net	Percent	Up or Down	
Total Nonfarm	88,000	2.8%	62,200	2.0%	↓	-25,800
Total Private	83,900	3.1%	54,400	2.0%	↓	-29,500
Goods Producing	20,300	3.8%	9,500	1.7%	↓	-10,800
..Mining, Logging, and Construction	13,600	4.5%	10,300	3.3%	↓	-3,300
.Mining and Logging	4,300	5.3%	-1,900	-2.4%	↓	-6,200
...Oil and Gas Extraction	3,300	9.0%	400	1.1%	↓	-2,900
...Support Activities for Mining	-1,600	-3.7%	-2,500	-6.0%	↓	-900
.Construction	9,300	4.2%	12,200	5.3%	↑	2,900
..Construction of Buildings	-3,100	-5.5%	3,400	6.0%	↑	6,500
..Heavy and Civil Engineering Construction	4,400	8.0%	5,600	9.6%	↑	1,200
..Specialty Trade Contractors	8,000	7.1%	3,200	2.8%	↓	-4,800
.Manufacturing	6,700	2.8%	-800	-0.3%	↓	-7,500
..Durable Goods	4,500	3.0%	300	0.2%	↓	-4,200
...Fabricated Metal Product Manufacturing	300	0.5%	-1,300	-2.4%	↓	-1,600
...Machinery Manufacturing	3,100	6.6%	2,100	4.5%	↓	-1,000
....Agriculture, Construction, and Mining Machinery Manufacturing	1,500	4.9%	-100	-0.3%	↓	-1,600
...Computer and Electronic Product Manufacturing	0	0.0%	200	1.5%	↑	200
..Non-Durable Goods	2,200	2.6%	-1,100	-1.3%	↓	-3,300
...Petroleum and Coal Products Manufacturing	2,000	20.0%	300	2.9%	↓	-1,700
...Chemical Manufacturing	500	1.2%	500	1.3%	↑	0
Service Providing	67,700	2.6%	52,700	2.0%	↓	-15,000
.Private Service Providing	63,600	2.9%	44,900	2.1%	↓	-18,700
..Trade, Transportation, and Utilities	10,400	1.6%	6,000	0.9%	↓	-4,400
...Wholesale Trade	3,200	1.9%	6,100	3.6%	↑	2,900
....Merchant Wholesalers, Durable Goods	800	0.7%	2,200	2.1%	↑	1,400
....Professional and Commercial Equipment and Supplies Merchant Wholesalers	800	4.5%	300	1.7%	↓	-500
....Merchant Wholesalers, Nondurable Goods	-1,200	-2.2%	500	1.0%	↑	1,700
...Retail Trade	-100	0.0%	-5,000	-1.6%	↓	-4,900
....Motor Vehicle and Parts Dealers	900	2.2%	1,000	2.4%	↑	100
....Building Material and Garden Equipment and Supplies Dealers	-800	-3.7%	-1,000	-4.6%	↓	-200
....Food and Beverage Stores	1,400	2.1%	-200	-0.3%	↓	-1,600
....Health and Personal Care Stores	100	0.5%	-500	-2.4%	↓	-600
....Clothing and Clothing Accessories Stores	-800	-2.4%	-1,800	-5.2%	↓	-1,000
....General Merchandise Stores	100	0.2%	-700	-1.1%	↓	-800
....Department Stores	700	3.1%	-200	-0.9%	↓	-900
....General Merchandise Stores, including Warehouse Clubs and Supercenters	-600	-1.4%	-500	-1.2%	↑	100
...Transportation, Warehousing, and Utilities	7,300	4.6%	4,900	3.1%	↓	-2,400
....Utilities	100	0.6%	100	0.6%	↑	0
.....Air Transportation	300	1.5%	200	1.0%	↓	-100
.....Truck Transportation	1,500	5.3%	100	0.4%	↓	-1,400
.....Pipeline Transportation	-300	-2.7%	300	2.5%	↑	600
..Information	-1,900	-6.0%	700	2.2%	↑	2,600
...Telecommunications	-400	-3.0%	300	2.2%	↑	700

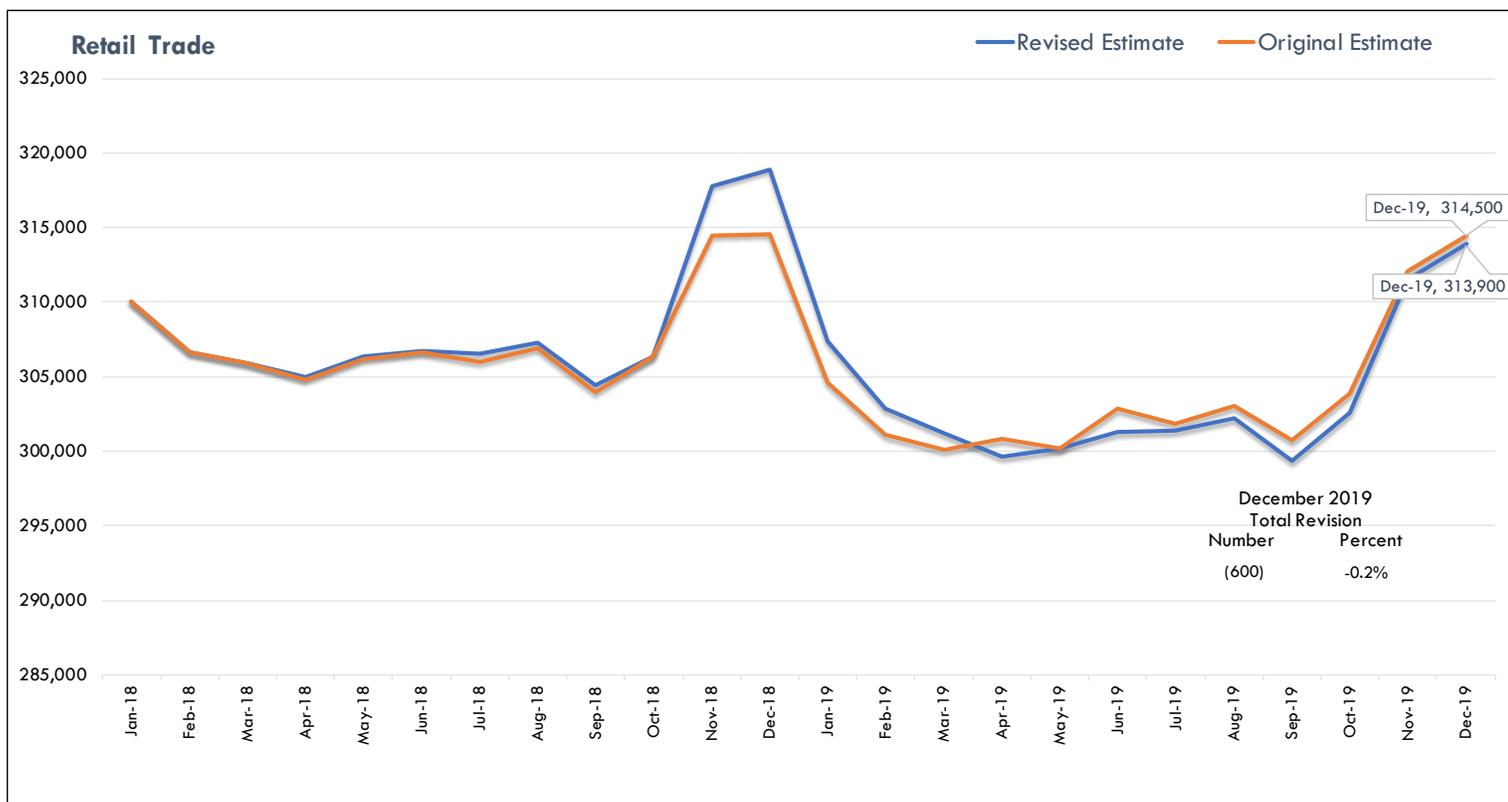
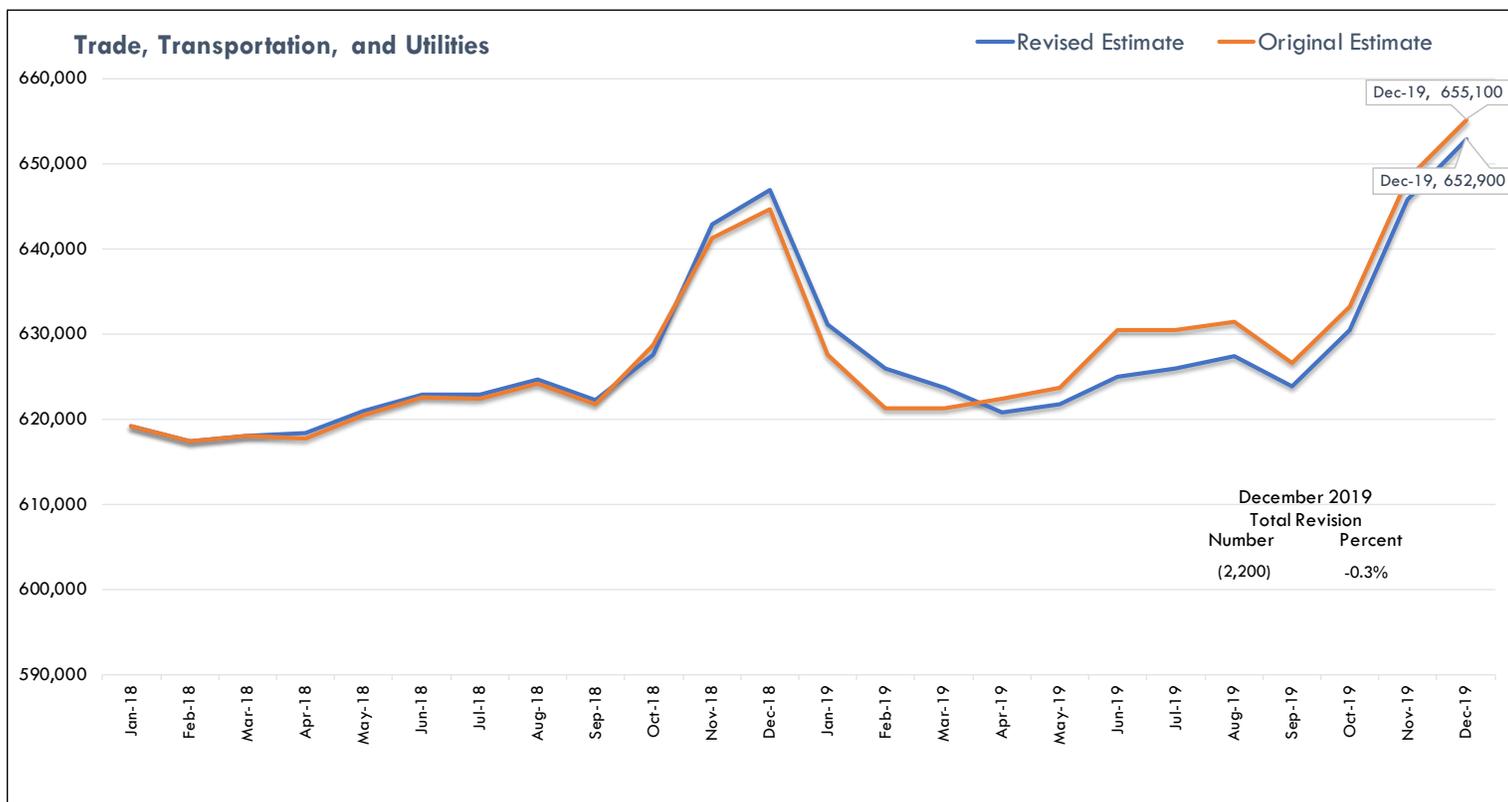
December 2018 to December 2019 NONAGRICULTURAL EMPLOYMENT Houston-The Woodlands-Sugar Land MSA	Original Growth Year Change		Revised Growth Year Change		DEC 2019 Growth Revision
	Net	Percent	Net	Percent	Up or Down
..Financial Activities	4,000	2.4%	4,000	2.4%	↑ 0
...Finance and Insurance	2,300	2.2%	1,000	1.0%	↓ -1,300
....Credit Intermediation and Related Activities	800	1.8%	-200	-0.5%	↓ -1,000
.....Depository Credit Intermediation	800	2.7%	500	1.7%	↓ -300
....Financial Investments and Related Activities including Financial Vehides	600	2.8%	-100	-0.5%	↓ -700
....Insurance Carriers and Related Activities	900	2.4%	1,300	3.4%	↑ 400
...Real Estate and Rental and Leasing	1,700	2.8%	3,000	4.9%	↑ 1,300
..Professional and Business Services	26,300	5.3%	13,600	2.7%	↓ -12,700
...Professional, Scientific, and Technical Services	24,000	10.4%	12,900	5.5%	↓ -11,100
....Legal Services	500	1.9%	600	2.2%	↑ 100
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	200	0.8%	1,000	3.8%	↑ 800
....Architectural, Engineering, and Related Services	6,400	9.0%	4,100	5.8%	↓ -2,300
....Computer Systems Design and Related Services	1,500	4.5%	1,700	5.0%	↑ 200
...Management of Companies and Enterprises	-600	-1.3%	-1,000	-2.1%	↓ -400
...Administrative and Support and Waste Management and Remediation Services	2,900	1.3%	1,700	0.8%	↓ -1,200
....Administrative and Support Services	1,500	0.7%	700	0.3%	↓ -800
.....Employment Services	-1,600	-1.9%	-4,700	-5.8%	↓ -3,100
.....Services to Buildings and Dwellings	600	1.2%	1,600	3.3%	↑ 1,000
..Educational and Health Services	10,300	2.6%	9,700	2.4%	↓ -600
...Educational Services	1,800	2.9%	1,900	3.0%	↑ 100
...Health Care and Social Assistance	8,500	2.5%	7,800	2.3%	↓ -700
....Ambulatory Health Care Services	6,300	3.9%	1,700	1.0%	↓ -4,600
....Hospitals	1,800	2.1%	2,200	2.5%	↑ 400
..Leisure and Hospitality	4,800	1.5%	7,200	2.2%	↑ 2,400
...Arts, Entertainment, and Recreation	200	0.6%	2,900	8.5%	↑ 2,700
...Accommodation and Food Services	4,600	1.6%	4,300	1.5%	↓ -300
....Accommodation	700	2.5%	800	2.9%	↑ 100
....Food Services and Drinking Places	3,900	1.5%	3,500	1.3%	↓ -400
..Other Services	9,700	8.6%	3,700	3.3%	↓ -6,000
Government	4,100	1.0%	7,800	1.9%	↑ 3,700
.Federal Government	700	2.3%	1,000	3.3%	↑ 300
.State Government	900	1.0%	1,900	2.2%	↑ 1,000
..State Government Educational Services	600	1.2%	-500	-1.0%	↓ -1,100
.Local Government	2,500	0.8%	4,900	1.6%	↑ 2,400
..Local Government Educational Services	1,300	0.6%	3,300	1.6%	↑ 2,000

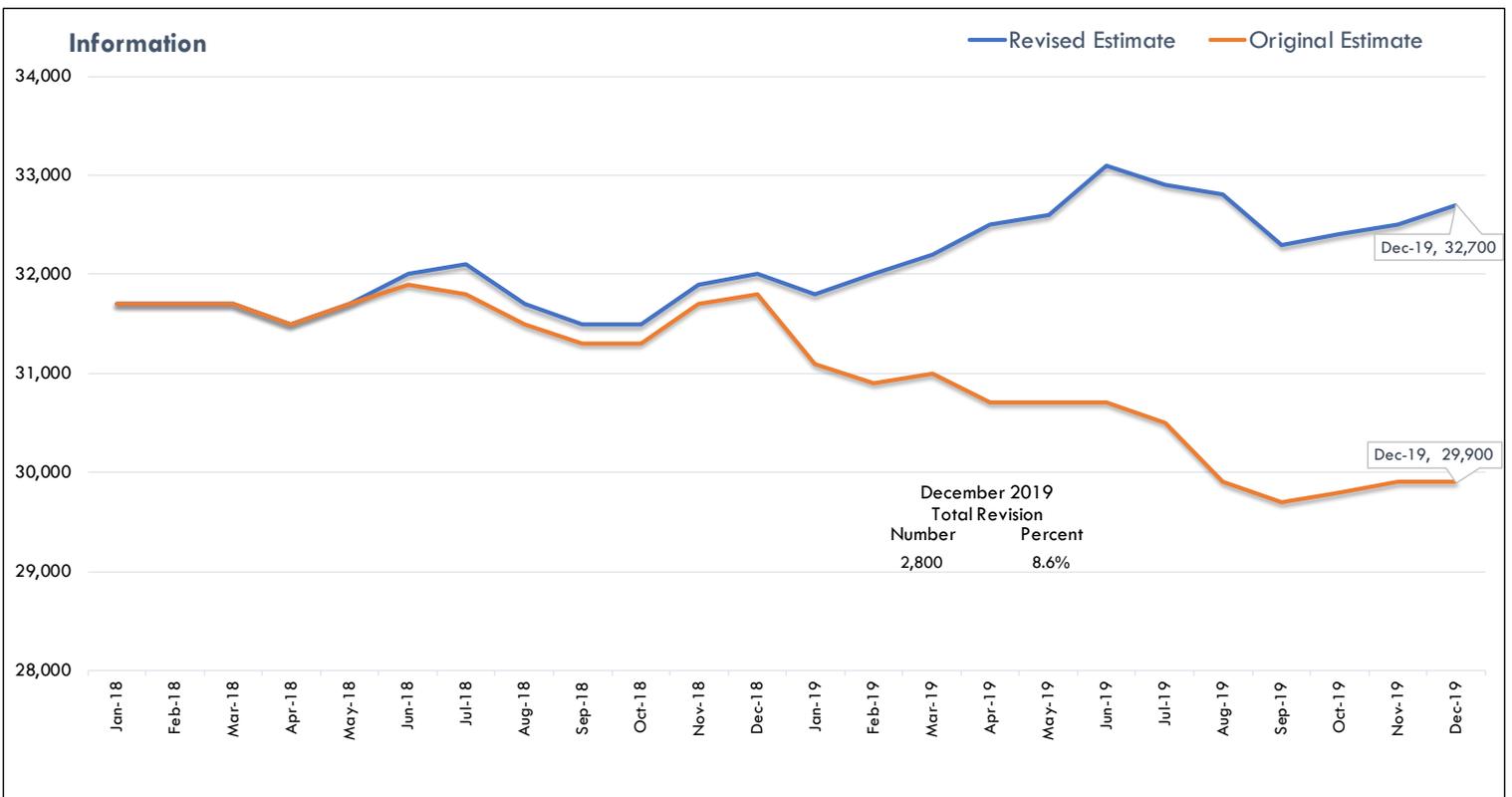
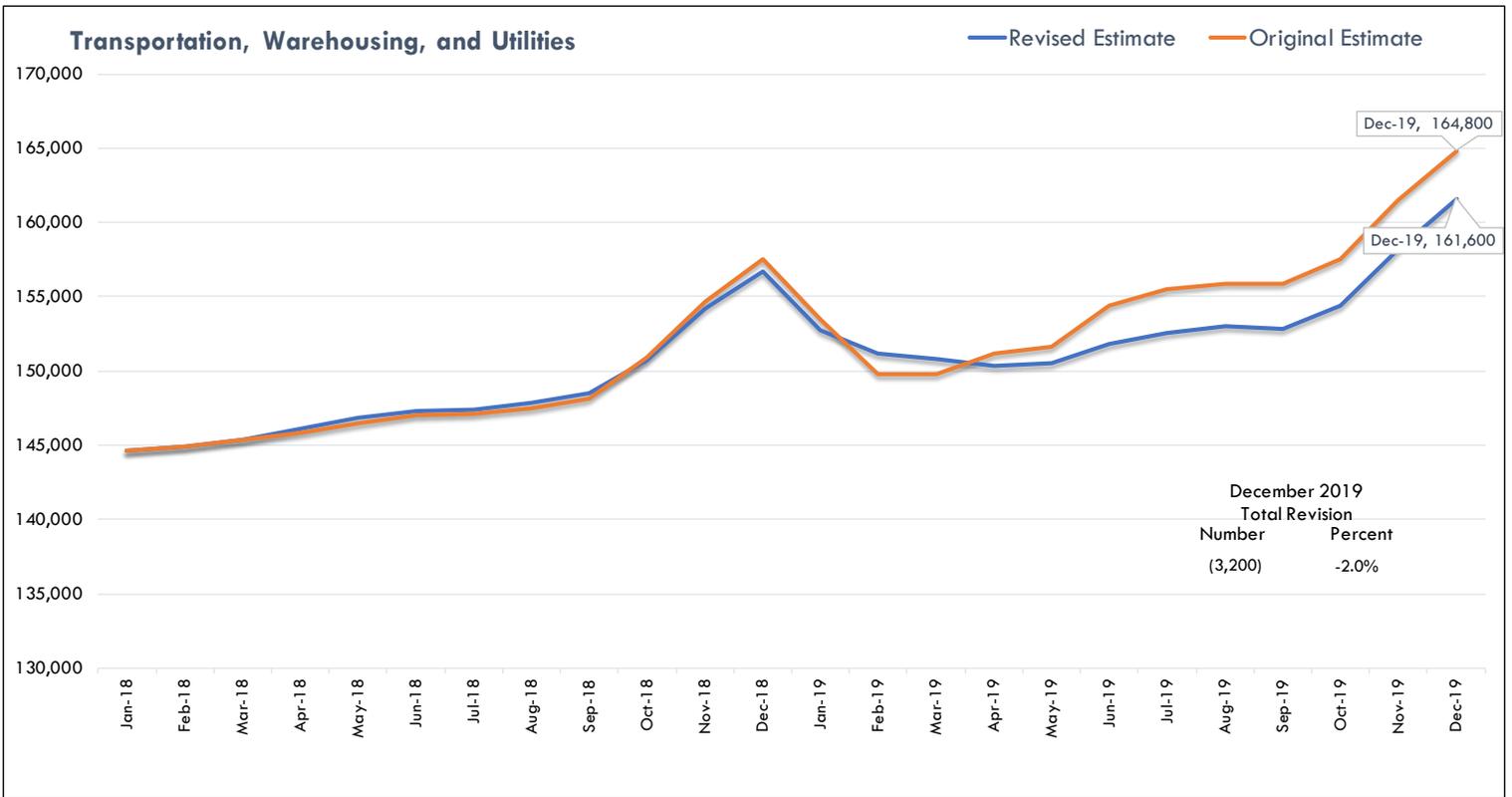


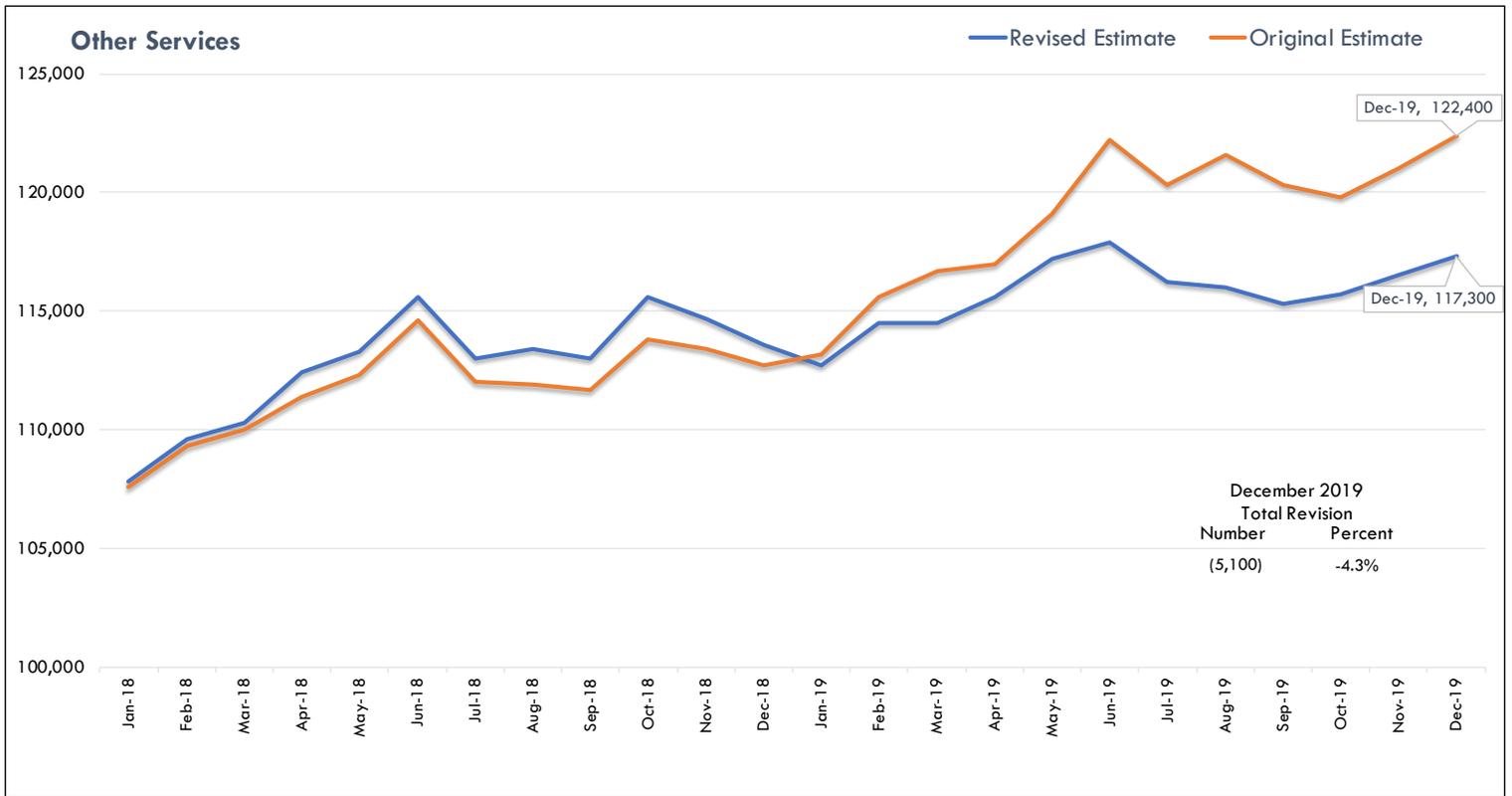












The Gulf Coast Region Economic Impact of COVID-19

Enormous efforts in defeating the coronavirus are being made with early estimates projecting the death toll could be as much as 100,000 to 240,000 even with mitigation efforts according to Dr. Deborah Birx on March 31st, the White House coronavirus response coordinator. We also see enormous efforts on stabilizing the economy with the Coronavirus Aid, Relief, and Economic Security Act (CARES) providing an estimated \$2 trillion stimulus. Adding to the issues in the Gulf Coast Region is an oil-price war between Russia and OPEC nations where combined affects have driven oil prices from around \$60 per barrel at the beginning of the year to around \$20 per barrel.

The impending impacts on the Gulf Coast Region are largely unknown and depend greatly on the depth and duration of the coronavirus. Forecasting the economic impacts become a quite difficult task with large unpredictable reductions in employment in the weeks and perhaps months ahead due to the many layoffs and furloughs. Below is a summary of an economic forecast produced by economist Robert W. Gilmer, Ph.D., director of the Institute for Regional Forecasting at the University of Houston's Bauer College of Business known for his semi-annual Houston regional economic forecast. The economic scenarios were made up for illustration and the economic effects of the coronavirus ultimately remains unknown at this time.

There were nine different scenarios created by combining those listed below.

Scenarios suggested by a 2006 Congressional Budget Office Report on the possible effects of avian flu on the economy.

Base Case: Business-as-usual scenario assuming the viral outbreak is no worse than the seasonal flu with a 5 to 15 percent case infection rate and any macroeconomic effects are not perceptible.

Moderate COVID-19: This CBO model is the Asian flu of 1957-58 with a 25 percent infection rate. The CBO suggests a serious slowdown in growth or even a very mild recession would result.

Severe COVID-19: The model is the Spanish flu of 1918-20 with 30 percent of the population infected and a high fatality rate.

Oil-price scenarios and the path of local related employment under three price scenarios.

Base Oil Price: Only some continued oil losses in the wake of on-going credit problems

Saudi Plan: Saudis are assumed to quickly push the oil price back up to \$55 and Houston's oil jobs quickly recover 10,600 jobs

Russian Plan: The Russian plan forces 12,600 job cuts, not much deeper than the Saudi Plan but is longer lasting

The table below shows the estimated net change in Houston’s payroll employment for 2020 and 2021 for all nine scenarios. Previously expected scenarios that have been forced to be discarded are not unhighlighted. Green highlighted boxes are the remaining realistic scenarios. Improvement begins in early 2022 in all cases.

**Impact of Oil and U.S. Economy on Houston's Payroll Job Growth
Under Nine Oil Price and COVID-19 Scenarios
(Thousands of Jobs Q4 to Q4)**

**2020 Job Growth
Economic Scenarios**

	Base	Medium	COVID Severe
Base Oil Price \$55	57.6	18.5	-4.6
Saudi Plan	48.5	-8.5	-34.7
Russian Plan	41.1	-11.6	-44

**2021 Job Growth
Economic Scenarios**

	Base	Medium	COVID Severe
Base Oil Price \$55	66	49.2	47.9
Saudi Plan	70.3	52.9	83.2
Russian Plan	36.6	49.3	60.5

Note: The above forecast views the employment comparison of fourth quarters.

The entire article published on March 22, 2020 can be read at:

<https://www.bauer.uh.edu/centers/irf/>

In the Weeks and Months Ahead

The impacts of the coronavirus are evolving daily. On Friday April 2, 2020, the number of Americans filing for unemployment claims jumped to 6.6 million doubling the previous weeks record of 3.3 million placing the total number of claims filed over two weeks at 10 million.

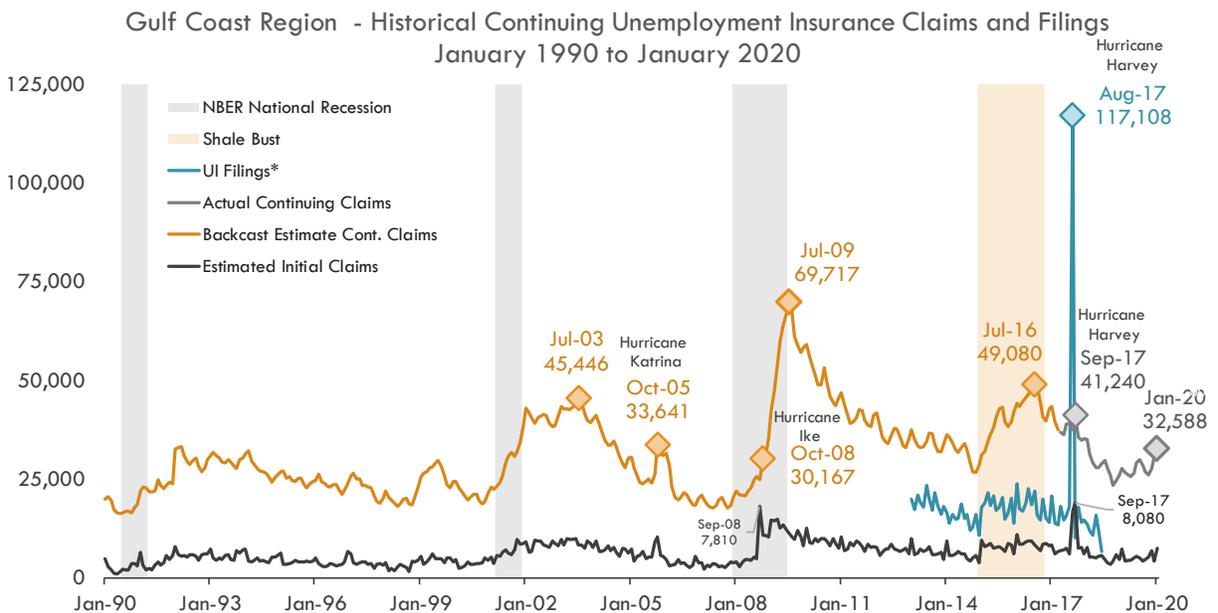
During the next several months there will likely be much larger temporary disruptions to employment as businesses respond to the many unknown economic consequences of the coronavirus. Some of the heavily impacted industries include air transportation, hotels, brick and mortar retail stores, childcare, restaurants and bars, personal care services, non-profit organizations, and arts, entertainment, and recreation establishments.

Some industries will be in good shape in the near-term. There has been a surge in the health care industry, at grocery and big box stores, home delivery services, distribution centers, sanitation services, and personal shoppers to name a few. Other areas will be ok in the short run for instance construction companies working on large commercial and industrial projects will likely work until they are completed.



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The Gulf Coast Region and COVID-19 in 2020: Unemployment Insurance Claims in Historical Context



*Data reflects filings for unemployment insurance including Disaster Unemployment Assistance (DUA) and do not equate to approved claims. Estimates of initial claims (not shown here) corresponding to Hurricane Harvey spike suggest ~6% of claims were approved given the brevity of the disruption. Note the negligible impact on continuing claims in the months immediately after the storm.



Published by Parker Harvey March 27, 2020

In anticipation of ongoing adverse impacts to the Gulf Coast Greater-Houston labor market due to the spread of COVID-19, a look at the effects of recent economic downturns and natural disasters provides context for the potential scale of disruption now unfolding in real time. The data in this brief takes on additional importance given the scarcity of timely labor market information sought after by many. At the time of writing, the region's most current unemployment rate as of February 2020, sits at 3.9 percent (not-seasonally-adjusted). However neither the unemployment rate nor the latest payroll employment figures reflect COVID-19 impacts on the labor market. This is due to the fact that the two surveys that comprise the local 'employment situation' measure payroll counts and work status as of the 12th of the month. According to Johns Hopkins University corona virus resource center, the first confirmed case of COVID-19 in Texas, specifically in Fort Bend County located in the Houston area, took place on March 5, 2020 with full-blown shelter-in-place orders for Harris County not issued until March 24th. As a result, even the March jobs report to be released in late-April may only serve as a prologue to the full range of labor market disruption to come.



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Given the shortcomings of the monthly jobs figures, we first turn to local data on applications for unemployment insurance, albeit fragmentary, related to Hurricane Harvey. Applications, which do not equate to approved claims, reached nearly 117,000 in the 13-county Gulf Coast Region in the immediate aftermath of the storm. However, due to the brevity of that event compared to COVID-19, which is now entering its third month as a global concern, the impact on rough estimates of initial claims, suggests only six top seven percent of applications were ultimately approved. The impact on continuing claims in the Houston area was even more ephemeral in the months immediately after the storm and virtually undetectable in subsequent months.

Nonetheless, a spike in applications related to COVID-19 of a similar magnitude to that of Hurricane Harvey was anticipated and confirmed by a March 25th article in the Houston Chronicle citing a statement by executive director of the Texas Workforce Commission Ed Serna that *"more than 150,000 unemployment insurance claims were filed in Texas [during the week of March 16, 2020]...[with] claims for unemployment benefits...nearing 30,000 per day."* According to the executive director during a Facebook Live Q&A session, a typical day sees roughly 3,000 applications indicating a 900 percent increase. This surge was mirrored if not exceeded by a jump in initial claims at the national level of 3 million, or a nearly 1,500-percent increase over the previous week according to a March 26, 2020 press release by the U.S. Department of Labor. An obvious difference between the current surges in UI applications compared to Hurricane Harvey or other one-off events is that the former is likely to remain elevated at unprecedented levels for some time even as initial claims evolve into continuing claims.

It is here that we reach the limitations of the truncated applications data and now turn to continuing claims prior to Hurricane Harvey for additional insights. A look back at the data in the chart above indicates that continuing claims reached a record high of nearly 70,000 in July 2009, which marked one month after the official end of the Great Recession per the National Bureau of Economic Research. From there, claims steadily fell over the next five years reaching a cycle low of roughly 27,000 in November 2014. That date also marked the start of falling oil prices that sent Houston into a two-year economic downturn eventually driving claims up to a second-place record high of 50,000 in July 2016. Admittedly, the three most extreme and coincidentally recent disruptions to the Gulf Coast labor market serve as only a rudimentary baseline for what UI claims, and unemployment generally, could look like going forward, but nonetheless provide a frame of reference on at least one aspect of COVID-19's potential impact on economic activity.

Where does this leave us for the remainder of 2020? The answer is unclear and will depend on the severity and duration of the virus. However given the sheer scale of disruption affecting nearly all forms of work across all industries, the effects on the job market are already being characterized by a host of superlatives that would have been inconceivable just a few short months ago. Regardless, how, where, and when we work will be fundamentally transformed for the foreseeable future.