

Gulf Coast Workforce Board
P.O. Box 22777 • Houston, Texas 77227-2777
713.627.3200 *phone* • 713.993.4578 *fax*
www.wrksolutions.com



To: Gulf Coast Workforce Board Members

From: Mike Temple
David Baggerly
Michelle Ramirez
Brenda Williams

Date: July 26, 2017

Subj: Board Meeting Materials for Tuesday, August 1, 2017

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, August 1, 2017** in H-GAC's second floor conference rooms A, B and C, 3555 Timmons Lane, Houston.

Reports. Chair Guthrie will provide a report to members on items of interest. Audit/Monitoring Committee Chair Joe Garcia will report on the committee's July review of annual trends from monitoring. Employer Service Chair Gerald Andrews will provide an update from the committee's June meeting concerning the Board's market share performance expectations. Government Affairs Committee Chair Guy Jackson will have an update on the Texas Legislature's special session and several items from the U.S. Congress.

Action. Procurement Committee Chair Evelyn Timmins will report out the committee's work from its July 24 meeting considering proposals to operate Workforce Solutions and funding for adult education contracts in 2018. The committee heard presentations from 16 organizations bidding to operate Workforce Solutions and will recommend contracts for 2018 that include four new contractors.

Information. We will report on our performance/production and expenditures to-date and provide an update for the region's employment outlook.

We look forward to seeing you on August 1st. As always, please call or email us if you have questions, or if we can be of assistance.

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, August 1, 2017 at 10:00 a.m.

H-GAC Conference Room A/B/C

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**

2. **Adopt Agenda**

3. **Hear Public Comment**

4. **Review June 2017 meeting minutes**

5. **Declare Conflicts of Interest**

6. **Consider Reports**

- a. *Chair's Report.* The Board Chair will discuss items of interest.
- b. *Audit/Monitoring.* The Committee Chair will report on the committee's July meeting.
- c. *Employer Service.* The Committee Chair will report on the committee's June meeting.
- d. *Government Relations.* The Committee Chair will review materials on the legislative special session.

7. **Take Action**

- a. *Procurement.* The Chair will present recommendations for funding Workforce Solutions operations in 2018, and ask Board consideration of contracts in an amount not to exceed in total \$229,475,000.

8. **Receive Information**

- a. *Performance and Production.* Report on the system's performance and production.
- b. *Budget and Expenditures.* Report on the Board's budget and expenditures.

9. **Look at the Economy**

Report on current economic data and trends in the Houston-Gulf Coast region.

10. **Take Up Other Business**

11. **Adjourn**



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Gulf Coast Workforce Board-Workforce Solutions
3555 Timmons Lane, Suite 120, Houston, Texas 77027
P.O. Box 22777 Houston, Texas 77227-2777
713.627.3200
1.888.469.5627 toll-free
www.wrksolutions.com

**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, JUNE 6, 2017**

MEMBERS PRESENT:

Willie Alexander	Cheryl Guido	Linda O'Black
Karlos Allen	Mark Guthrie	Dale Pillow
Gerald Andrews	Guy Robert Jackson	Janice Ruley
Betty Baitland	John Josserand	Allene Schmitt
Peter Beard	Birgit Kamps	Richard Shaw
Sara Bouse	Doug Karr	Gil Staley
Carl Bowles	Paulette King	Evelyn Timmins
Mary Helen Cavazos	Jeff LaBroski	Fred Welch
Joe Garcia	Steve Mechler	Shunta Williams

H-GAC STAFF MEMBERS PRESENT

Mike Temple
David Baggerly
Ron Borski
Parker Harvey
Michelle Ramirez

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, June 6, 2017, in the 2nd floor, H-GAC Conference Rooms A/B/C, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

Prior to the adoption of the Agenda, Chair Guthrie welcomed new Board members John Josserand and Mary Helen Cavazos. Mr. Josserand and Ms. Cavazos each provided a brief introduction and were warmly welcomed by the Board.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM APRIL 4, 2017 MEETING

Chair Guthrie asked if there were any additions or corrections to minutes for the April 4, 2017 Board meeting and if not, for approval of the minutes as presented. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARE CONFLICTS OF INTEREST

Chair Guthrie asked for a declaration of any conflicts of interest with items on the agenda. No one declared a conflict of interest. Chair Guthrie reminded the members that they were welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

Chair's Report

Chair Guthrie reported that he, along with Mike Temple, attended the ISWEEP science competition kick-off breakfast on May 5th, sponsored by Harmony Schools. He noted that Chair Andres Alcantar of the Texas Workforce Commission gave the keynote remarks at the breakfast and as usual, they were excellent.

Chair Guthrie also noted that he and Mike Temple attended the Texas Association of Workforce Boards quarterly meetings in Austin on May 8th and 9th.

Chair Guthrie reported that he attended a portion of the Mini-Criss Cole Rehabilitation Center (CCRC) immersion training for the blind in Houston on May 22nd. Among other tasks, he was trained on how to walk with a cane and learned letters A through D of the Braille alphabet. He said that he was privileged to make a few comments to the group at lunch and was impressed with the VR staff conducting the training.

On May 23rd, Chair Guthrie attended the Greater Houston Business Leadership Network luncheon that followed a hiring fair for veterans and people with disabilities. All three TWC commissioners were present and all three gave great remarks. He noted that Board members Doug Karr and Cheryl Guido, respectively Chair and Vice Chair of the GHBLN also attended. Cheryl Guido remarked that the hiring event was attended by over 60 employers and more than 200 job seekers. The business luncheon symposium was attended by approximately 80 employers and highlighted the apprenticeship program with an excellent presentation by Board staff Susan Dixon.

Chair Guthrie reported that later this month, he planned to attend a NAWB Directors meeting in Washington DC where a briefing on the President's budget will be presented. He will provide the Board with information on that presentation at the August meeting.

Chair Guthrie advised the group that he was pleased that House Bill 2994 passed in the recent Texas legislative session. This bill reverses an interpretation by the Texas Higher Education Coordinating Board providing that formula funding for Community Colleges

may not be used for hours for high school students who are enrolled in Community Colleges on a dual credit program which does not involve college credits. This bill will provide a pathway for high school students, as well as people who have been incarcerated, to take dual credit career and technical education courses and the Community Colleges can receive formula funding for contact hours with State funds. Chair Guthrie stated that this pathway has a lot of potential for us going forward and will help reach the 60x30 goal set by the State. He reported that this bill has yet to be signed by the Governor.

Board Member Cheryl Guido expressed her appreciation to Chair Guthrie for his participation in the Criss Cole Rehabilitation Center (CCRC) immersion training.

Chair Guthrie concluded his report and no action was taken.

Audit/Monitoring Committee Report

Committee Chair Joe Garcia reported that the Audit/Monitoring Committee met Tuesday, May 23, 2017 at the H-GAC office. Committee Chair Joe Garcia, Committee Vice Chair Guy Jackson, and members Ray Aguilar, Kendrick McCleskey, Gerald Andrews, Cheryl Guido, Allene Schmitt, Scott Marshall, and Doug Carr attended the meeting. Board Chair Mark Guthrie and Willie Alexander also attended.

Chair Garcia reported that the Committee members reviewed the following information from quality assurance monitoring reports completed through March 2017:

- **Texas City office (BakerRipley - NCI).** Rated: Solid Performance. The team recommended coaching for the greeter and adjustments to improve customer support. All findings have been resolved.
- **Bay City (Interfaith).** Rated: Solid Performance. The team noted customer service, engaging customers and documenting complaints needed improvement and recommended coaching. Training for staff on entering referrals, providing bonding information and financial aid was recommended. All findings are resolved.
- **Humble (Interfaith).** Rated: Solid Performance. The location of phones needed to be moved to protect customer information. Training and coaching was needed for staff regarding resources and applicable service, quality of referral, navigating WorkInTexas, documentation for financial aid and security of data. All findings are resolved.
- **Financial Aid Call Center (Interfaith).** Rated: Solid Performance. The quality assurance team reviewed the eligibility process and authorization of financial aid. The team noted improvements from the prior year; however, a backlog existed in the receiving unit. A change in eligibility rules has affected the Call Center's ability to stay abreast of the number of customers requesting service. The team recommended staff practice active listening skills and develop a checklist to

ensure customer information is not compromised and emails are encrypted. Management review emails and provide coaching to staff on courtesy, professionalism, complaint documentation, as well as, training for all staff on eligibility for financial aid for scholarships. All findings are resolved.

- **Cuney Homes – (BakerRipley/NCI).** Not yet rated. Nine agencies are participating to provide quality, affordable housing options and promote education and economic self-sufficiency for residents of the Houston Housing Authority’s Cuney Homes. Workforce Solutions has a presence onsite at the development, in partnership with HHA, Texas Southern University, Houston Community College, the Houston Food Bank, SER-Jobs for Progress, the Houston Area Urban League, and the United Way. Workforce Solutions began onsite in October 2015 on a limited basis and in March 2017 on a full-time basis. The monitoring team recommended staff use the available resources to connect residents with work based learning through partner agencies. The individuals hired will be a source to contact other residents and inform them of services. The team will conduct a follow up review during August 2017.
- **U.S. Department of Labor Review.** DOL visited us in February 2017 as a part of its review of the Texas Workforce Commission and the Commission’s implementation of a special grant of funds. DOL complimented us on our system, but also recommended that we improve customer records and support for customers engaged in on-the-job training and that H-GAC ensure its financial policies and property records are updated to federal requirements. We have worked with Employer Services to address the records and support for on-the-job training, and H-GAC’s Finance Department is working on the internal policies and procedures updates.
- **Board Oversight Capacity Rating.** The Texas Workforce Commission evaluates each workforce board’s overall capacity to oversee and manage local funds and the delivery of local workforce services on an annual basis. This includes a board’s ability to:
 - ✓ Develop, maintain, and upgrade comprehensive fiscal management systems
 - ✓ Hire, train, and retain qualified staff to carry out the Board’s oversight activities
 - ✓ Select and oversee local contractors to improve the delivery of workforce services
 - ✓ Oversee and improve the operations of Workforce Solutions offices served by the Board
 - ✓ Manage each contractor’s performance across multiple Board programs, and
 - ✓ Identify and resolve any long-standing Board oversight problems and contract provider performance issues.

Our Board met five of the six requirements and missed one of the targets under “Manage each contractor’s performance across multiple Board programs”.

We missed the target for meeting at least 80% of our production requirements. In 2016, we had nine production requirements, and we met seven. One requirement is no longer in force (Youth Literacy/Numeracy Gains) and for the other requirement -- Employers Receiving Workforce Assistance -- we were at 92% of target.

The Audit/Monitoring Committee asked the Employer Service Committee to address the missed production requirement with the Employer Service contractor.

Chair Guthrie commented that, since the Workforce Board began 20 years ago, the Board has focused on serving employers. The Employer Services Committee has a conference call scheduled later this month to address this issue and to receive a further report from staff. He assured the Board that the situation will be managed with very close attention.

Board Member Helen Cavazos asked Chair Garcia to provide information on the requirements that were not met. Chair Garcia stated that one of the measures is a measure that is no longer in force. The other measure relates to the number of employers receiving assistance from Workforce Solutions. Chair Garcia said that we are an employer-driven organization and we try to do what we can to provide employers with as many resources as possible. Chair Garcia also noted that we have a procurement process coming up this summer and as part of that process, we will look at what we are doing, how we are doing it and how we can do it better.

Chair Garcia concluded his report and no action was taken.

Education Committee Report

Committee Chair Birgit Kamps reported that the Education Committee met on May 17, 2017, at the H-GAC offices. Chair Birgit Kamps led the meeting. Other members in attendance were Committee Vice Chair Allene Schmitt, Board Chair Mark Guthrie, Cheryl Guido, Alan Heskamp, Eduardo Honold, Doug Karr, Scott Marshall and Bill Crouch.

Chair Kamps reported that the Committee reviewed plans from Board staff to support 60x30TX and received information on recent research efforts by the Texas Workforce Investment Council (TWIC.) She noted that the three reports from TWIC are included in the Board packet as part of Item 7a, and they were also shared with the Employer Services Committee.

Chair Kamps continued her report and the provided the related staff recommendations and Committee approvals, as follows:

Current Situation

1. Supporting the most economically disadvantaged districts in the Gulf Coast region

The goal of 60x30TX is to ensure that at least 60% of Texans ages 25-34 will hold either a certificate or degree by the year 2030. The Board is committed to providing the best

high-quality labor market information so that students, parents and educators can make informed college and career decisions.

As the 60x30TX report recognizes, the pipeline to the state's higher education starts with a K-12 public school population in which 60 percent of students qualify for free or reduced-price lunches. The graduation reports for Texas for fiscal years 2004 to 2014 show that only about 10 percent of the poorest eighth-grade students in Texas attain a postsecondary credential when tracked for 11 years.

To achieve the 60x30TX goal in the Gulf Coast area, staff researched and analyzed school and district data to target schools with high concentrations of disadvantaged students. Staff identified the candidate schools/districts listed below for this effort.

Implementation Steps

- Targeted districts and schools would be offered a 3-hour professional development workshop for educators on:
 - Labor Market Information
 - Career Readiness Resources (including WIGU demonstrations)
 - Workforce Solutions service
- The content focus would be on how to access and use labor market and career readiness resources, how to understand labor market information, and to begin to devise strategies for using the information and resources with students.
- The educator workshop would include a description of the career readiness workshops offered by the Regional Facilitator team with coordinated effort to schedule and deliver curriculum to students ongoing.
- After the educator workshop has been delivered and the student workshop plan has been developed, follow up with the district to consult and help develop a sustainable plan of action for student and educator awareness of workforce resources and information will occur. As part of this plan, Workforce Solutions staff will advise on the development of work-based learning opportunities for students and faculty as well as potential business partnerships.

Timeline

The recommendation also offers that, due to scope and scale, the implementation occurs in two phases over the Fall 2017 and Spring 2018 academic semesters:

- Fall 2017: Galena Park ISD, Spring Branch ISD High Schools, and Liberty County ISDs
- Spring 2018: Aldine ISD, Damon ISD/HS, and Galveston ISD/Ball HS

Evaluation

To measure effectiveness, a draft pre- and post-assessment is included in the committee packet for review.

2. Conducting a gap analysis on supply and demand of candidates with Level 1 Workforce Certificates

To supplement the data that is already available and accessible, Board staff has developed a draft survey for community colleges and a similar survey for employers for review.

Implementation

- We will issue a survey to colleges to inquire about the number and types of level one workforce certificates offered as well as any embedded industry recognized credentials within each pathway
- We will issue a survey to employers to inquire about the types of industry recognized credentials, skills, and competencies needed for positions for which they recruit from the community colleges

Timeline

Surveys will be conducted during June. We will perform analysis of the results during July and present results in August.

Evaluation

Following this exercise, staff will make a recommendation for possible action on the survey results.

Next Steps

Committee will meet again in September to receive a progress report on targeted support efforts and review survey results.

Chair Kamps concluded her report and no action was taken.

Government Relations Legislative Update

Committee Chair Guy Robert Jackson reported that the 85th Texas Legislative regular session has ended. He reported as follows:

Some of the bills of interest that were passed in both chambers:

- [SB 2105](#)
 - **Sen. Miles**
Requires the Texas Workforce Commission to provide information on all CTE partnership opportunities with business and industry, and professional development and learning opportunities (i.e., internships, industry mentorships, summer programs, after-school programs, career-based student leadership opportunities) that are available regionally.
Status: Signed by Governor, Effective on 9/1/2017
- [SB 160](#)
 - **Sen. Rodríguez**
Would prohibit the TEA from adopting or implementing a performance indicator in any agency monitoring system that evaluates the total number of students or the percentage of enrolled students of a school district or open-enrollment charter school who receive special education services.

Status: Signed by Governor, Effective immediately

- [HB 1638](#)
 - **Rep. Guillen**

Intended to increase quality and consistency among dual credit programs by requiring TEA and THECB to create joint statewide goals for academic dual credit programs and requiring high schools and postsecondary institutions to enter into Memoranda of Understanding for dual credit programs that align with new TEA/THECB joint statewide goals.

Status: Signed by Governor, Effective immediately

- [HB 2994](#)
 - **Rep. Ashby**

Amends the Education Code to require contact hours attributable to the enrollment of a student in a workforce continuing education course offered by a public junior college to be included in the contact hours used to determine the college's proportionate share of state money appropriated and distributed to public junior colleges, regardless of whether the course is taken by a student who is not an adult or whether the college waives all or part of the tuition or fees for the course.

Status: Sent to the Governor

- [HB 136](#)
 - **Rep. Bell**

Would amend the definition of a well-balanced curriculum in the Education Code to add success in a variety of post-secondary activities, including employment, workforce training, and enrollment in institutions of higher education. The bill also would add the objective for TEA to assist school districts and charter schools in providing career and technology education and effective workforce training opportunities to students.

Status: Signed by Governor, Effective immediately

- [HB 639](#)
 - **Rep. Charles Anderson**

Relating to authorizing the purchase of certain insurance coverage by public school districts for the benefit of businesses and students participating in career or technology training programs and providing for immunity from liability of certain public school students participating in career or technology programs.

Status: Signed by Governor, Effective Immediately

- [HB 3349](#)

- **Rep. Gervin-Hawkins**

Would create an abbreviated educator preparation program for a person seeking certification in trade and industrial workforce training who has 10 years of experience and holds with respect to that occupation a current license, certificate, or registration. The bill also would establish a trade and industrial workforce training certificate that may be obtained through an abbreviated educator preparation program.

Status: Sent to the Governor

The 115th Congress is currently voting on the reauthorization of the Carl D. Perkins Career and Technical Education Act.

- [HR 2353](#)

- **Rep. Glenn Thompson**

Strengthening Career and Technical Education for the 21st Century Act: The U.S. House Education and the Workforce Committee held a hearing on May 17th to consider HR 2353, the Strengthening Career and Technical Education for the 21st Century Act. The bill reauthorizes the Carl D. Perkins Career and Technical Education Act as well as makes changes to the program by adding more flexibility, streamlining reporting processes, encouraging innovation, and improving transparency and accountability.

The Committee adopted a committee substitute which delays the implementation date of the bill to align with the school year as well as makes technical corrections. The Committee approved the bill by a voice vote. HR 2353 will now go to the U.S. House of Representatives for consideration.

Chair Jackson said that he will continue to monitor and track additional bills that will be debated on the House floor.

Chair Jackson also report that the Governor has indicated that there may be a special session announced next week.

Chair Jackson concluded his report and no action was taken.

TAKE ACTION

- Employer Service. The Committee Chair will update members on the committee's May meeting and present recommendations to target high-skill, high-growth occupations for scholarship assistance*

Employer Service Committee Chair Gerald Andrews reported that on May 23, 2017, the Employer Service Committee met at H-GAC. The meeting was led by Chair Andrews. Also attending were Board Chair Mark Guthrie, Alan Heskamp, Cheryl Guido, Guy Robert Jackson, Connie Smith and Gil Staley.

Chair Andrews reported that the Committee took action on supporting High Skill, High Growth occupations with scholarships. Additionally, the Committee received information on research reports from the Texas Workforce Investment Council (TWIC) and Registered Apprenticeship activities. Finally, Guy Robert Jackson relayed a potential performance issue from the Audit/Monitoring Committee. Board staff will gather relevant data for a follow-up meeting in June that will include the Employer Service contractor.

With regards to the Registered Apprenticeship, Chair Andrews reported that the Committee received information about the benefits to employers that apprenticeship programs provide. Additionally, staff shared information about non-traditional programs such as computer support specialist apprenticeship at JP Morgan Chase and several healthcare technical positions with Harris Health. The Texas Workforce Investment Council recently shared information on an industry-based certification system initiative intended to help identify the national credentials that are most valued by employers in STEM-related occupations.

Chair Andrews said that Committee member Guy Robert Jackson shared information from the Audit/Monitoring Committee meeting that was held prior to our meeting. Member Jackson informed the Committee of a potential performance issue with an Employer Service contractor. Chair Andrews reported that in response, he had asked the staff to gather relevant data and information for a follow-up meeting on this issue, and that this meeting would take place by conference call on Thursday, June 22nd at 10:00am.

Chair Andrews then stated that the Employer Service Committee has one action item to bring to the Board today. He reported that in the Committee meeting, the Committee received the staff's recommendation to support some High-Skill, High-Growth Occupations with Workforce Solutions scholarships.

The Gulf Coast Workforce Board targets the resources it controls — and influences those controlled by its partners in the regional workforce system — with its strategic plan and a series of three supporting lists: 1) *Targeted Industries*, 2) *High-Skill, High-Growth Occupations*, and 3) *Where the Jobs Are*, a list of occupations likely to provide the largest number of job opportunities in the region over the next ten years.

The Board approved these lists in December 2016. Board staff noted at the time that from time to time, staff would come back to the Committee and the Board with recommendations on which occupations on the High-Skill, High-Growth list would be appropriate to support with our scholarship funds. While we promote career opportunities for all the Board's High-Skill, High-Growth occupations, we provide scholarship assistance where we believe we can make the most impact. We offer scholarships for a sub-set of occupations on the High-Skill, High-Growth list. The chart below contains the staff's and Committee's recommendations for occupations supported by scholarships. The chart presents the recommended scholarship occupations by the targeted industry in which they are primarily employed. Most occupations are found in multiple targeted industries.

Mining	Construction	Manufacturing	Trade, Transportation & Utilities	Professional & Business Services	Education & Health Services
Petroleum Engineers	Heating, AC, & Refrigeration Mechanics & Installers	Chemical Plant and System Operators	Bus & Truck Mechanics & Diesel Engine Specialists	Accountants & Auditors	Career & Technical Teachers, Secondary
Petroleum Pump System Operators, Refinery Operators, & Gaugers	Plumbers, Pipefitters, & Steamfitters	Chemical Engineers	Mobile Heavy Equipment Mechanics, Except Engines	Paralegals & Legal Assistants	Education, Guidance, School & Vocational Counselors
Geoscientists, Ex. Hydrologists & Geographers	Electricians	Machinists		Computer Systems Analysts	Elementary School Teachers, Ex. Special Ed
	Cost Estimators	Industrial Engineers		Network and Computer Systems Administrators	Kindergarten Teachers, Ex. Special Ed.
	Operating Eng. & Other Construction Equipment Operators	Industrial Machinery Mechanics		Software Developers, Applications	Middle School Teachers, Ex. Special Ed. & CTE
	Welders, Cutters, Solderers, and Brazers	Electrical and Electronics Engineering Technicians		Software Developers, Systems Software	Secondary School Teachers, Ex. Special Ed. & CTE
	Civil Engineers	Aerospace Engineers		Engineers, All Other	Special Ed. Teachers (4): Kinder/Elem; Preschool; Middle: Secondary
		Health and Safety Engineers		Electrical Engineers	Registered Nurses
				Environmental Engineers	Licensed Practical & Licensed Vocational Nurses
				Electronics Engineers, Ex. Computer	Radiologic Technologists & Technicians
				Marine Engineers & Naval Architects	Medical & Clinical Laboratory Technologists
				Materials Engineers	Occupational Therapists
				Mechanical Engineers	Physical Therapists

Mining	Construction	Manufacturing	Trade, Transportation & Utilities	Professional & Business Services	Education & Health Services
					Speech-Language Pathologists
					Respiratory Therapists
					Biomedical Engineers

A motion was made and seconded to approve the proposed occupations on the High-Skill, High-Growth list to support with our scholarship funds. The motion carried.

Chair Andrews concluded his report and no further action was taken

RECEIVE INFORMATION

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

Mr. David Baggerly reviewed the Performance measures for October 2016 through April 2017.

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 Board measures for Workforce Solutions at each meeting.

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 22,000 employers this year. We provided services to 11,471 employers in the period October 2016 through April 2017	22,000	11,471	23,591
<u>Employer Loyalty</u> Of a possible 20,759 employers, 6,958 returned to Workforce Solutions for additional services in the period October 2016 through April 2017	60.0%	33.5%	56.0%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> New jobs created in the region as a result of Workforce Solutions partnering with economic development organizations. This information is captured quarterly and reflects a two-year average through March 2017.	3,200	666	928
<u>Customers employed by the 1st Qtr. after exit</u> 171,644 of the 221,188 customers who exited service in the period October 2015 through June 2016 were employed by the quarter after exit.	76.0%	77.6%	78.4%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Earnings Gains of at least 20%</u> 65,767 of the 229,343 customers who exited in the period April 2015 through December 2015 had earnings gains of at least 20%.	36.0%	28.7%	33.4%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> 826 of 1,196 customers who pursued an education diploma, degree or certificate and exited from July 2016 through March 2017, attained a diploma, degree or certificate by the end of the quarter after exit.	74.0%	69.1%	74.2%

Production

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

For the performance year that began October 1, 2016, we are meeting or exceeding the target for thirteen of eighteen state measures. Based on the most recent report from the state, March 2017, these are the measures we are not achieving:

- Number of Employers Receiving Workforce Assistance: The annual target for this measure is 26,235. We provided services to 10,776 employers from October 2016 through March 2017.
- Average number Children Served (Discrete Month): The target for this measure is 21,465. Our performance for customers served from March 2017 through March 2017 was 18,435. We plan to meet this measure by the end of June.
- Median Earnings Q2 Post Exit – Adult: The target for this measure is \$3,910. Our performance for customers who exited from July 2015 through March 2016 was \$3,669.
- Median Earnings Q2 Post Exit – Dislocated Worker: The target for this measure is \$6,980. Our performance for customers who exited from July 2015 through March 2016 was \$6,319.
- Credential Rate – Dislocated Worker: The target for this measure is 66.6%. Our performance for customers who exited from January 2015 through September 2015 was 62.7%.

Adult education measures for the period July 2016 through February 2017 include:

- Total enrollments are the number of individuals who begin an adult education class.
- 12+ hour enrollments count the number of individuals who are in class 12 or more clock hours.
- Transitions enrollments count the number of individuals in adult education classes designed to lead to further post-secondary training.
- Career Pathways enrollments counts the number of individuals in contextualized learning (basic education and occupational skills at the same time) classes.
- Integrated English Language and Civics courses will be integrated with some workforce training that result in a job and/or certificate/credential.
- TWC Accelerate Texas includes individuals enrolled in an integrated education and training module.

	Target	Year to Date
<i>Total Enrollments</i>	20,865	21,089
<i>12+ Hour Enrollments</i>	19,500	19,450
<i>Transitions</i>	883	1,050
<i>Career Pathways</i>	842	633
<i>Integrated English Language & Civics Ed.</i>	655	156
<i>TWC Accelerate Texas</i>	220	274

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for the first four months of the year. We are running slightly under our estimate of expenditures and are in the black in all categories. We generally see a slight increase around the summer and fall, but we do not see any problems.

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

LOOK AT THE ECONOMY

Mr. Ron Borski presented a look at the current economy. Our rate of unemployment is at 5.3%. April is a month that we typically see a downturn. This is expected to level out and go up over the next couple of months as people get out of school and look for work. Compared to a year ago, we are up about 0.5%. We have approximately an additional 17,000 people unemployed. This compares to the national rate which is down by 0.5% over that one year period. According to estimates, we are currently adding jobs at the same pace as the national level. On an adjusted basis, ours is about the same as the national rate of 1.5% compared to our 1.4%. On a positive note, we are up 14.6% over our pre-recession high compared to the national increase of 5.5%.

The top industries adding jobs are Educational and Health Services, Government, Professional and Business Services, Leisure and Hospitality, and Manufacturing. What is different from what we saw a few months ago is that we have added two new industry sectors, Professional and Business Services and Manufacturing. On the down side, we saw a decrease in the number of jobs in Construction, Mining and Logging and Trade, Transportation and Utilities. According to current estimates, we netted out an increase of 41,900 jobs year-over-year in April.

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

Mr. Parker Harvey presented a look at population trends in the 13 county Gulf Coast Region as of July 2016. Conroe is the fastest growing city in the country out of cities with population of 50,000 people or more, growing 7.8% between mid-2015 and mid-2016. The report also shows that, out of the top 20 fastest growing cities, two other cities from the Houston area are included, Pearland and League City.

Our region's population as of July 2016 was 6.94 million residents. Net population increase over the year July 2015 to July 2016 was 127,000. If we have been growing at that same pace, we have probably already broken the 7 million mark.

Compared to the 2010 census, we have added 857,000 new residents to the region. Out of those, we have 104,225 new births and 42,150 deaths. When you combine those two vital events, you get Natural Increase. International Migration (people coming from outside of the United States) migrating to our 13 county region adds up to 35,223 and

29,112 Domestic Migration (people moving in from other parts of Texas or US). That is 64,335 people moving into our 13 county region.

Between mid-2014 and mid-2015, about 39% of our growth came from Natural Increase. International Migration was about 1/5th and Domestic Migration was another 39%. Evenly split between Natural Increase and Domestic Migration.

Fast forward a year and half of our increase has come from Natural Increase with 28% from International Migration. Domestic Migration has shrunk quite a bit.

After 2010, Natural Increase has been stable around 59,000 to 63,000 people added every year. International Migration is growing from about 28,000 to about 36,000. We are not seeing much of an impact as a result of a few downturns in Oil and Gas. Domestic Migration, on the other hand, ramped up from 2010 onward, topping out in 2014 and then plunging back down to almost 2012 levels in 2016. What this shows is that Domestic Migration is much more sensitive to changes in the job market and job growth than International Migration. Natural Increase is not going to be affected a lot by normal cyclical downturns in the economy. You would have to have a pretty major disruptive event like a natural disaster or the great recession to see a real impact there.

Taking a look at job growth over the last couple of years against net In-Migration (International and Domestic migrants coming into our region), we see that 2011 there are 68,000 jobs created year-over-year and 50,000 people moved here. In 2012 job growth grows to about 103,000 jobs year-over-year with 65,000 people coming here. In 2013 104,000 job growth year-over-year and almost 86,000 people moved here. As we get to 2014 we get a bit of an inversion. We now have more people coming here (102,000) than we have jobs being added year-over-year (99,000). In 2015 90,000 people moved here and 52,000 jobs were created. In 2016 we have 64,000 moving here and we are losing 1,500 jobs year-over-year.

The same number of people were moving here in 2016 in a year when we were adding no jobs as were moving here in 2012 when we had some of our best job growth on record. It may not be as dire as it seems, we would have to have a better look at who those people were and what industries they were working in to get a sense of how this will impact things.

Next, we will look at some of our individual counties. Harris is still the largest by far at 4.6 million residents, followed by Fort Bend with about 740,000 and Montgomery with about 556,000. Brazoria has about 354,000 and Galveston has about 329,000. Those five counties together are 95% of the population of our 13 county region.

If we look at growth rates in population over that most recent year, mid-2015 to mid-2016, we see that Fort Bend continues to be our fastest growing county at 3.8%. Typically for the last several years Montgomery has been the second fastest growing county at about 3.7%. Third place has changed a bit over time. If we go back to 2010 or 2011, Harris was our third fastest growing county. It is now dropped to ninth fastest

growing. Over that same period, Waller has emerged as our third fastest growing county at 3.1% over the most recent year.

Next, let us look at how many people internationally migrated to our region over mid-2015 to mid-2016 by county. Harris, our largest county, had the most international migrants at almost 28,000, followed by Fort Bend and Montgomery.

We have one county in our 13 county region that saw people leave in net terms domestically and that was Harris. Harris lost 16,000 people between mid-2015 and mid-2016. It is possible that some of those people simply moved across county lines and went to Fort Bend, Montgomery, Brazoria, etc. However, if we were to look back, Harris added 17,000 people the previous year. We went from being up 17,000 down to negative 16,000 over the course of just a couple of years. This shows that probably a good number of those people simply left the region in search of job opportunities as a result of the downtrend in oil and gas. We still have 4.6 million people and 80% of the jobs are still in Harris county.

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

RECOGNIZE OUTSTANDING PERFORMANCE

Career Office Committee member Cheryl Guido presented I AM Workforce Customer Service Awards to:

- Dennita Allen, Greeter
Workforce Solutions – Westheimer
- Workforce Solutions – Southeast Management Team
Jaime Campos, Eva Hernandez, Johna Reiss and Robert Seidenberger

The Board congratulated and expressed appreciation to these individuals for their efforts.

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

	08/02/16	10/04/16	12/06/16	02/07/17	04/04/17	06/06/17
Aguilar, Ray	X	X	X	X		
Alexander, Willie	X		X	X		X
Allen, Karlos			X	X	X	X
Andrews, Gerald	X	X	X	X	X	X
Baitland, Betty	X	X	X	X	X	X
Beard, Peter	X	X	X	X	X	X
Bhargava, Narayan						
Bouse, Sara	X	X	X	X	X	X
Bowles, Carl	X		X	X		X
Cavazos, Mary Helen						X
Garcia, Joe	X		X	X	X	X
Guido, Cheryl	X	X	X	X		X
Guthrie, Mark	X	X	X	X	X	X
Henderson, Bobbie Allen	X	X	X	X	X	
Heskamp, Alan	X		X	X	X	
Honold, Eduardo	X	X	X		X	
Jackson, Guy Robert	X	X	X	X	X	X
Janes, Sarah	X		X		X	
Josserand, John	X	X	X			X
Kamps, Birgit		X	X	X	X	X
Karr, Doug	X	X	X	X	X	X
King, Paulette	X	X	X	X	X	X
Labroski, Jeff		X	X	X	X	X
Marshall, Scott						
McCleskey, Kendrick	X	X		X	X	
Mechler, Steve	X			X	X	X
Nevlud, Jerry		X		X		
O'Black, Linda	X	X	X	X	X	X
Pillow, Dale		X	X		X	X
Ruley, Janice	X			X		X
Schmitt, Allene	X	X	X	X	X	X
Shaw, Richard	X	X	X	X	X	X
Smith, Connie	X	X	X	X		
Staley, Gil	X	X		X	X	X
Timmins, Evelyn	X	X	X	X	X	X
Violette, Kelly						
Welch, Fred	X					X
Williams, Shunta				X	X	X
Wroblewski, Sarah	X		X	X		

GULF COAST WORKFORCE BOARD

AGUILAR, RAY

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

Category: Business

County: Fort Bend

rayfrank11@yahoo.com

Term: January 1, 2017 thru December 31, 2018

ALEXANDER, WILLIE

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

Category: Business

County: City of Houston

walex@wjalexander.com

Term: January 1, 2015 thru December 31, 2016

ALLEN, KARLOS

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

Category: Business

County: City of Houston

kallen@tkgadvisors.net

Term: January 1, 2016 thru December 31, 2017

ANDREWS, GERALD

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

Fax: (979) 297-7080

Category: Business

County: Brazoria

geraldandrews36@yahoo.com

Term: January 1, 2015 thru December 31, 2018

BAITLAND, BETTY

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

Category: CBO

County: Fort Bend

bbaitland@comcast.net

Term: January 1, 2017 thru December 31, 2018

BEARD, PETER

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

Category: Business

County: City of Houston

pbeard@houston.org

Term: May 1, 2015 thru December 31, 2016

BHARGAVA, NARAYAN

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

Fax: (713) 475-0083

Category: Business

County: Harris

nbhargava@thesdbgroup.com

Term: January 1, 2017 thru December 31, 2018

BOUSE, SARA

Alvin Community College
3110 Mustang Road
Alvin, TX 77511

(281) 732-8389 – cell

(713) 756-3568 – office

Category: Education

County: Brazoria

sbouse@alvincollege.edu

Term: January 1, 2015 thru December 31, 2018

BOWLES, CARL

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

CAVAZOS, MARY HELEN

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

GARCIA, JOE

ICOTEX
3479 Pollock Drive
Conroe, TX 77303
(832) 699-4693
Category: Business
County: Waller
joe.garcia@ico-tex.com
Term: January 1, 2015 thru December 31, 2018

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, 2016 thru December 31, 2017

GUTHRIE, MARK

Winstead PC
1100 JPMorgan Chase Tower
600 Travis Street
Houston, TX 77002
(713) 650-2730
Fax: (713) 650-2400
Category: Business
County: City of Houston
mguthrie@winstead.com
Term: January 1, 2015 thru December 31, 2016

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, 2015 thru December 31, 2016

HESKAMP, ALAN

Heskamp & Associates LLC
311 Hoskins Broadway
El Campo, TX 77437
(979) 758-4521
Category: Business
County: Wharton
aheskamp@sbcglobal.net
Term: January 1, 2016 thru December 31, 2017

HONOLD, EDUARDO

Harris County Department of Education
6515 Irvington Blvd.
Houston, TX 77022
(713) 691-8765
Fax: (713) 695-1976
Category: Adult Basic & Cont. Edu
County: Harris
ehonold@hcde-texas.org
Term: January 1, 2016 thru December 31, 2017

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, 2015 thru December 31, 2018

JANES, SARAH

San Jacinto College
8060 Spencer Highway
Pasadena, TX 77505
281-998-6100
Fax: (281) 479-8127
Category: Education
County: Harris
sarah.janes@sjcd.edu
Term: January 1, 2016 thru December 31, 2017

JOSSERAND, JOHN

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

KAMPS, BIRGIT

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

KARR, DOUG

Pro Staff/Atterro
27 Canoe Birch Place
The Woodlands, TX 77382
832-967-7684
Category: Business
County: Montgomery
doug.karr@prostaff.com
Term: January 1, 2016 thru December 31, 2017

KING, PAULETTE

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

LaBROSKI, JEFFREY

Plumbers Local Union No. 68
502 Link Road
P.O. Box 8746
Houston, TX 77249
(713) 869-3592
Fax: (713) 869-3671
Category: Labor
County: City of Houston
ski@plu68.com
Term: January 1, 2015 thru December 31, 2016

MARSHALL, SCOTT

Jacobs
5995 Rogerdale Road
Houston, TX 77072
(832) 351-6655
Category: Business
County: Harris
scott.marshall@jacobs.com
Term: November 30, 2015 thru December 3, 2017

McCLESKEY, KENDRICK

PricewaterhouseCoopers-
1903 Crockett St.
Houston, TX 77007
(281) 788-6046
Category: Business
County: City of Houston
klmccleskey@gmail.com
Term: January 1, 2015 thru December 31, 2016

MECHLER, STEVE

Balfour Beatty Construction
4321 Directors Row, Suite 101
Houston, TX 77092
(713) 824-6266
Category: Business
County: Harris
smechler@ticonstructors.com
Term: January 1, 2016 thru December 31, 2017

NEVLUD, JERRY

AGC Houston
3825 Dacoma Street
Houston, TX 77092
(713) 843-3700
Fax: (713) 843-3777
Category: Business
County: Harris
jerry.n@agchouston.org
Term: January 1, 2016 thru December 21, 2017

O'BLACK, LINDA

United Way of the Texas Gulf Coast
50 Waugh Drive
Houston, TX 77007
(713) 685-2416
Fax: (713) 685-5555
Category: CBO
County: City of Houston
LO'Black@unitedwayhouston.org
Term: January 1, 2016 thru December 31, 2017

PILLOW, DALE

Adult Reading Center, Inc.
2246 N. Washington Ave.
Pearland, TX 77581
(281) 485-1000
Fax: (281) 485-3473
Category: Literacy
County: Brazoria
dale.pillow@adultreadingcenter.org
Term: January 1, 2016 thru December 31, 2017

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@houston.tx.gov
Term: January 1, 2015 thru December 31, 2016

SCHMITT, ALLENE

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

SHAW, RICHARD

Harris County Labor Assembly,
AFL-CIO Council
1707 Prism Lane
Houston, TX 77043-3344
(713) 461-0051/(713) 240-2472
Category: Labor
County: City of Houston
shawtrek@aol.com
Term: January 1, 2015 thru December 31, 2016

SMITH, CONNIE

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

Fax: (713) 681-9242

Category: Business

County: City of Houston

mmpfb@msn.com

Term: January 1, 2016 thru December 31, 2017

STALEY, GIL

The Woodlands Area Economic Development
Partnership

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

Fax: (281) 298-6874

Category: Business

County: Montgomery

gil.staley@edpartnership.net

Term: January 1, 2016 thru December 31, 2017

TIMMINS, EVELYN

Houston Mayor's Committee for
Employment of People with Disabilities
2120 Lundy Lane

Friendswood, TX 77546

(281) 388-1967

Category: CBO

County: City of Houston

evtimmins@aol.com

Term: January 1, 2015 thru December 31, 2016

VIOLETTE, KELLY

Tomball Economic Development Corporation
29201 Quinn Road, Unit B
Tomball, TX 77375

(281) 401-4086

Fax: (281) 351-7223

Category: Economic Development

County: Harris County

kviolette@tomballtxedc.org

Term: January 1, 2017 thru December 31, 2018

WELCH, FRED

Greater Conroe Economic
Development Council
505 West Davis

Conroe, TX 77301

(936) 522-3014

Fax: (936) 756-6162

Category: Econ. Develop

County: Montgomery

welch@gcedc.org

Term: November 30, 2015 thru December 31, 2017

WILLIAMS, SHUNTA

Texas Workforce Commission
3555 Timmons Lane, Suite 120
Houston, TX 77027

(713) 993-2439

Fax: (832) 681-2534

Category: State Agency

shunta.williams@wrksolutions.com

Term: January 1, 2017 thru December 31, 2018

WROBLESKI, SARAH

Pasadena Independent School District
CTE Department
1348 Genoa-Red Bluff

Houston, TX 77034

(713) 740-0802

Fax: (713) 740-4082

Category: Education

County: Harris

swrobleski@pasadenaisd.org

Term: January 1, 2017 thru December 31, 2018

WORKFORCE BOARD KEY STAFF:

Mike Temple, Director
David Baggerly, Program Manager
Michelle Ramirez, Program Manager
Brenda Williams, Quality Assurance Manager
Deborah Duke, Administrative Coordinator
Cally Graves, Employer Services
Lucretia Hammond, Grants Management

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

GULF COAST WORKFORCE DEVELOPMENT BOARD

COMMITTEES

Audit/Monitoring

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

Budget

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

By-Laws

- – Chair
- – Vice Chair
- Betty Baitland
- Fred Welch

Career Office

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

Early Education and Care

- Bobbie Henderson – Chair
- Linda O’Black – Vice Chair
- Betty Baitland
- Sarah Janes
- Birgit Kamps
- Scott Marshall
- Allene Schmitt

Employer Services

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

Government Relations

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

GULF COAST WORKFORCE DEVELOPMENT BOARD

COMMITTEES

Nominating

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

Oversight Committee

- Gerald Andrews
- Bobbie Henderson

Procurement

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

Report Card

- Richard Shaw – Chair
- Linda O'Black – Vice Chair

Strategic Planning

- Carl Bowles – Chair
- – Vice Chair
- Betty Baitland
- Sarah Janes
- Doug Karr
- Kendrick McCleskey
- Linda O'Black
- Richard Shaw
- Evelyn Timmins

System Visibility

- Evelyn Timmins – Chair
- Gerald Andrews
- Carl Bowles
- Joe Garcia
- Bobbie Henderson
- Richard Shaw

Workforce Education

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

Audit/Monitoring

Annual Summary and Trends

Background

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

The Regional Quality Assurance Team is composed of Board staff and representatives from our major contractors. The team carries out quality assurance monitoring throughout the year that includes on-site visits and records reviews. During on-site visits, we interview staff, management and customers; observe operations; and check various compliance items. Our records reviews cover customer data, assessing accuracy, completeness, appropriateness, and compliance with guidelines, policies, procedures and rules.

Our contracted fiscal monitors conduct financial reviews for our contractors annually.

We identified trends and opportunities for improvement during the year as listed:

Trends

- Rankings for career offices have been steady at Solid Performance, with several offices reaching Strong Performance.
- We saw improvement in the appearance of our facilities and in overall customer satisfaction.
- We saw improvement in applications, resumes and documentation for training.
- The Financial Aid Support Office, Financial Aid Payment Office and Employer Service were all rated Solid Performance.
- We reached our adult education enrollment targets regionwide and saw improvement in record keeping and documentation. We also saw improvements in outcomes.
- Early education quality improvement activities have resulted in more providers with a Texas Rising Star certification, as well as more providers accessing scholarships, equipment grants and training.

Opportunities for Improvement

- The entire system can improve in the quality of how we screen and refer candidates to employers for open jobs and how individuals are placed into work.

- We continue to see opportunities for staff to focus on the needs and wants of the customer rather than slotting them in the service we provide.
- Offices can improve documentation surrounding financial aid/cash substitutes in the career offices, we found inconsistencies in approximately 15% of the records we reviewed.
- Offices and the Support Office can improve documentation for eligibility determinations for youth.
- Adult education providers can ensure flexible year-round classes are available in the student's community.
- The Financial Aid Support Office can improve processes and internal controls to manage the volume of work and required reporting.
- Career office and young adult provides can improve by developing and implementing additional strategies to outreach and serve youth.
- The Financial Aid Payment office can improve by paying vendors within 30 days of the invoice and strengthening the process of repayment of overpayments by vendors.
- Employer services can improve by coordinating efforts with the career office to ensure we are connecting employers with qualified applicants.
- All contractors and providers can ensure positions are filled timely and staffing levels are maintained.

Financial

- All contractors can improve by reviewing and following the policies for procurement.
- Contractors can improve on meeting expenditure benchmarks.

Conclusion

Annually we identify high areas of risk, develop monitoring methods to assess results and verify compliance, conduct monitoring reviews, make recommendations and assist in follow up to ensure contractors and units address concerns as they are identified. Contractors have responded timely with adequate actions to address findings and work cooperatively with us to identify and develop strategies for improvement when weaknesses are identified.

Although there are opportunities for improvement, we believe our system is more receptive, focused on service to employers, and more attentive to customer needs and wants. Board staff will continue oversight by providing technical assistance, guidance and implementing performance improvement and corrective action plans as warranted.

Employer Service Committee

Measuring Market Share

The Employer Service Committee met via teleconference on Thursday, June 22, 2017. Chair Gerald Andrews led the meeting which also included Board Chair Mark Guthrie, Sara Bouse, Helen Cavazos, Joe Garcia, Cheryl Guido, Guy Robert Jackson, Birgit Kamps, Doug Karr, and Gil Staley. The meeting focused on measuring market share.

Background

Since its original strategic plan 20 years ago, the Board has used *market share* as a measure of its overall performance.

We determine the numbers for our market share measure by counting how many employers in the region Workforce Solution delivered a service to during a one-year period. We set an annual target and measure our performance against that target.

The Board's contractor operating Workforce Solutions' Employer Service has the primary responsibility for ensuring the system achieves the target for this measure – although service to an employer from any part of the system counts.

Over time, we have changed what “delivered a service” means to narrow the definition to a specific set of substantive actions. Also, during the last 20 years, both the state and federal agencies that oversee our money and work have added a similar measure – sometimes with different definitions – as a production requirement.

We have continued to track both the performance measure and the production requirement and suggest improvements in definitions and counting to best get at how an assessment of how the Board is serving the region's employers.

- We have moved from expressing performance as a percentage to a target number.
- We eliminated the provision of labor market/economic data as a countable service.
- We began periodically assessing market share counts for the Board's key industry sectors in addition to the overall economy.

In 2015, to refine our counting for Market Share, we required the Employer Service contractor to disband a large inside sales unit that relied on telephone marketing to deliver counts of employers served. We directed our contractor to transfer the inside sales staff to Business Consultant positions in the field. This transition started in the fourth quarter of 2015, and our contractor encountered some difficulty in moving staff since not all individuals in the outreach unit had the qualifications or aptitude to work as Business Consultants.

We set the 2017 Market Share target at 22,000 employers. Through June 2017 (67% of the year) we have served 14,505 or about 66% of target.

Current Situation

The Workforce Commission's production requirement for service to employers – which approximates our Market Share performance – has been set at a higher level than we determined reasonable for Market Share.

Not meeting the state's service-to-employers requirement during the last fiscal year – along with not achieving production for a discontinued federal requirement – placed us in the position of meeting 7 of 9 production requirements. This caused us to rate below an 80% achieved level for state production requirements.

Service to Employers. Consistently over the past five years, the Gulf Coast region accounts for about 24% of all employers in the state and receives about 25% of the dollars available to serve those employers. The state's production measure has us responsible for reaching about 30% of all employers served by all the boards in the state.

We expected the move to increase the number of Business Consultants in the field would produce higher quality service and better satisfied customers, but would probably result in reduced number of employers receiving service, at least initially.

Next Steps

To improve our service and align our assessments of achievement, we recommend:

- On-going, direct assistance to Employer Service to improve the ability of field staff to reach and serve employers throughout the region;
- Reviewing target setting with the state to better match the state's production requirement to a level of effort commensurate with our resources;
- Following the review of the production requirement, adjusting our strategic performance measure to ensure we meet production.

Government Relations

Legislative Update

Current Situation

Texas Legislature

On July 18, 2017 Governor Abbot opened a special session of the Texas Legislature. Special sessions can run for no more than 30 days; and the end date for the session is August 16, 2017. Governor Abbot has stated his intention to consider a total of 20 legislative items during the special session.

Legislation of interest to the Board:

- Legislation (Sunset) to extend the life of the Texas Medical Board, Texas State Board of Social Worker Examiners, Texas State Board of Examiners of Marriage and Family Therapists, Texas State Board of Examiners of Psychologists, and the Texas State Board of examiners of Professional Counselors.
- Legislation to increase the average salary and benefits (including TRS-Care) of Texas teachers; and legislation to provide a more flexible and rewarding salary and benefit system for Texas teachers.
- Legislation establishing a statewide commission to study and recommend improvements to the current public school finance system; and other legislation relating to school finance, including Additional State Aid for Tax Reduction.
- Legislation to empower parents of children with special needs or educational disadvantages to choose an educational provider that is best for their children.
- Legislation prohibiting state or local government entities from deducting labor union or employee organization membership fees or dues from the wages of public employees.

U.S. Congress

Carl D. Perkins Career and Technical Act:

The 115th Congress is currently voting on the reauthorization of the Carl D. Perkins Career and Technical Education Act.

- [HR 2353](#) - **Rep. Glenn Thompson**
Strengthening Career and Technical Education for the 21st Century Act: The U.S. House Education and the Workforce Committee held a hearing on May 17th to consider HR

2353, the Strengthening Career and Technical Education for the 21st Century Act. The bill reauthorizes the Carl D. Perkins Career and Technical Education Act as well as makes changes to the program by adding more flexibility, streamlining reporting processes, encouraging innovation, and improving transparency and accountability.

Update: HR 2353 was passed in the House. It has been received in the Senate and referred to the Committee on Health, Education, Labor, and Pensions.

Draft Fiscal Year 2018 Labor, Health and Human Services, and Education (LHHS) funding bill:

On July 19, 2017, the House Appropriations committee approved the draft fiscal year 2018 Labor, Health and Human Services, and Education funding bill. The legislation includes funding for programs within the Department of Labor, the Department of Health and Human Services, the Department of Education, and other related agencies.

- [Draft fiscal year 2018 \(LHHS\) funding bill](#)

In total, the draft bill includes \$156 billion in discretionary funding, which is a reduction of \$5 billion below the fiscal year 2017 enacted level. This is a 2.5% spending cut.

The draft House appropriation reduces the Workforce Innovation Title I funds (those that power Workforce Solutions) by 3% overall, although it eliminates funding for the Employment Service. The draft bill also:

- Increases funds for unemployment compensation by .02%
- Maintains funding for adult education at the 2017 level
- Increases funds for the Child Care & Development Block Grant by .01%
- Increases funds for vocational rehabilitation by .02%

Although Employment Service funds represent less than 3% of our total overall budget, those dollars support 145 staff in Workforce Solutions.

We will continue to monitor activities in the Legislature and Congress.

Procurement Committee

Workforce Solutions 2018 Operations Adult Education Consortium Funding Recommendations

The Board's Procurement Committee met on Monday, July 24, 2017, with Committee Chair Evelyn Timmins, Committee Vice Chair Bobbie Henderson, Board Chair Mark Guthrie, Board Vice Chair Joe Garcia, Board Vice Chair Willie Alexander, and members Richard Shaw, Jeff Labroski, Gil Staley, Guy Jackson, Allene Schmitt, Helen Cavazos, Doug Karr, and Dale Pillow in attendance.

Background

The Board contracts with various providers to operate its affiliate Workforce Solutions and deliver direct service to customers.

Periodically we solicit proposals from organizations, evaluate those proposals, and select providers to operate the interlocking parts of our system:

- Employer Service – the sales and marketing team for our service to the region's employers
- Career Offices (and their supporting units the Payment Office and Support Center) – our physical presence in the region delivering service for people
- Community and Youth Projects – targeted service for youth, linked to our Career Offices
- Early Education Quality – a regionwide effort to improve the quality of early education and child care
- Staff Training and Development – support for the system staff and contractors to improve our operations

For the last several years, the Board, acting as the grant recipient and administrative entity for the region's adult education consortium, also authorizes contracts for the consortium members to provide adult basic education, literacy instruction, and integrated basic and skills education and to connect with Workforce Solutions.

The Current Situation

- May 2017 data show the region with total employment of 3.3 million and a total of 3.05 million jobs. The annual growth rate for jobs is 1.5%.

- Our June 2017 unemployment rate – at 5.4% representing about 176,000 individuals – is higher than the rates for Texas or the U.S.
- We estimate that our Employer Service, 24 full-time career offices, 10 part-time locations, adult education providers, and online presence will provide service for almost 427,000 customers by the end of the year. This is a slight drop from the previous year.
- We also expect that the career offices will have more than 2.375 million visits by the end of the year.
- We will receive more federal dollars for the coming year to fund our service – our allocations have risen almost \$7 million.
- Beyond next year, it is not clear what national funding for the workforce system will be.

Proposals

We received 22 proposals from 17 organizations to operate Workforce Solutions. Those 17 bidders requested almost \$172 million.

- All current contractors except one submitted proposals.
- We received proposals from five organizations submitting for the first time and proposals from four organizations that have either bid previously or had contracts from us previously.
- We received only a single proposal for each of the Early Education Quality and Financial Aid Support Center requests.

Teams of Board staff reviewed all proposals in depth, including conducting reference checks and assessing organizations' financial integrity.

These teams then scored proposals using the criteria specified in our Request for Proposals and ranked proposals, by functional area, in order from highest to lowest score.

Recommendations

Overall, we expect revenue available for Workforce Solutions operations – with the additional allocation and estimated carryover dollars – to rise from \$199 million to about \$215 million.

We are making recommendations for funding that we believe will:

- Ensure infrastructure is in place throughout the region to deliver service for an increasing number of employers and people
- Substantially improve our system's ability to recruit talent for the employers that list with us and increase the number of candidates we place in jobs
- Continue expanding and deepening our connections with community organizations throughout the region to leverage our service with their expertise
- Provide service to more individuals who lack the basic or occupational skills necessary to get a job, keep a job, or get a better job

Employer Service

We received four proposals for Employer Service. For the first time, we are recommending contracts with two bidders for this function and that the Board increase the dollar investment in Employer Service.

- As our region has grown over the past 10 years, we see a need to expand and to improve the capability of Workforce Solutions to reach more employers and to provide targeted service to key regional industries.
- Employment and Training Centers and DB Grant and Associates are our top-scoring bidders, and we recommend a contract with each.
- Employment and Training Centers is a long-time contractor and Grant and Associates is new to our region.
- We would negotiate functions of each to ensure they are integrated with each other and the rest of system as a part of the contracting process.

Career Offices

As usual, we received more proposals to operate our offices than any other part of the system. We are recommending contracts with three bidders to operate our full-time and part-time locations.

- The number and location of our offices has been static for several years. We are recommending investing additional dollars in the career office part of our system to find new full-time and part-time locations in the region.
- We are particularly interested in gauging the need for our presence in the Pearland-northern Brazoria County area, Missouri City-Sugar Land area, the Clear Lake City-

League City area, the Acres Home-northwest Houston area, and OST/South Union-Sunnyside area of Houston.

- BakerRipley, Interfaith of the Woodlands, and ResCare are the three top scoring proposers. We are recommending contracts with each.
- Interfaith is a long-time contractor, and we have had contracts with BakerRipley to operate offices since 2013.
- We contracted in previous years with ResCare and ended those contracts at the last procurement. We were impressed with the ResCare proposal for this cycle and believe it can provide an additional boost to our career office operations.
- We would negotiate locations and relationships among the three contractors as a part of the contracting process.

Financial Aid Payment Office

We received two proposals to operate the Payment Office.

- We are recommending contracting with the top-scoring bidder for this function, BakerRipley.

Financial Aid Support Center

We received only one proposal to operate the Support Center, from the current contractor, Interfaith of the Woodlands.

- We are recommending a contract with Interfaith for this function, but we believe it can best operate with less dollars and more attention to streamlined process.
- We will be recommending a targeted training and development effort focused on this unit, with the expectation that we will see significant results before the end of 2018 contract year.

Community and Youth Projects

Five bidders submitted proposals to deliver service for young people. Three of the proposers have current contracts.

- We have had positive experiences with SER-Jobs for Progress and Dynamic Educational Systems, Inc.
- Gulf Coast Trades Center has experienced a steady decrease – every year over several years – in the number of customers it serves. We believe our customers would be best served by converting our contractual relationship to a vendor relationship with

Gulf Coast Trades Center so that we would be able to pay for individual eligible customers interested in the Center as those customers chose that option.

- We are recommending contracts with SER and DESI – the top two scoring proposals – although at lower dollar amounts than each proposed. We would negotiate the scope and coverage of these contracts as well as how they connect to and support the activities of the career offices.

Early Education and Care

We received one bid from Collaborative for Children, a current contractor.

- We have good experience with this contractor in current and previous years. Of note is the Collaborative's assistance in finding ever-increasing amounts of matching resources from community organizations to draw down the maximum amount of federal dollars for early education services. The Collaborative has also ensured that our region leads the state in the number of providers certified for Texas Rising Star.
- The state provides us with a set amount of dollars for early education quality improvement activities. As we did last year, we recommend adding to that amount from our financial aid pool to exceed the minimum required effort.

Staff Training and Development

We received three proposals to provide staff training and development.

- Learning Designs created our staff training and development system and has supported that system since then. LDI has been responsive to our requests for adding new courses, providing technical assistance consulting for contractors, and supporting system staff quality improvement workgroups.
- We were impressed with the proposal offered by Public Consulting Group and by the organization's experience with training in public organizations. We would like to offer PCG a contract to focus on improving the process in the Financial Aid Support Center.
- We are recommending contracts with the top two scoring proposers, Learning Designs and Public Consulting Group.

Adult Education

We solicited proposals from interested organizations other than the current contractors with the intention of expanding the adult education consortium.

After we closed our process, we received notice from the Workforce Commission that the U.S. Department of Education – the source of the adult education funding – had

noticed our actions and expressly forbid us to solicit new members to the consortium. According to the Department of Education, that role is limited to a state agency.

However, the Workforce Commission informed us that it was permissible for us to break out a provider who was in a subcontract relationship to an existing consortium contractor and then directly contract with that provider.

- We received a proposal from the Houston Center for Literacy, which has functioned in the past as a subcontractor to Houston Community College in the consortium.
- The Center for Literacy's proposal was the only one we scored sufficiently high enough to consider as a separate contract, and therefore we are recommending it as a new contract.
- We are recommending roughly level funding for the other consortium contractors, with the exception of Houston Community College.
- HCC has had difficulty in expending funds and delivering service this year and is currently working through a corrective action plan with us. We proposed reducing funding for next year, breaking out the Center for Literacy and several associated community providers, and assisting HCC with improving its service.

Action

Request the Board authorize staff to negotiate contracts for 2018 Workforce Solutions system and adult education consortium operations with organizations up to the proposed amounts shown on the attached schedule in total not to exceed \$229,447,000.

2018 System Contracts Recommendations

Employer Service	Current	Requested	Proposed
Employment and Training Centers	\$ 6,818,260	\$ 7,598,240	\$ 6,500,000
DB Grant Associates, Inc.		6,700,000	3,350,000
SERCO of Texas		6,736,296	
Beechcrest 13 Work dba Texas Works 13		6,362,061	
Career Offices	Current	Requested	Proposed
BakerRipley	21,250,238	19,674,991	20,000,000
Interfaith of the Woodlands	13,593,098	14,142,000	13,000,000
Arbor E&T dba ResCare Workforce Services		14,759,259	6,200,000
Northwest Assistance Ministries		5,342,384	
Public Consulting Group, Inc.		44,570,950	
Career and Recovery Resources		23,032,781	
Payment Office	Current	Requested	Proposed
BakerRipley	3,146,484	3,107,739	3,107,000
Public Consulting Group, Inc.		3,599,000	
Support Office	Current	Requested	Proposed
Interfaith of the Woodlands	5,473,500	5,712,000	5,200,000
Community and Youth	Current	Requested	Proposed
SER - Jobs for Progress of the Texas Gulf Coast	936,136	1,372,614	1,000,000
Dynamic Educational Systems	1,002,766	1,376,550	500,000
Gulf Coast Trades Center	122,743	174,016	
Knowledge First Empowerment		425,000	
Employment and Training Centers		498,628	
Early Education Quality	Current	Requested	Proposed
Collaborative for Children	4,005,000	4,273,464	4,000,000
Staff Training & Development	Current	Requested	Proposed
Learning Designs, Inc.	831,212	1,152,070	800,000
Public Consulting Group, Inc.		1,273,455	350,000
Inspiring Innovations, Inc.		24,000	
Subtotal, Operations	57,179,437	171,907,498	64,007,000
Financial Aid	142,462,407		150,000,000
Total, Workforce Solutions	\$ 199,641,844		\$ 214,007,000

2018 System Contracts Recommendations

Adult Education	Current	Proposed
Brazosport College	754,520	765,000
College of the Mainland	1,026,927	1,040,000
Harris County Department of Education	4,115,264	4,200,000
Houston Center for Literacy	-	2,000,000
Houston Community College	6,506,735	4,200,000
Lone Star College	1,261,100	1,250,000
Region 6 Education Service Center	672,800	673,000
San Jacinto College	661,780	675,000
Wharton County Junior College	652,900	665,000
Subtotal, Adult Education	\$ 15,652,026	\$ 15,468,000
TOTAL, ALL CONTRACTS	\$ 215,293,870	\$ 229,475,000

Gulf Coast Workforce Board
System Performance
October 2016 to June 2017

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 Board measures for Workforce Solutions at each meeting.

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services</u> (Market Share) We expect to provide services to 22,000 employers this year. We provided services to 14,505 employers in the period October 2016 through June 2017	22,000	14,505	23,591
<u>Employer Loyalty</u> Of a possible 20,759 employers, 8,694 returned to Workforce Solutions for additional services in the period October 2016 through June 2017	60.0%	41.9%	56.0%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> New jobs created in the region as a result of Workforce Solutions partnering with economic development organizations. This information is captured quarterly and reflects a two-year average through June 2017.	3,200	666	928
<u>Customers employed by the 1st Qtr. after exit</u> 171,715 of the 221,234 customers who exited service in the period October 2015 through June 2016 were employed by the quarter after exit.	76.0%	77.6%	80.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Earnings Gains of at least 20%</u> 65,803 of the 229,377 customers who exited in the period April 2015 through December 2015 had earnings gains of at least 20%.	36.0%	28.7%	33.4%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> 913 of 1,339 customers who pursued an education diploma, degree or certificate and exited from July 2016 through March 2017, attained a diploma, degree or certificate by the end of the quarter after exit.	74.0%	68.2%	74.2%

Production

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

For the performance year that began October 1, 2016, we are meeting or exceeding the target for fourteen of eighteen state measures. These are the measures we are not achieving:

- Number of Employers Receiving Workforce Assistance: The annual target for this measure is 26,235. We provided services to 14,505 employers from October 2016 through June 2017.
- Median Earnings Q2 Post Exit – Adult: The target for this measure is \$3,910. Our performance for customers who exited from July 2015 through March 2016 was \$3,680.
- Median Earnings Q2 Post Exit – Dislocated Worker: The target for this measure is \$6,980. Our performance for customers who exited from July 2015 through March 2016 was \$6,319.
- Credential Rate – Dislocated Worker: The target for this measure is 66.6%. Our performance for customers who exited from January 2015 through September 2015 was 62.7%.

Adult education measures for the period July 2016 through June 2017 include:

- Total enrollments are the number of individuals who begin an adult education class.
- 12+ hour enrollments count the number of individuals who are in class 12 or more clock hours.
- Transitions enrollments count the number of individuals in adult education classes designed to lead to further post-secondary training.
- Career Pathways enrollments counts the number of individuals in contextualized learning (basic education and occupational skills at the same time) classes.
- Integrated English Language and Civics courses will be integrated with some workforce training that result in a job and/or certificate/credential.
- TWC Accelerate Texas includes individuals enrolled in an integrated education and training module.

	Target	Year to Date
<i>Total Enrollments</i>	20,865	23,625
<i>12+ Hour Enrollments</i>	19,500	21,983
<i>Transitions</i>	883	1,493
<i>Career Pathways</i>	842	787
<i>Integrated English Language & Civics Ed.</i>	655	285
<i>Accelerate Texas</i>	220	396

GULF COAST WORKFORCE DEVELOPMENT BOARD
FINANCIAL STATUS REPORT
For the Six Months Ended June 30, 2017

	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	214,944,634	107,472,317	107,182,285	290,032
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	5,907,699	2,953,850	2,599,900	353,949
SYSTEM IT	385,000	192,500	114,647	77,853
EMPLOYER SERVICES	8,300,000	4,150,000	3,114,791	1,035,209
RESIDENT SERVICES	200,351,935	100,175,968	101,352,947	-1,176,979
OFFICE OPERATIONS	40,237,593	20,118,797	19,921,710	197,086
FINANCIAL AID	142,679,997	71,339,999	74,410,298	(3,070,299)
ADULT EDUCATION	17,434,345	8,717,173	7,020,939	1,696,234
TOTAL WORKFORCE EXPENDITURES	214,944,634	107,472,317	107,182,285	290,032

VARIANCE ANALYSIS

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



Labor Market Information
MAY 2017 Employment Data

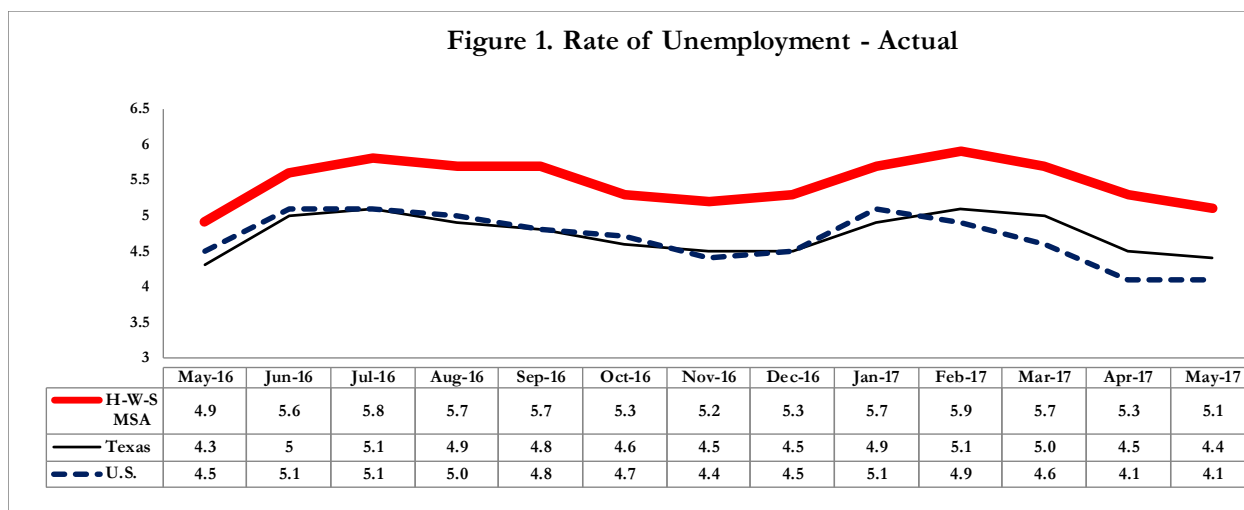
HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA

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The rate of unemployment in the Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) dropped two-tenths of a percentage point in May to 5.1 percent, slightly higher than 4.9 percent one year earlier. The rate of unemployment at the state level fell one-tenth of a percentage point to 4.4 percent while the national rate was unchanged at 4.1 percent.

Unemployment Rate (Actual)

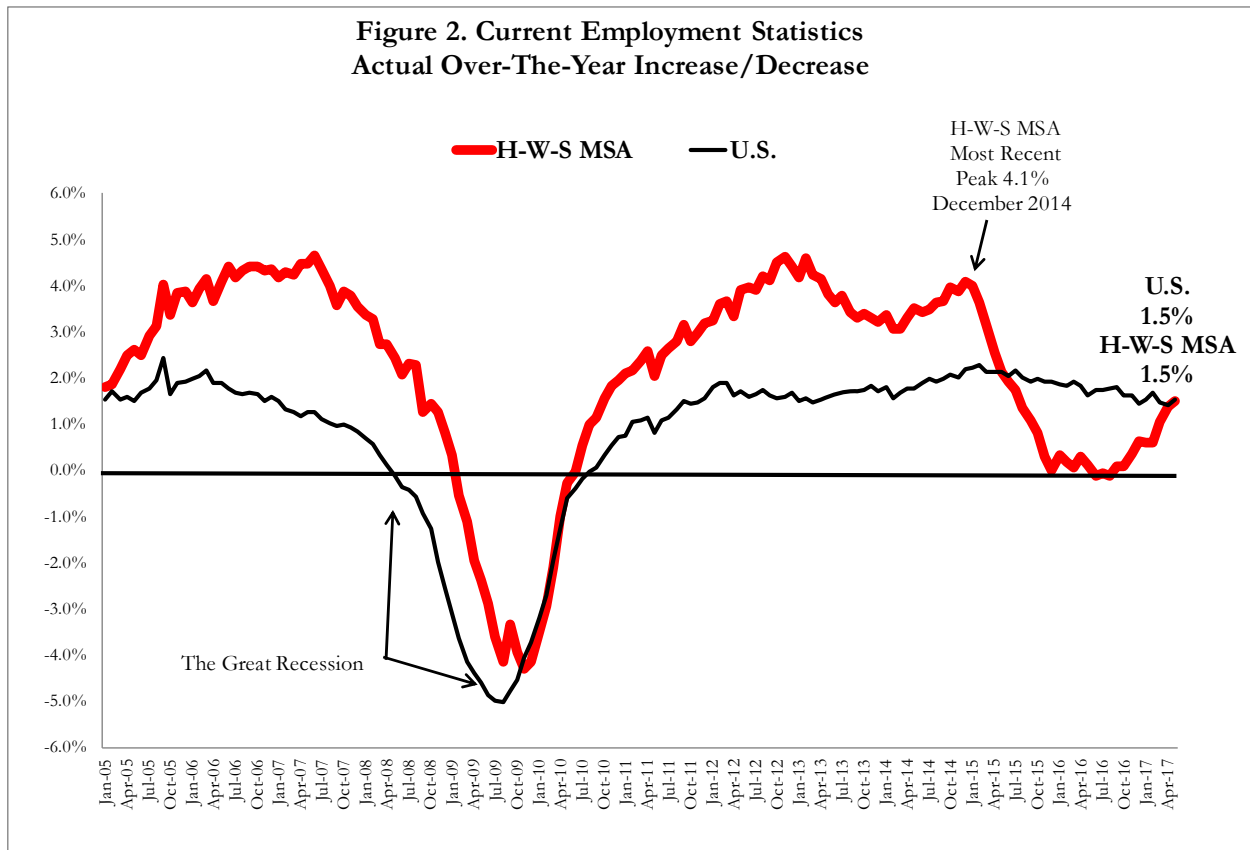
	MAY 2017	APR 2017	MAY 2016
Civilian Labor Force	3,312,194	3,335,800	3,273,846
Total Employed	3,144,590	3,160,066	3,113,967
Unemployed	167,604	175,734	159,879
Unemployment Rate	5.1%	5.3%	4.9%



Total Nonfarm Employment in the H-W-S MSA increased by 6,700 jobs in May. The 0.2 percent increase was much weaker than an average one-half of a percent increase over the last twenty years. Most industry sectors added jobs in May with strongest gains in Leisure & Hospitality, up 5,800 jobs or 1.8 percent, and Other Services, up 1,700 jobs or 1.5 percent. A loss of 3,900 jobs in Trade, Transportation, and Utilities held May's job growth to a minimum.

Payrolls in the H-W-S MSA were up 45,300 jobs over the year with the pace of job growth rising to 1.5 percent, the same as that of the nation. After another month of job gains, Manufacturing took the lead as the fastest growing super sector over the year. Most industry sectors that serve the H-W-S MSA's growing population continue to report healthy over-the-year gains with strongest growth in Government, Leisure & Hospitality, and Educational & Health Services. Retail Trade has been an exception, however, as it struggles with ongoing changes in the purchasing habits of consumers. The pace of job growth in Professional and Business Services increased for the fourth consecutive month making it one of the largest sources of new jobs in

the MSA. Over-the-year losses in Mining and Logging continued to decline in May. Additional information by super sector can be found beginning on page 3. Detailed data can be viewed on pages 8 & 9.



Seasonally adjusted estimates for the H-W-S MSA and U.S. seen in figure 3 and 4 provide an additional view of growth-trends removing the erratic month-to-month seasonal patterns. On a seasonally adjusted basis, Total Nonfarm Employment rose for the ninth consecutive month in May, up 4,600 jobs. Payrolls in the H-W-S MSA were up 51,000 jobs over the year with the pace of job growth rising to 1.7 percent, one-tenth of one percent higher than the nation’s 1.6 percent rate. Despite weaker growth rates since the collapse in oil prices, overall growth of Total Nonfarm Employment in the H-W-S MSA has outperformed the nation with payrolls up 14.8 percent above the prerecession high compared to 5.6 percent at the national level.

Figure 3. Total Non-farm Employment-Seasonally Adjusted

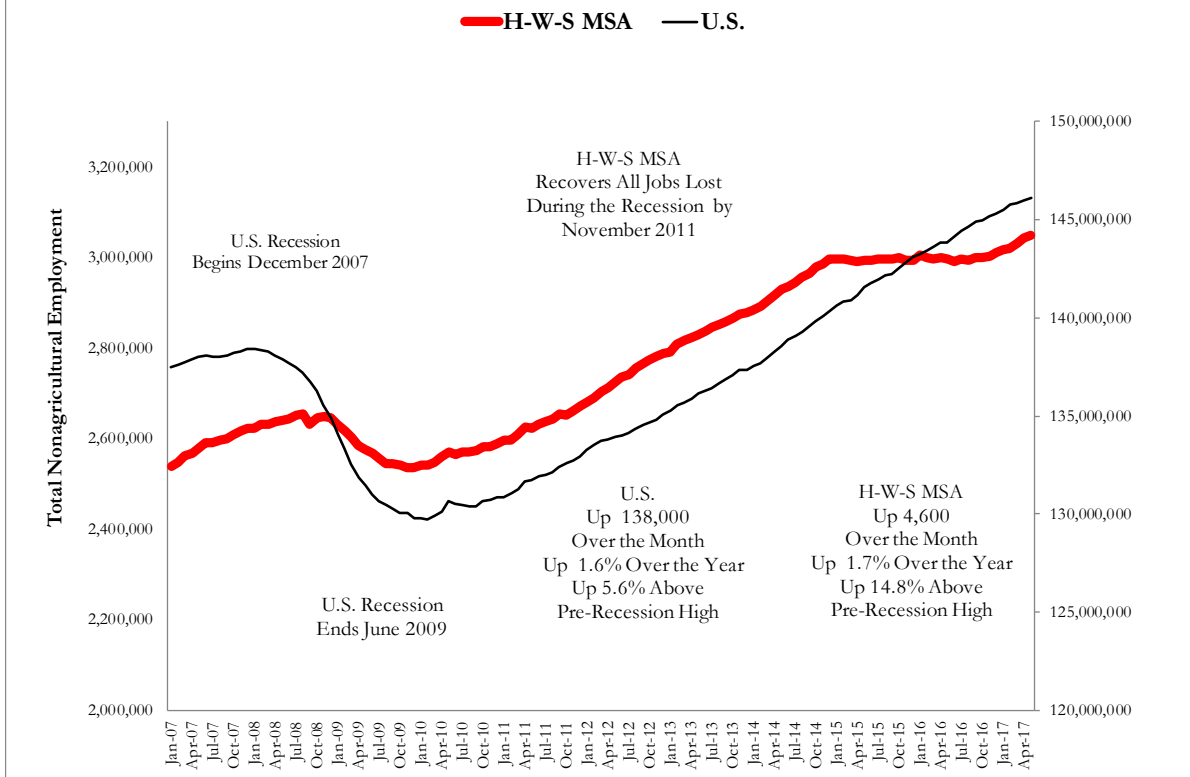
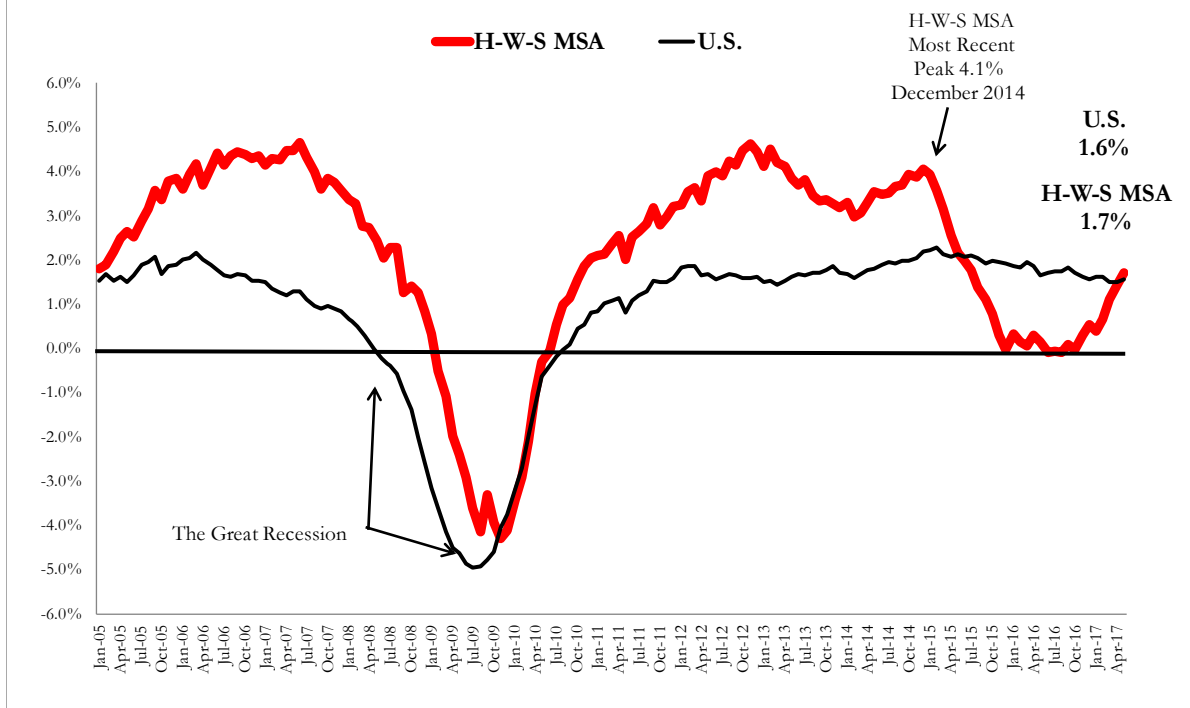


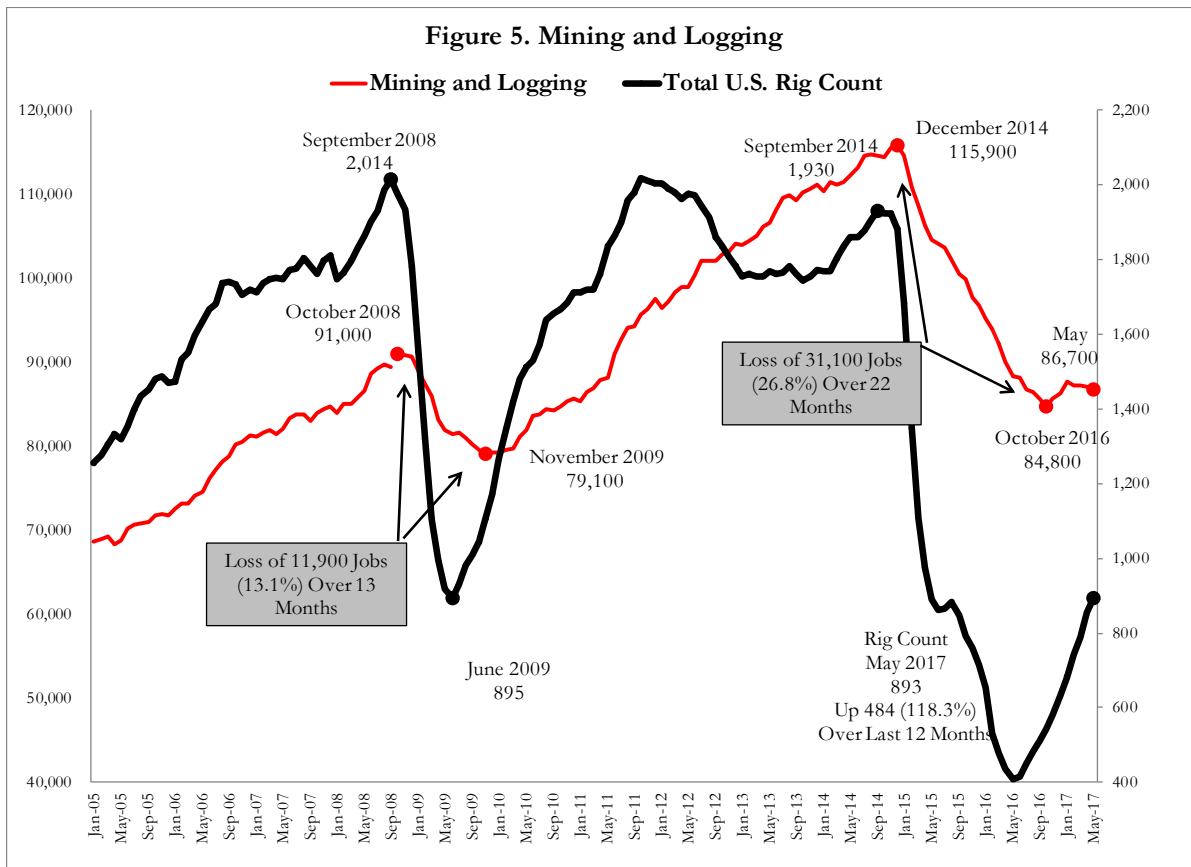
Figure 4. Current Employment Statistics Seasonally Adjusted Over-The-Year Increase/Decrease



DETAILS BY SUPER SECTOR

Mining and Logging was down 400 jobs over the month. The super sector added 1,400 jobs year-to-date as of May, a major improvement over the previous two years when payrolls were on the decline. Accrued losses in Mining and Logging since its most recent peak in December 2014 reached more than 31,000 jobs in October 2016. The 26.8 percent decline was twice as deep as a 13.1 percent loss of 11,900 jobs during the Great Recession, see figure 5. Payrolls in the super sector bottomed out October 2016 and have since managed to boost payrolls by some 1,800 jobs. The pace of over-the-year losses in Mining and Logging peaked in January 2016 at 16.9 percent and have since steadily declined, currently down 1.9 percent representing a loss of 1,700 jobs. The loss was due to declines in Oil and Gas Extraction, down 5,400 jobs or 10.6 percent. Support Activities for Mining, where most oil field related employment is found, saw payrolls increase by 1,900 jobs or 5.3 percent over the year in response to a sharp rise in drilling activity.

The average U.S. rig count was 893 in May, up 40 from April and 486 over the year but down 1,037, 53.7 percent, from the most recent peak of 1,930 in September 2014. The average Texas rig count was 453 in May, up 28 from April and 274 over the year but down 451, 49.9 percent, from the most recent peak of 904 in November 2014.

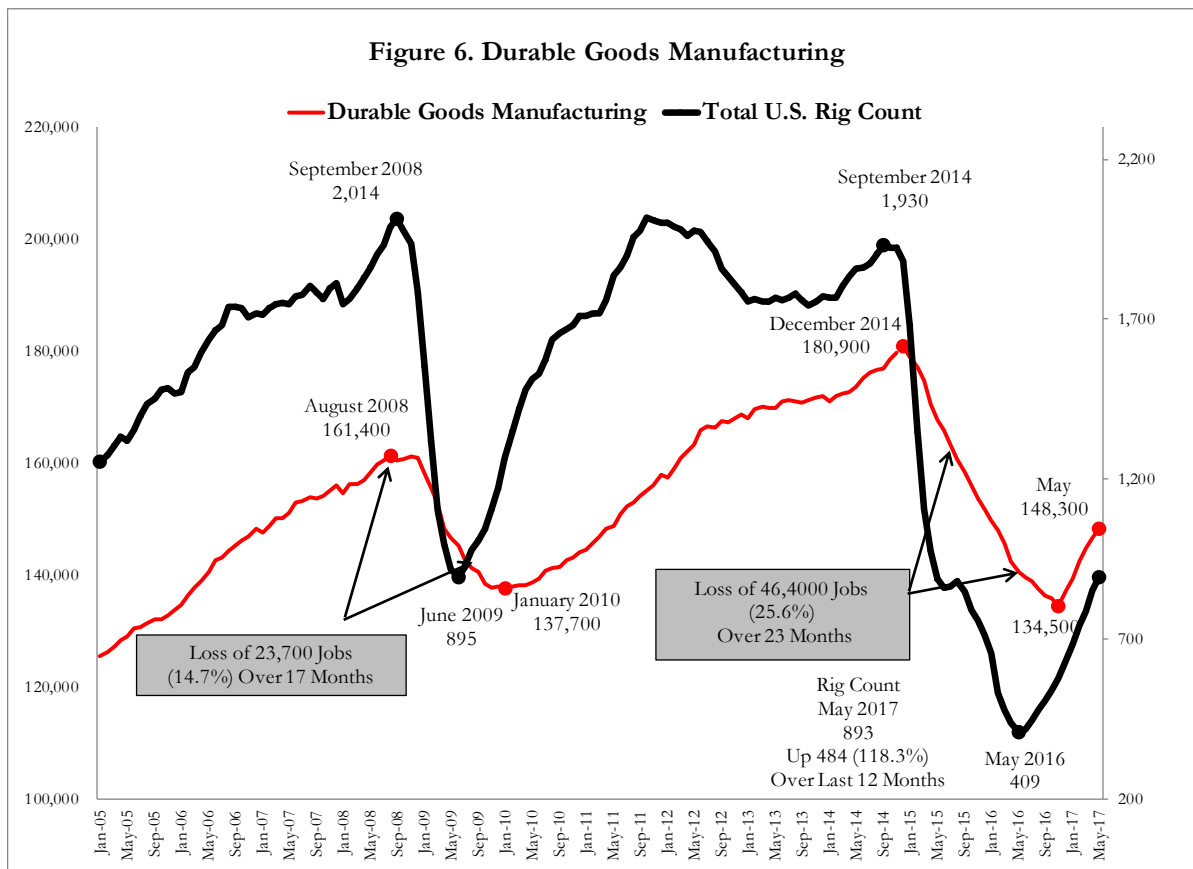


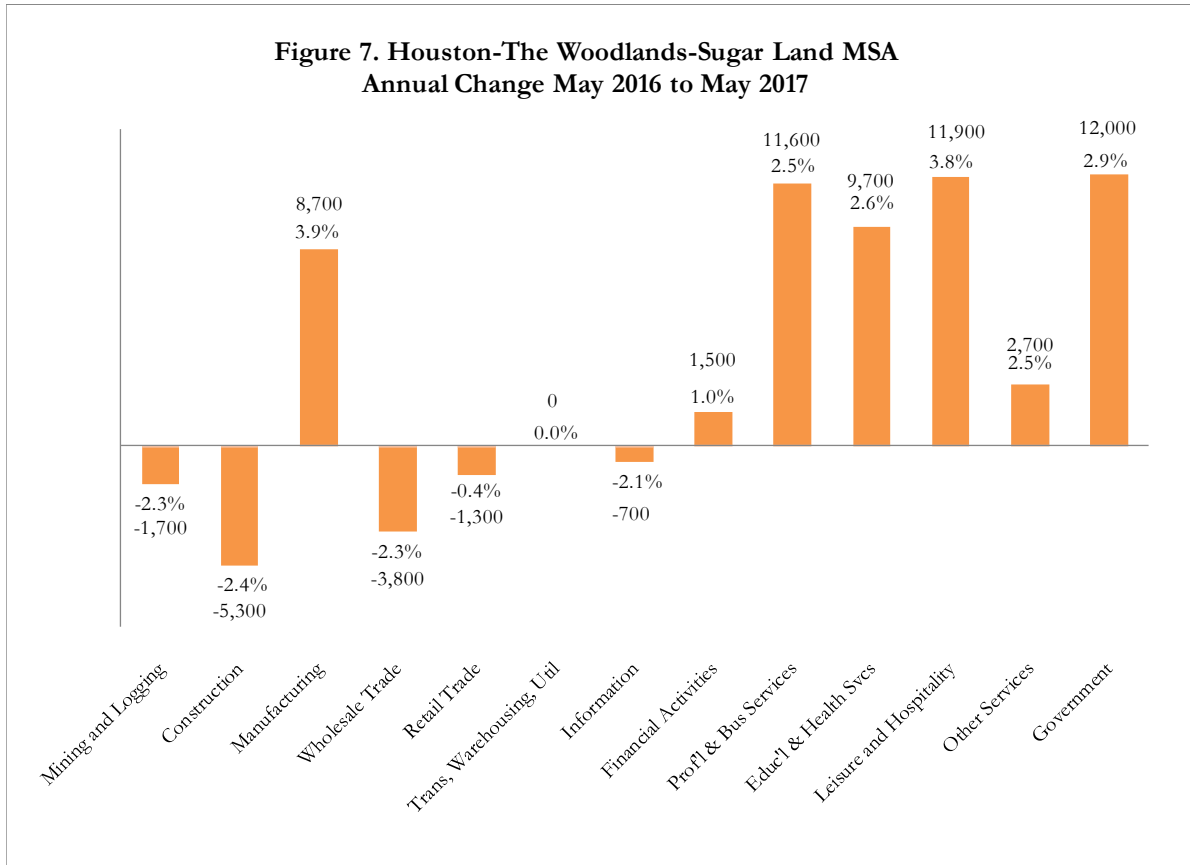
Construction was up 400 jobs in May. The increase was made possible by a gain of 900 jobs in Heavy and Civil Engineering Construction. Construction of Buildings and Specialty Trade

Contractors were down a combined total of 500 jobs over the month. April's estimated loss of 4,100 jobs was revised to a loss of 2,400 jobs. April's revision in conjunction with May's increase has improved the pace of over-the-year losses in Construction down from 3.4 percent to 2.4 percent or 5,300 jobs over the year. Heavy and Civil Engineering Construction was responsible for much of the decline, down 2,700 jobs or 5.3 percent, as many chemical plant projects wind down. Construction of Buildings and Specialty Trade Contractors were also reporting losses, down 2.2 percent and 1.2 percent respectively.

Manufacturing reported its sixth consecutive increase in May, up 1,800 jobs or 0.8 percent. The super sector has added some 13,900 jobs since hitting a bottom in November 2016 with all but 100 of the new jobs being created in Durable Goods Manufacturing, see figure 6. Manufacturing was up 8,700 jobs or 3.9 percent over the year making it the fastest growing super sector in the H-W-S MSA. Most of the increase was in Durable Goods Manufacturing which reported an over-the-year increase of 7,600 jobs or 5.4 percent. While Fabricated Metal Product Manufacturing was up 6,300 jobs or 13.2 percent, Machinery Manufacturing continues to report losses, down 4,900 jobs or 11.3 percent. Non-durable Goods Manufacturing was up 1,100 jobs or 1.3 percent over the year.

The Houston Purchasing Managers Index was unchanged at 54.1 in May. This was the eighth consecutive month for the index to be positive. 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.





Trade Transportation & Utilities was down 3,900 jobs over the month. The 0.6 percent decline was largest for the month of May since records began in 1990. Job losses were widespread with declines in Wholesale Trade, Retail Trade, and Transportation, Warehousing, and Utilities. The pace of losses rose from 0.3 percent in April to 0.8 percent representing a loss of 5,100 jobs over the year. Wholesale Trade was responsible for most of the loss with payrolls down 3,800 jobs or 2.3 percent. Retail Trade reported an over-the-year loss for the second time in 2017, down 1,300 jobs or 0.4 percent. Retail Trade has a history of maintaining positive-growth in all but the worst years but currently the industry appears to be affected by fallout from a shift of consumers from brick and mortar stores to online shopping. Payrolls in Transportation, Warehousing and Utilities unchanged over the year although slight losses were found in Utilities, Truck Transportation and Pipeline Transportation.

Information payrolls were unchanged in May and down 700 jobs or 2.1 percent over the year. About half of the MSA's employment in information resides in telecommunications where payrolls were down 600 jobs or 4.2 percent over the year. The remainder of jobs in the industry sector are found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

Financial Activities added 1,600 jobs in May. The 1.0 percent increase was much stronger than a twenty-year average of 0.4 percent with most of it found in Real Estate and Rental and Leasing, up 1,100 jobs. The super sector experienced a net increase of 1,500 jobs over the year,

up 1.0 percent. Most of the increase was due to gains at Insurance Carriers and Related Activities, up 1,800 jobs or 5.2 percent. Depository Credit Intermediation suffered a substantial loss of 1,000 jobs over the year, down 3.4 percent. Real Estate and Rental and Leasing also suffered a slight loss of 400 jobs over the year, down 0.7 percent.

Professional and Business Services reported a loss of 800 jobs over the month, down 0.2 percent. Accounting, Tax Preparation, Bookkeeping, and Payroll Services were responsible for the decline as companies reduced payrolls upon completion of the busy tax season. Hiring in Employment Services (staffing agencies) continued in May helping to offset losses with an addition of 2,300 jobs over the month, up 2.6 percent. The pace of job growth in Professional and Business Services rose for the third consecutive month to 2.5 percent, up 11,600 jobs over the year. The increase was made possible by an addition of 14,700 jobs, 19.1 percent, in Employment Services. Sectors related to Professional, Scientific, and Technical Services continued to report over-the-year losses but at a declining pace, down 1.3 percent or 2,800 jobs. Most of the decline in Professional, Scientific, and Technical Services are related to weak oil prices and found in the Architectural, Engineering and Related Services subsector, down 2,500 jobs or 3.7 percent.

Education and Health Services reported a loss for the month of May for the first time in more than twenty years, down 500 jobs or 0.1 percent. The pace of job growth in Education and Health Services fell for the second consecutive month, down from 3.2 percent in March to 2.6 percent, up 9,700 jobs. All subsectors were reporting over-the-year gains. Educational Services added jobs at fastest pace of 4.5 percent, up 2,600 jobs, but the majority job-growth was in Health Care and Social Assistance, up 7,100 jobs or 2.2 percent.

Leisure and Hospitality added 5,800 jobs in May. The 1.8 percent seasonal increase was the strongest for the month of May since 2014 and near an average of 2.0 percent over the last twenty years. Leisure and Hospitality was the fastest growing super sector in May with payrolls up 11,900 jobs or 3.8 percent over the year. Most of the new jobs are found at eating establishments with Food Services and Drinking Places up 9,200 jobs or 3.6 percent over the year. The remaining industry sectors are also reporting healthy job growth with Arts, Entertainment, and Recreation up 1,700 jobs or 4.8 percent and Accommodation up 1,000 jobs or 3.8 percent.

Other Services added 1,700 jobs over the month. The 1.5 percent increase was the strongest for the month of May since records began in 1990. Job growth in Other Services rose to its highest level since February 2015, up 2,700 jobs or 2.5 percent over the year. Other Services is partially comprised of various repair service companies (industrial equipment, mining machinery and equipment, and many others related to the oil and gas industry). Additional establishments in this category include personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Government added 1,000 jobs in May due to increases in Local Government. Payrolls were up 12,000 jobs over the year. Most of the increase has been related to education with Local Government Educational Services up 10,700 jobs or 5.2 percent over the year and State Government Educational Services up 1,400 jobs or 2.8 percent over the year.

NONAGRICULTURAL EMPLOYMENT
Houston-The Woodlands-Sugar Land MSA

	MAY 2017	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	3,048,900	6,700	0.2%	45,300	1.5%
.Total Private	2,630,000	5,700	0.2%	33,300	1.3%
.Goods Producing	534,400	1,800	0.3%	1,700	0.3%
..Mining, Logging, and Construction	302,600	0	0.0%	-7,000	-2.3%
...Mining and Logging	86,700	-400	-0.5%	-1,700	-1.9%
.....Oil and Gas Extraction	45,500	-400	-0.9%	-5,400	-10.6%
.....Support Activities for Mining	38,000	400	1.1%	1,900	5.3%
...Construction	215,900	400	0.2%	-5,300	-2.4%
.....Construction of Buildings	56,800	-400	-0.7%	-1,300	-2.2%
.....Heavy and Civil Engineering Construction	48,400	900	1.9%	-2,700	-5.3%
.....Specialty Trade Contractors	110,700	-100	-0.1%	-1,300	-1.2%
..Manufacturing	231,800	1,800	0.8%	8,700	3.9%
...Durable Goods	148,300	1,700	1.2%	7,600	5.4%
....Fabricated Metal Product Manufacturing	53,900	1,700	3.3%	6,300	13.2%
....Machinery Manufacturing	38,500	-300	-0.8%	-4,900	-11.3%
.....Agriculture, Construction, and Mining Machinery Manufacturing	25,500	-300	-1.2%	-3,800	-13.0%
....Computer and Electronic Product Manufacturing	15,500	100	0.6%	100	0.6%
...Non-Durable Goods	83,500	100	0.1%	1,100	1.3%
....Petroleum and Coal Products Manufacturing	10,100	0	0.0%	200	2.0%
....Chemical Manufacturing	38,800	0	0.0%	100	0.3%
.Service Providing	2,514,500	4,900	0.2%	43,600	1.8%
.Private Service Providing	2,095,600	3,900	0.2%	31,600	1.5%
..Trade, Transportation, and Utilities	600,400	-3,900	-0.6%	-5,100	-0.8%
...Wholesale Trade	159,300	-1,800	-1.1%	-3,800	-2.3%
....Merchant Wholesalers, Durable Goods	91,400	-1,200	-1.3%	-2,600	-2.8%
.....Professional and Commercial Equipment and Supplies Merchant Wholesalers	13,500	100	0.7%	0	0.0%
....Merchant Wholesalers, Nondurable Goods	44,900	400	0.9%	-600	-1.3%
...Retail Trade	302,600	-1,100	-0.4%	-1,300	-0.4%
....Motor Vehicle and Parts Dealers	42,400	200	0.5%	600	1.4%
....Building Material and Garden Equipment and Supplies Dealers	21,700	-200	-0.9%	-1,100	-4.8%
....Food and Beverage Stores	67,300	200	0.3%	300	0.4%
....Health and Personal Care Stores	19,300	0	0.0%	200	1.0%
....Clothing and Clothing Accessories Stores	27,000	-400	-1.5%	-700	-2.5%
....General Merchandise Stores	62,200	-300	-0.5%	900	1.5%
.....Department Stores	22,800	-300	-1.3%	0	0.0%
.....Other General Merchandise Stores	39,400	0	0.0%	900	2.3%
...Transportation, Warehousing, and Utilities	138,500	-1,000	-0.7%	0	0.0%
....Utilities	15,900	-100	-0.6%	-300	-1.9%
.....Air Transportation	21,700	0	0.0%	200	0.9%
.....Truck Transportation	24,400	-100	-0.4%	-300	-1.2%
.....Pipeline Transportation	10,900	100	0.9%	-100	-0.9%
..Information	32,000	0	0.0%	-700	-2.1%
....Telecommunications	13,700	0	0.0%	-600	-4.2%
..Financial Activities	156,000	1,600	1.0%	1,500	1.0%
...Finance and Insurance	100,700	500	0.5%	1,900	1.9%
....Credit Intermediation and Related Activities	44,200	0	0.0%	-200	-0.5%
.....Depository Credit Intermediation	28,000	0	0.0%	-1,000	-3.4%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	20,000	0	0.0%	300	1.5%
....Insurance Carriers and Related Activities	36,500	500	1.4%	1,800	5.2%
...Real Estate and Rental and Leasing	55,300	1,100	2.0%	-400	-0.7%

NONAGRICULTURAL EMPLOYMENT
Houston-The Woodlands-Sugar Land MSA

	MAY 2017	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	477,600	-800	-0.2%	11,600	2.5%
...Professional, Scientific, and Technical Services	213,800	-2,400	-1.1%	-2,800	-1.3%
....Legal Services	24,800	0	0.0%	200	0.8%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	24,900	-2,800	-10.1%	600	2.5%
....Architectural, Engineering, and Related Services	64,600	200	0.3%	-2,500	-3.7%
....Computer Systems Design and Related Services	31,900	100	0.3%	-100	-0.3%
...Management of Companies and Enterprises	37,300	300	0.8%	400	1.1%
...Administrative and Support and Waste Management and Remediation Services	226,500	1,300	0.6%	14,000	6.6%
....Administrative and Support Services	214,800	900	0.4%	13,800	6.9%
.....Employment Services	91,500	2,300	2.6%	14,700	19.1%
.....Services to Buildings and Dwellings	51,000	0	0.0%	-400	-0.8%
..Educational and Health Services	388,700	-500	-0.1%	9,700	2.6%
...Educational Services	60,200	-300	-0.5%	2,600	4.5%
...Health Care and Social Assistance	328,500	-200	-0.1%	7,100	2.2%
....Ambulatory Health Care Services	155,500	100	0.1%	3,900	2.6%
....Hospitals	88,600	100	0.1%	3,400	4.0%
..Leisure and Hospitality	329,200	5,800	1.8%	11,900	3.8%
...Arts, Entertainment, and Recreation	37,300	2,200	6.3%	1,700	4.8%
...Accommodation and Food Services	291,900	3,600	1.2%	10,200	3.6%
....Accommodation	27,100	500	1.9%	1,000	3.8%
....Food Services and Drinking Places	264,800	3,100	1.2%	9,200	3.6%
..Other Services	111,700	1,700	1.5%	2,700	2.5%
Government	418,900	1,000	0.2%	12,000	2.9%
.Federal Government	28,700	0	0.0%	400	1.4%
.State Government	85,800	-300	-0.3%	1,500	1.8%
..State Government Educational Services	51,200	-500	-1.0%	1,400	2.8%
.Local Government	304,400	1,300	0.4%	10,100	3.4%
..Local Government Educational Services	216,900	400	0.2%	10,700	5.2%

UNEMPLOYMENT RATE

	MAY 2017	APR 2017	MAY 2016
H-W-S MSA	5.1	5.3	4.9
Texas (Actual)	4.4	4.5	4.3
United States (Actual)	4.1	4.1	4.5

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, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas.