

To: Gulf Coast Workforce Board Members

From: Mike Temple
Carol Kimmick
David Baggerly
Michelle Ramirez

Date: September 29, 2014

Subj: Board Meeting Materials for Tuesday, October 7, 2014

The next meeting of the Gulf Coast Workforce Board is scheduled for **10:00 a.m., Tuesday, October 7, 2014** in the second floor Conference Room A, 3555 Timmons, Houston.

We have a rather light agenda for the October meeting, but have an important action item involving early education for your consideration. We'd also like to welcome a new Board member: Kathryn "Toy" Wood from the Greater Houston Builder's Association.

Reports. Chair Guthrie will provide his update to members on items of interest. Audit/Monitoring Committee Chair Joe Garcia will report on the committee's latest activity. The Career Office Committee will recognize a Workforce Solutions staff member for outstanding customer service.

Action. Early Education Committee Chair Bobbie Henderson will brief the Board on several activities related to early education and child care, including Early Matters, a community-wide effort in Houston and Harris County to increase the investment in and expand availability of high-quality early education. Through its role as a provider of more than \$100 million in financial assistance to working parents for child care expenses, and its continuing commitment to improve the quality of early education and child care, the Board is a key part of the region's early education system. Chair Henderson and Board member Willie Alexander will discuss Early Matters and the committee's recommendation that the Board endorse Early Matters' recent report.

Information. We continue to see improvement in the Workforce Solutions system performance and production; David Baggerly will provide as usual a full report. Our latest financial report shows us to be on-target against the Board's budget. We'll have some brief updates on items of interest for you, and Ron Borski will brief us on the region's economy and employment picture.

Construction efforts on the 2nd floor continue, but, again, that work should not disturb our meeting.

We look forward to seeing you on October 7th. Please call or email us if you have questions, or if we can be of any help!

The Gulf Coast Workforce Board Tentative Agenda

Tuesday, October 7, 2014 at 10:00 a.m.

H-GAC Conference Room A

3555 Timmons Lane, Second Floor, Houston, Texas 77027

1. **Call to Order and Determine Quorum**
2. **Adopt Agenda**
3. **Hear Public Comment**
4. **Review August 2014 meeting minutes**
5. **Declare Conflicts of Interest**
6. **Consider Reports**
 - a. *Chair's Report.* The Board Chair will discuss items of interest.
 - b. *Audit/Monitoring.* The Committee Chair will present an update from the committee's July 2014 review.
 - c. *Career Office.* The committee will recognize outstanding Workforce Solutions staff.
7. **Take Action**
 - a. *Early Education & Care.* The Committee Chair will ask members to consider supporting Early Matters, a community effort to expand the availability of quality early education and child care, and provide updates on committee activities
8. **Receive Information**
 - a. *System Performance.* Report on current performance.
 - b. *Expenditures.* Report on expenditures.
 - c. *Updates.* Reports on items of interest.
9. **Look at the Economy**

Report on current economic data and trends in the Gulf Coast labor market.
10. **Take Up Other Business**
11. **Adjourn**



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**MINUTES OF
THE GULF COAST WORKFORCE BOARD
TUESDAY, AUGUST 5, 2014**

MEMBERS PRESENT:

Willie Alexander	Karlos Allen	Gerald Andrews
Betty Baitland	Elaine Barber	Sara Bouse
Carl Bowles	Bill Crouch	Joe Garcia
Mark Guthrie	Bobbie Henderson	Eduardo Honold
Sarah Janes	Tony Jones	David Joost
Jeff Labroski	Ray Laughter	Ramona Malone
Kendrick McCleskey	Steve Mechler	Jerry Nevlud
Linda O'Black	Janice Ruley	Allene Schmitt
Richard Shaw	Gil Staley	Joe Swinbank
Evelyn Timmins	Sarah Wroblewski	

H-GAC STAFF MEMBERS PRESENT

Mike Temple
David Baggerly
Ron Borski

Mr. Mark Guthrie, Chairman, called the meeting to order at approximately 10:00 a.m., on Tuesday, August 5, 2014, in the 2nd floor, H-GAC Conference Room A, at 3555 Timmons Lane, Houston, Texas. Chair Guthrie determined a quorum was present.

ADOPTION OF AGENDA

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

PUBLIC COMMENT

No one signed up for public comment.

MINUTES FROM JUNE 3, 2014

Chair Guthrie asked if there were any additions or corrections to the minutes for the June 3, 2014 meeting and if not, for approval of the minutes as presented. A motion was made and seconded to approve the minutes as presented. The motion carried.

DECLARE CONFLICTS OF INTEREST

Chair Guthrie asked for a declaration of any conflicts of interest with items on the agenda. Mr. Eduardo Honold, Dr. Sarah Janes, Dr. David Joost, and Ms. Ramona Malone all declared a conflict with item 7a. Chair Guthrie reminded the members that they also were welcome to declare conflicts with items as they are considered.

CONSIDER REPORTS

Chair's Report

Chair Guthrie reported that he was pleased that Congress passed the Workforce Investment Opportunity Act which in effect reauthorizes WIA.

Chair Guthrie announced that he will give a brief talk at a Katy Area Economic Development Council about the Texas Association of Workforce Board Education's Paper- "Aligning Education to Meet the Needs of Texas Employers." This report was discussed at the June 2014 meeting.

Chair Guthrie reported that the next TAWB meeting will be August 18 -19, 2014 in San Antonio, Texas. Mr. Guthrie will report back anything of interest at the October 7, 2014 meeting.

Chair Guthrie said that he had the honor of cutting the ribbon at the new Southeast Career Office together with Judge Ed Emmett, Mr. Mike Temple and others. Chair Guthrie stated that the office was impressive and encouraged members to visit.

Chair Guthrie concluded his report and no action was taken.

Audit/Monitoring Committee Report

Chair Joe Garcia reported that the committee met on Tuesday, July 15, 2014 and heard an update on recent activity.

Chair Garcia explained that the regional Quality Assurance team reviewed the Conroe (average), Huntsville (average) and Humble (average) career offices operated by Interfaith of The Woodlands and the Winnie (average) career office operated by Neighborhood Centers.

Chair Garcia said that the QA team also reviews customer records to ensure we are opening and closing services appropriately. The most recent monthly review shows all contractors achieving 90% or higher compliance.

Chair Garcia reported that the QA team also reviewed and found:

- In coordination with the Financial Aid Payment Office, 1,802 early education and care providers – identified one facility mismanaging attendance cards,
- Collaborative for Children - acceptable
- Financial Aid Call Center – eligibility review found no problems

Chair Garcia said that overall, system performance and production have improved in 2014 over 2013.

Chair Garcia also reported that the QA team feels the career offices are operating at an acceptable level. He said that we characterize this with an “average” rating, which means that the office provides an acceptable level of customer service and generally meets or exceeds our process standards, although there are opportunities for improvement.

Chair Garcia noted that there were several offices that received below average ratings for more than one year; these locations were transferred from ResCare management in October 2013. Neighborhood Centers; who is the current manager of these locations are taking steps to improve the offices, and we are providing direct, on-site coaching and technical assistance from our training and development staff. The team will follow-up on progress at these locations, and we expect to see continued improvement.

Chair Garcia said that last year, the Workforce Commission noted two critical issues for our attention: the security of customers’ personal data and our ability to accurately and timely record service for our customers. He reported that the Quality Assurance Team has invested a considerable amount of time in follow-up throughout the system on both of these issues, and we have seen marked improvement.

Chair Garcia also mentioned that:

- Employer Services, the Payment Office, and our Early Education Quality efforts continue to meet our expectations for quality service to customers and vendors.
- The consolidated Financial Aid Call Center does not have any significant findings relating to the eligibility of the large number of customers it processes every month. The center has had some difficulty in responding timely to customers who apply for financial aid or who have questions, and we are working with the center to improve and strengthen its processes and the level of its customer service.
- The smaller specialized youth projects are operating acceptably.
- We do not have any unresolved findings or outstanding issues with respect to our contractors’ financial systems or financial reporting.

Chair Garcia also explained that the Texas Workforce Commission concluded their annual monitoring back in June 2014 and for the past several years we have had findings related to protection of personal information. Chair Garcia said he was proud to announce that we had no findings from TWC on this visit.

Chair Garcia concluded his report and no action was taken.

Career Office Committee Report

Board staff, Ms. Michelle Ramirez noted that contractors regularly identify staff members they believe best exhibit the I AM Workforce Solutions principles of excellent customer service. The Regional Management Team—made up of Board staff and contractor management—review nominations and select one or more individuals for recognition six times each year.

❖ **Joe Cabrera**

Workforce Solutions Southeast

At Workforce Solutions, staff members are encouraged to leverage experience and relationships to help their customers. Working with both customers and the employer community for years, Joe Cabrera has a unique perspective when helping customers find employment.

Mr. Cabrera willingly takes on new assignments and consistently thinks of innovative solutions to help employers fill their job openings. Whether it is managing special hiring initiatives for the City of Pasadena; helping employers temporarily relocate in order to continue recruitment efforts; coordinating hiring events; or personally contacting customers to fill job opportunities, Joe will undertake any challenge to ensure employers find qualified applicants and customers find good jobs.

Mr. Cabrera has worked with us for nearly five years and is currently located in the new Southeast career office.

The Board viewed a video about Joe Cabrera that was submitted for his nomination.

Mr. Cabrera *IS* Workforce Solutions.

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

TAKE ACTION

- a. Procurement. The Committee Chair will present recommendations to fund 2015 Workforce Solutions operations contracts in a total amount not to exceed \$184,475,734 and 2015 adult education and literacy contracts in an amount not to exceed \$14,372,927.

2015 System Contract Recommendations

Chair Timmins reported that the committee met on Wednesday, July 16, 2014, the day after the Audit/Monitoring Committee met and had the benefit of the Audit and Monitoring committee reports and contractor updates.

Chair Timmins explained that the Gulf Coast Workforce Board solicited contracts for its Workforce Solutions operating affiliate system contracts in 2013 on a five-year procurement cycle. The five-year procurement cycle allows for an initial annual contract and up to four 1-year renewals based on performance and availability of funding. The 2015 contract year will begin on October 1, 2014 and is the second year of the five-year procurement cycle for system contracts. Chair Timmins reported that pending approval by the Board, contracts would be in place for the year beginning October 1, 2014.

Performance and Production Update

Chair Timmins explained that unemployment continues to drop in our region. The improving economy is reflected in performance against the Board's measures which show improved rates of returning people to work.

- Through May 2014, 72.6% of our customers were employed by the first quarter after exiting from Workforce Solutions services -- above the 71.3% annual performance last year and exceeds this year's target of 72%.
- Through May 2014, 33.6% of our customers had earnings gains of 20% or more after exiting from Workforce Solutions services -- above the 32.9% performance from last year and below the target of 35%.
- We are seeing a slight decline in career office traffic. The average monthly traffic (visits) through May 2014 was 191,369 customers. In 2013 the average monthly traffic was 219,379 customers.
- We are seeing an increase in the number of job postings – through May 2014 we received 8,134 postings on average every month. In 2013 the average was 7,474.

Chair Timmins noted that we are behind on production in two areas: the work rate for welfare recipients (the percentage of our customers receiving welfare benefits who are working) and placing young people (ages 14 to 21) in education or work.

Chair Timmins also noted the system has been improving in both these areas during the year, and we expect to meet our production standard for both by October.

Employer Service

Chair Timmins reported that Employment and Training Centers, Inc. operates Workforce Solutions' Employer Service which markets and provides a range of services to business. The 88 staff members are located in career offices and a central unit in Houston.

For 2014, ETC will work with more than 25,000 employers.

Career Offices

Chair Timmins reported that two contractors employ a total of 548 staff to operate 24 offices, and 3 information centers:

Neighborhood Centers

11 offices: Astrodome, Baytown, East End,
Lake Jackson, Northeast, Northline,

Northshore, Rosenberg, Southeast, Southwest,
and Texas City
Information Centers: Houston Public Library-
Downtown and Winnie

Interfaith of the Woodlands

13 offices: Bay City, Columbus, Conroe,
Cypress Station, Humble, Huntsville, Katy
Mills, Liberty, Sealy, Waller, Westheimer,
Wharton and Willowbrook
Information Center: Houston Public Library—
Ring

In 2014 we expect the offices to have almost 2.3 million visits from customers.

Youth

Chair Timmins reported that three contractors currently deliver services for young people between the ages of 14 and 21, in addition to the service provided for youth through the career offices.

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

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

Gulf Coast Trades Center employs 4 staff to provide educational and vocational training and support services to youth offenders referred from county juvenile probation departments.

Early Education Quality

Chair Timmins noted that two contractors provide quality resources to child care providers.

Texas Association for the Education of Young Children employs two staff to award scholarships to 35 early education teachers for their Associate's Degree in Child Development or for Child Development Associate Credentials.

Collaborative for Children, Inc. employs 22 staff to provide quality resources to early education providers. CC provides teacher and director training, grants to buy equipment and materials, intensive quality improvement services, support for Texas Rising Star and National Accreditation, support for children with disabilities, support for infant/toddler care, child care resource and referral, resources for listed home providers, parenting support, and securing local match for federal dollars coming to the Board.

Financial Aid Call Center

Chair Timmins said that Interfaith of The Woodlands employs 71 staff to operate our Financial Aid Call Center. This unit receives applications for financial aid from our customers, determines the eligibility for financial aid and communicates with our customers regarding the status of their applications, and for those who we approve for assistance, how to access their work, education or work search support.

Currently this unit receives between 1,000 and 1,500 applications for new or renewal financial aid and about 6,250 calls each week.

Payment Office

Chair Timmins reported that Neighborhood Centers, Inc. employs 38 staff to operate our payment office and manage Workforce Solutions' vendor networks. This unit tracks, manages, and pays out financial aid to vendors on behalf of our customers.

For 2014, we expect that the payment office will pay out more than \$131 million in financial aid for scholarships; help with child care expenses and transportation costs; and other education, work and work search expenses. The payment office works with about 2,700 vendors.

2015 Proposed Contracts

Chair Timmins advised that the committee is making the following recommendations for the 2015 contracts:

By Contractor	2014	Proposed 2015
Neighborhood Centers, Inc.	\$ 22,748,481	\$ 23,300,000
Interfaith of the Woodlands	17,629,001	18,400,000
Employment and Training Centers	5,710,743	5,850,000
Collaborative for Children	3,164,481	3,240,000
Texas Association for the Education of Young Children	51,000	51,000
SER-Jobs for Progress	630,000	630,000
Gulf Coast Trades Center	282,000	282,000
Dynamic Education Systems, Inc.	239,902	239,900
Learning Designs Inc.	560,609	550,000
Subtotal, Operations	51,016,217	52,542,900
Direct Financial Aid	138,119,997	131,932,834
Total	\$189,136,214	\$184,475,734

By Function	2014	Proposed 2015
Employer Service	\$ 5,710,743	\$ 5,850,000
Career Offices	32,189,481	33,194,635
Youth	1,151,902	1,151,900
Early Education Quality	3,215,481	3,291,000
Financial Aid	146,307,998	140,438,199
• <i>Call Center</i>	<i>4,878,001</i>	<i>5,195,365</i>
• <i>Payment Office</i>	<i>3,310,000</i>	<i>3,310,000</i>
• <i>Direct Aid</i>	<i>138,119,997</i>	<i>131,932,834</i>

System Training & Development	560,609	550,000
Total	\$189,136,214	\$184,475,734

- At the present time, we are estimating available funds for 2015 system operations at 97% of our current year level.
- The committee recommends increasing the funds we commit to general operations (principally staff and facilities) and decreasing the funds committed to direct financial aid for several reasons:
 - For 2014 we will spend \$131 million on direct financial aid (work, education, and work search support). This is considerably less than we budgeted for the year, and we expect to have more funds than we should carry over into next year. We have not seen a significant increase in demand for financial aid and so would propose to reduce amounts to meet expected need.
 - Initially last year we did not put enough resources into the consolidated financial aid call center operated for us by Interfaith of the Woodlands. We added some resources for additional staff late this year and propose to fund those positions fully next year.
 - Although we have seen a slight drop in career office traffic, earlier this year we lost 18 front-line staff positions when the extended unemployment benefits programs ended. We believe losing those positions affected our service to customers, and we are proposing adding those staff positions back into the system (at Interfaith of the Woodlands and Neighborhood Centers).
- Chair Timmins noted that the committee is recommending:
 - Increases to Employer Services as our volume of job orders continue to rise.
 - More resources for our early education quality effort to meet legislative and state regulatory requirements for increasing the number of early education/care providers certified in the state's quality system – Texas Rising Star.
 - Maintaining the special youth projects at current year levels. We have included in proposed contract the current year commitment of funds for summer jobs.
- Chair Timmins also reported that per our usual practice, we will negotiate all costs and contract specifications.

Chair Timmins said that Workforce Solutions projects to provide services to 320,000 individuals, work an average of 8,000 new job postings each month, and provide \$131 million financial aid to about 45,000 customers. This includes:

- About 2.2 million visits to local career offices
- Financial assistance to parents for early education/care expenses that supports about 23,000 children every day

We plan in 2015 to meet or exceed the Board's performance measures and our production requirements.

A motion was made and seconded to approve the recommended 2015 Workforce Solutions contracts in total amount not to exceed \$184,475,734 as shown above. The motion carried. Ms. Ramona Malone abstained from voting.

Workforce Adult Education and Literacy

Chair Timmins explained that until 2013, the Texas Education Agency managed public funding for adult education/literacy services. Senate Bill 307 transferred administration to the Texas Workforce Commission. Earlier this year TWC requested proposals to operate adult education and literacy in the state's 28 workforce development areas.

Board staff worked with organizations currently providing adult education and literacy to organize one regional response to the state's request. With generous assistance from the seven existing cooperatives, a regional proposal was submitted to provide adult education and literacy throughout the 13-county region, with the Board's staff as the grant recipient and fiscal agent and Region 6 Education Service Center as the lead agency for programming and professional development. Seven principal service providers – Brazosport College, College of the Mainland, Harris County Department of Education, Houston Community College, Lone Star College, San Jacinto College, and Wharton County Junior College – will offer service through 146 sites in all 13 counties.

Chair Timmins stated that TWC has notified us that our regional proposal has been accepted.

With the available funds of \$14,372,927, we will provide adult education and literacy services for 25,540 customers during the first year, including literacy instruction, adult basic education leading to GED certification, English language and civics instruction, and basic skills integrated with occupational skills training in multiple locations throughout the region.

Chair Timmins reported that we would add the proposed funding for the Board staff to the Board's budget.

The Workforce Board will use this opportunity to better align and integrate publicly funded adult basic education and literacy and the region’s workforce system. The proposed contracts and distribution of funds includes:

Organization	Proposed Funding	Service Levels
Brazosport College	\$ 530,228	1,034
College of the Mainland	605,181	1,180
Harris County Department of Education	3,699,102	7,212
Houston Community College System	6,062,918	11,821
Lone Star College	1,160,394	2,263
San Jacinto College	402,529	785
Wharton County Junior College	638,494	1,245
Region VI Education Service Center	996,476	-
Board (H-GAC)	277,605	-
Total	\$14,372,927	25,540

A motion was made and seconded to authorize a contract with consortium members for adult education/literacy services in a total amount not to exceed \$14,372,927 as shown above. The motion carried. Dr. Sarah Janes, Dr. David Joost, Mr. Ray Laughter and Mr. Eduardo Honold abstained from voting.

RECEIVE INFORMATION

System Performance

Mr. David Baggerly reviewed the Year End System Performance measures for October 2013 through June 2014. These measures gauge progress toward meeting the results set out in the Board’s strategic plan. There are two sets of measures: one for the entire regional workforce system and one for the Board’s operating affiliate, Workforce Solutions.

For Workforce Solutions
More Competitive Employers –

Employers Receiving Services (Market Share) – we expected to provide services to 25,147 employers this year which is almost 18% of the 140,808 employers identified for the Gulf Coast area. We provided services to 20,019 employers through June 2014.

Employer Loyalty – our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,485 employers, 10,743 returned to The Workforce Solutions for additional services through June 2014.

More and Better Jobs –

New jobs created – This information is captured quarterly and reflects a two year average.

Customers employed by the 1st quarter after exit – Reporting for the quarter ending June 2013, 174,666 of the 240,547 customers who exited from services were employed by the quarter after exit.

Higher Real Incomes –

Exiters with Earnings Gains of at least 20% - Reporting for the quarter ending December 2012, 90,222 of the 268,527 customers who exited had earnings gains of at least 20%.

A Better Educated and Skilled Workforce –

Customers pursuing education diploma, degree or certificate who achieve one - Reporting for the quarter ending December 2013, 1,404 customers pursuing an education diploma, degree or certificate exited in the period July – December 2013. 713 achieved a diploma, degree or certificate by the quarter after exit.

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

For the performance year that began October 1, 2013, we are meeting or exceeding the target for eight of ten measures. The two measures we are not meeting are:

- Youth Placement in Employment or Education. The target for this measure is 65%. Our performance through September 2013 was 64.4%. We expect to meet the target.
- Choices Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 39.5%. Our performance through the month of June was 38.5% with a cumulative total for the year of 35.6%.

Mr. Baggerly reported that we continue to work closely with our contractors to improve performance on all measures.

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

Expenditure Report

Mr. Mike Temple reviewed the Financial Status Report for four months ending June 30, 2014. Mr. Temple explained that the budget looks good, with the exception of office operations, expenses are running slightly high against a straight line estimate, but should not be a problem by the end of the year.

Mr. Temple noted that the Budget Committee will meet again prior to the October 2014 meeting to review the budget and assess if any changes need to be made before year end.

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

UpSkill Houston

Ms. Elaine Barber, Board member representing the Greater Houston Partnership spoke to the Board about UpSkill Houston. Ms. Barber gave a brief overview on the background of GHP and its mission and vision. The GHP has a membership of over 2000 business organizations and covers an 11 county area.

Ms. Barber then explained that leaders from across the business community have identified one of the region's most pressing issues that are critical to our continued success: workforce development. It was determined that we must develop a qualified employee base properly trained for tomorrow's job needs or face an understaffed economy that will stifle the growth and vitality of our region. Young people need to have the skills and opportunities to enter the workforce and build successful careers, raise families and prosper. To address the challenge the GHP developed UpSkill Houston, a comprehensive, industry-led approach to bridge the gap and fill jobs in middle skills occupations. UpSkill Houston is an innovative blueprint for leaders from the business community, educational institutions and social service organization to utilize as we lead the effort to build a quality workforce.

Ms. Barber explained the background, vision and goals, action plan and efforts moving forward for the UpSkill Houston initiative. She explained the full report "Addressing Houston's Middle Skills Job Challenge" can be viewed at www.houston.org/upskillhouston.

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

Mr. Temple reported that the Workforce Board has a special section on the website related to UpSkill Houston.

Workforce Investment Opportunity Act

Mr. Temple gave a brief report on the Workforce Investment Opportunity Act. This piece of legislation provides a substantial portion of the money that the Board uses to deliver services in the system. Mr. Temple explained that the new legislation is not a big change from the existing one. It also provides more flexibility to the Board on how the funds are used. Mr. Temple expressed that our Board is extremely well positioned and we have been using the "Texas Model" for more than a decade and we really are in the forefront compared to the rest of the country. The "Texas Model" is a consolidation of funding streams so that it appears more seamless to our customers. The new legislation will bring other states more in-line with the way we do business.

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

LOOK AT THE ECONOMY

Mr. Ron Borski explained that the Houston-Sugar Land-Baytown Metropolitan Statistical Area (H-S-B MSA) unemployment rate experienced a seasonal increase in June rising to 5.4%, slightly below the state's 5.5% unemployment rate and 0.9% lower than the national's 6.3% rate. The rate of unemployment typically increases after the end of the school year as students enter the job market. The H-S-B MSA added 3,500 jobs in June and 87,500 jobs over the year. All major sectors were reporting over-the-year job gains with strongest growth in Mining and Logging, Construction of Buildings, Non-Durable Goods Manufacturing, Architectural Engineering and Related Services, Computer Systems Design and Related Services and private Health Care Services. Employment at the national level has finally reached the pre-recession high in May after more than six years or 76 months of recovery. The H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011 or approximately 39 months.

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

OTHER BUSINESS

Mr. Guthrie thanked all the Committee Chairs and their members for all the effort and hard work. He noted that much of the work of the Board is handled by the committees.

Ms. Evelyn Timmins welcomed Dr. Bobbie Henderson as the new Vice Chair of the Procurement Committee.

Mr. Temple announced the new Workforce Solutions website is up and he invited all members to put their name, company or organization logo along with a link to each website on a page. A reminder email will be sent after the meeting and if you are interested, please contact Josh Shideler, Public Information Planner.

A pamphlet of news articles in the press regarding the Workforce Board were handed out before the meeting.

Mr. Temple welcomed new staff member, Mr. Parker Harvey who will be working along with Mr. Ron Borski. Mr. Harvey came from the Bureau of Labor Statistics in Chicago.

Mr. Tony Jones asked if the Workforce Solutions Disability Navigators could be involved in the UpSkill Houston effort.

Mr. Jones also asked about the progress of the new itinerate site at the multiservice center on West. Gray.

ADJOURN

There was no further business to come before the Board, and Chair Guthrie adjourned the meeting at approximately 11:15 am.

Audit/Monitoring Committee

Update for October 2014

- The regional Quality Assurance team reviewed 11 locations since the last report, including 10 offices and the two satellite locations at Houston Public Library sites (Ring Library in Spring Branch and the downtown Central Library).

The team rated the Cypress Station, Katy Mills, Columbus, and Sealy offices as above average in their operations, meaning those locations deliver good customer service and may have some opportunities for improvement. Interfaith of the Woodlands operates each of these offices.

The team judged the other locations as average – which means the offices provide an acceptable level of customer service with several opportunities for improvement.

During the past year, the Quality Assurance team members rated the office locations on their customer service, management, and quality of records, judging them to be above average, average, or below average.

- The team continues to review the system to determine how well we are protecting customer information. Although we occasionally discover customer data forgotten in a staff drawer or a box under a desk, we find contractors and staff are doing well at protecting customer information. Reviews of offices' ability to record service accurately and in a timely fashion also show the system meeting expectations for 90% compliance.
- Through mid-September, we and the Financial Aid Payment Office have visited 1,965 of the 2,137 active child care vendors. There are no notable findings.
- The team is currently looking at Employer Service operations and preparing for the next round of system visits to offices, the Financial Aid Call Center, the Financial Aid Payment Office, youth projects, and the early education quality improvement effort.

Career Office Committee

Customer Service Award

Background

Our contractors regularly identify staff members they believe best exhibit the I AM Workforce Solutions principles of excellent customer service. The Regional Management Team—made up of Board staff and contractor management—reviews nominations and selects one or more individuals for recognition.

I AM Workforce Solutions

❖ **Sherrie Brooks**

Workforce Solutions - Humble

Sherrie Brooks began working as an employment counselor with Workforce Solutions just over a year ago in the Humble office – which is located on FM1960 to the east of US 59 in northeast Harris County.

With the greeting “What kind of job can I find you today!” Sherrie right away engages her customer and steers the interview towards looking for work. Customers tell us they feel confident in Sherrie’s ability to help them find a job – and with her coaching and assistance, they do. Within the last six months, Sherrie has helped 66 customers get a job!

Sherrie’s passion for helping *every* customer go to work also shows in her work with non-profit organizations. She works with Autumn’s Dawn, a Humble-area organization that helps autistic young adults transition to independent living, using her resources and contacts to guide these young adults to employment.

Sherri *IS* Workforce Solutions

Early Education & Care Committee Activities

Texas Rising Star

The Workforce Commission implemented the Texas Rising Star system several years ago. TRS recognizes child care providers who offer a level of quality early education – providers apply and are assessed as meeting specific quality criteria. Providers who successfully acquire the designation are certified as TRS providers – and a TRS provider may earn up to 5% above the Workforce Solutions published child care reimbursement rates.

Legislation passed during the last session of the Texas Legislature directed the Texas Workforce Commission to expand and improve Texas Rising Star. Recommendations from a statewide workgroup convened by the Workforce Commission to assist in implementing provisions of the legislation include:

- Revising the criteria and standards used in assessing quality providers, including changing the rating scale and designations
- Improving the assessment, mentoring and technical assistance which the workforce system offers to help providers achieve and maintain Texas Rising Star certifications
- Increasing the number of providers achieving Texas Rising Star certifications

Our early education quality contractor, Collaborative for Children, will provide both the assessment and mentoring functions for Texas Rising Star as a part of the early education quality technical assistance service it offers.

During the 2015 contract year we plan to take the following actions implementing changes in Texas Rising Star:

- By January 2015, Collaborative for Children will increase the number of staff dedicated to assessment and mentoring functions from a total of three positions to nine positions. The assessment staff and the mentoring staff are separate; that is, assessment and mentoring may not be performed by the same individual for any provider. One individual may perform both functions, but not for the same provider.
- Throughout the year, Collaborative for Children conduct assessments of providers using a new tool and set of criteria – this includes existing Texas Rising Star-certified providers.
- At the beginning of the 2015 contract year – this October – we expect to have 155 Texas Rising Star-certified providers. We will increase that number by the end of the contract year (September 2015), but not significantly, as our focus will be on transitioning to the new criteria and standards.

- We plan over the following two contract years to increase the number of providers with Texas Rising Star certifications in our region to more than 300.

Child Care Rates

Periodically staff reviews the regional market to assess the position of our reimbursement rates for providers and advise the Committee and the Board on possible changes. We have not increased the maximum rates we pay for early education and care in several years.

Based on last year's rate survey, our maximum reimbursement rates are:

- At 96% of the average market rate for licensed child care centers;
- At 83% of the average market rate for licensed homes; and
- At 82% of the average market rate for registered homes.

We set maximum reimbursement rates for type of early education/care provided, taking into account the age of the children. Normally we negotiate all rates with any provider and we may or may not pay up to the maximums.

We plan to review the 2014 rate survey – to be released by the Workforce Commission in September – and make any recommendations to the full Board for possible changes at the December 2014 Board meeting.

Early Matters

Early Matters is a broad-based coalition of business, civic, education, philanthropic and non-profit organizations working to increase the awareness of and investment in high-quality early education.

Committee Chair Bobbie Henderson has been active in the coalition from the beginning, and Board member Willie Alexander has recently joined Early Matters as a representative of the Board.

The coalition released its report – which includes recommendations for action – on September 26. Currently the coalition and its recommendations are focused on Houston and Harris County. A summary follows this page.

Since its beginning, the Workforce Board has been concerned about early education and improving the quality of the education and care for young children. With the more than \$100 million the Board provides in child care financial aid to support parents who are working or

going to school, it is a key player in the region's early education system. In addition, the Board continues its support for quality improvement activities, through the more than \$3.2 million invested through Collaborative for Children and the Texas Association for the Education of Youth Children.

At the Early Education Committee's September meeting, committee members voted to recommend that the Board join with other coalition partners to endorse increased investment in high-quality early education. Chair Henderson and Mr. Alexander will discuss this recommendation.

Action

Endorse the Early Matters goal of increasing awareness of and investment in high-quality early education.

earlymatters

Proposed 10-year Vision for Houston/Harris County, Texas

What is early matters?

We are a broad-based coalition of business, civic, education, philanthropic and nonprofit organizations and volunteers, working together to raise awareness about the importance of high quality early education and to make a strong case for increased investment in this critical, high return on investment area.

Case Statement

The scientific evidence is abundantly clear – an investment in our young children through engaged parenting and high quality early education programs make a lifelong difference in school outcomes and workforce readiness. We need to put this knowledge to work, as we are at a critical time in our community's evolution with many more jobs requiring post high school education. Only 1 of 5 children in our region are graduating from high school and completing some form of post high school credential. However, Houston's rapidly growing employers in the petrochemical, medical and manufacturing fields desperately need employees with the post high school education. Early education receives limited public funding, and the state standards for quality early education programs are far too low. As a result, few families are able to access high quality early education. We must invest more heavily in the early stages of our children's learning and development, a time in which we see the highest financial return on investment and the greatest impact on preparing children for a bright and successful future.

The Vision

We envision a Greater Houston Region where young children are a part of supportive and nurturing families and are able to participate in high quality early education, knowing that intentional early investments significantly improve kindergarten readiness, 3rd grade reading mastery, high school graduation rates, post high school education/credentialing and workforce readiness.

Steps to Achieve the Vision

- **Parents** are accessing a range of resources to become the best parents they can be
 - Receiving information or participating in group classes on child development and effective parenting approaches
 - Learning about the ways they can interact with children to build vocabulary and increase reading readiness
 - Achieving new skills and accessing critical community resources through home visitation programs
 - Gaining information/resources from pediatricians on the importance of early reading and talking with young children
- **Child care programs** are of high quality and accessible to working families
 - Making information readily available for parents to make good choices on early education options
 - Incentivizing program leaders and teachers to participate in training and professional development beyond the state's current minimum standards
 - Supporting teachers in the implementation of research-based curricula and providing access to instructional resources that promote language-rich learning environments
 - Revising state child care standards over time to reflect best practices for young children
- **Pre-K Programs** are equitable with respect to access and high quality
 - Limiting teacher-to-student ratios to 1:10 (e.g. one teacher and one aide per 20 students in a classroom)
 - Offering full day Pre-K programs with access to quality extended day or after-school enrichment
 - Implementing programs by school districts in partnership with child care and Head Start
 - Expanding access through the use of a sliding scale fee for families over income eligibility limit
 - Evaluating program on an on-going basis, tracking progress and recommending improvements
 - Prioritizing serving 4 year olds first, then expanding access to more 3 year olds based on results of evaluation

Suggested Options for Financial Support

- State support for expanded Pre-K (e.g. improve teacher/child ratios and quality instruction, expand to full day)
- Local public/private funding to improve the quality of child care and expand parenting support initiatives
- Use Collective Impact Model to improve/coordinate existing parenting and early education programs
- Coordinate Head Start, Pre-K and child care subsidy funding to maximize impact and efficiency.

Gulf Coast Workforce Board
System Performance
October 2013 to August 2013

Board Measures

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

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

More Competitive Employers

Measure	Annual Target	Current Performance	Performance Last Year
<u>Employers Receiving Services (Market Share)</u> We expect to provide services to 25,147 employers this year which is almost 18% of the 140,808 employers identified for the Gulf Coast area. We provided services to 23,139 employers through August 2014.	25,147	23,139	24,842
<u>Employer Loyalty</u> Our performance indicates our employer customers value our services and return to us for additional services. Of a possible 22,485 employers, 11,987 returned to Workforce Solutions for additional services through August 2014.	60%	53.3%	59.1%

More and Better Jobs

Measure	Annual Target	Current Performance	Performance Last Year
<u>New jobs created</u> This information is captured quarterly and reflects a two year average.	2,700	2,270	2,646
<u>Customers employed by the 1st Qtr after exit</u> Reporting for the quarter ending September 2013, 237,377 of the 323,701 customers who exited from service were employed by the quarter after exit.	72%	73.3 %	71.3%

Higher Real Incomes

Measure	Annual Target	Current Performance	Performance Last Year
<u>Exiters with Earnings Gains of at least 20%</u> Reporting for the quarter ending March 2013, 116,188 of the 346,231 customers who exited had earnings gains of at least 20%.	35%	33.6%	32.9%

A Better Educated Workforce

Measure	Annual Target	Current Performance	Performance Last Year
<u>Customers pursuing education diploma, degree or certificate who achieve one</u> Reporting for the quarter ending March 2014, 1,803 customers pursuing an education diploma, degree or certificate exited in the period July – March 2014. 903 achieved a diploma, degree or certificate by the quarter after exit.	58%	50.1%	57.7%

Production

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

For the performance year that began October 1, 2013, we are meeting or exceeding the target for eight of ten measures. The two measures we are not meeting are:

- Youth Placement in Employment or Education. The target for this measure is 65%. Our performance through September 2013 was 63.6%. We expect to meet the target.
- Choices Work Rate. This measure looks at the percent of customers receiving TANF benefits who are employed. The target for this measure is 39.5%. Our performance for the month of August was 40.2% with a cumulative total for the year of 36.3%.

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

Item 8b

GULF COAST WORKFORCE DEVELOPMENT BOARD FINANCIAL STATUS REPORT

For the Eight Months Ended August 31, 2014	ANNUAL BUDGET	BUDGET YEAR TO DATE	ACTUAL YEAR TO DATE	DOLLAR VARIANCE
WORKFORCE REVENUES				
WORKFORCE REVENUES	189,525,946	126,350,631	122,310,441	4,040,190
WORKFORCE EXPENDITURES				
BOARD ADMINISTRATION	4,232,690	2,821,793	2,449,031	372,762
SYSTEM IT	551,354	367,569	260,162	107,407
EMPLOYER SERVICES	6,480,500	4,320,333	4,362,064	(41,731)
RESIDENT SERVICES	178,261,402	118,840,935	115,239,184	3,601,751
OFFICE OPERATIONS	34,843,000	23,228,667	30,571,958	(7,343,291)
FINANCIAL AID	142,350,500	94,900,333	84,055,880	10,844,453
SPECIAL PROJECTS	1,067,902	711,935	611,346	100,589
<i>TOTAL WORKFORCE EXPENDITURES</i>	189,525,946	126,350,631	122,310,441	4,040,190

VARIANCE ANALYSIS

Note: Except for Special Projects that are currently funded through September 30, 2014, 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.

Information Updates

UpSkill Houston

The Greater Houston Partnership's middle skills initiative is moving forward. Steve Mechler from Balfour Beatty Construction – who recently joined you on the Workforce Board – is leading the construction industry sector work. That group begins work in October. Several other UpSkill committees – one on education and another on data sources – will also begin meeting in October.

GHP is planning a summit event for November 12. We'll provide you more information on that as the date draws near.

Industrial Construction

Recognizing the need for skilled workers to build multiple industrial projects – mainly large petrochemical facility expansions – in several parts of the region, the Workforce Commission placed funds at Alvin, Brazosport, Lee, Lone Star, and San Jacinto colleges. That money will train welders, pipefitters, millwrights and others for construction firms. Our local offices are working with the colleges to recruit candidates for the training and the jobs, and we're also providing additional financial aid support where needed for trainees. Most of the classes will ramp up this fall. Recently the Workforce Commission added some funds at several of the colleges to also train veterans for industrial construction work.

The principal construction occupations have also long been on the Board's high-skill, high-growth list of demand jobs, and we continue to authorize financial aid for customers who want to train in those occupations at multiple community colleges and some career schools.

Red White and You

For the past several years, the Board has sponsored a large job fair for veterans during November, close to the annual Veteran's Day celebrations. Every workforce board in the state supports an event like it on the same day.

This year we and our partners at the Texas Veterans Commission have made an effort to work more closely with a larger number of the veteran's service organizations in the region to plan and organize the event. On November 13, we'll be at Minute Maid Park in downtown Houston for the fair and hope to see larger numbers of employers and veterans attending than last year.

Homeless Coalition

The Coalition for the Homeless of Houston/Harris County has made some significant progress in reducing homelessness in its service area – which includes Harris and Fort Bend counties. As the Coalition works to focus itself on providing more permanent and emergency housing, the members have asked us to work with them to find better ways of integrating Workforce Solutions service – and helping individuals in supported housing move into good jobs.

We're at the beginning of this collaboration on a staff level, but we think this will offer us the opportunity to make a difference to larger numbers of those who experience homelessness in our community.



Labor Market Information
 AUGUST 2014 Employment Data

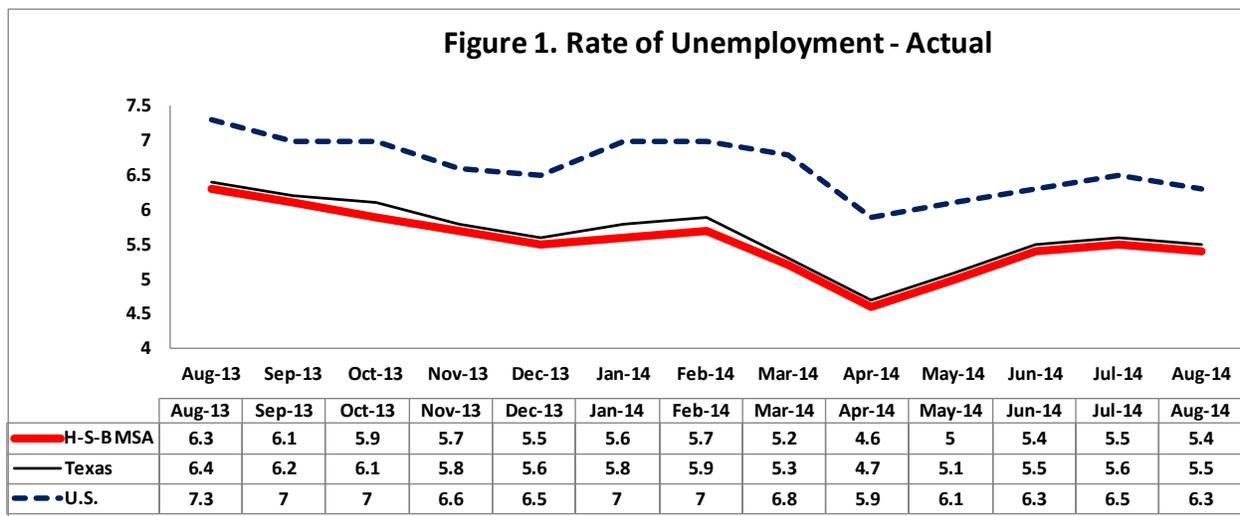
HOUSTON-SUGAR LAND-BAYTOWN METROPOLITAN STATISTICAL AREA (H-S-B MSA)

Visit our website at www.wrksolutions.com

THE RATE OF UNEMPLOYMENT IN THE HOUSTON-SUGAR LAND-BAYTOWN MSA DROPPED ONE-TENTH OF A PERCENTAGE POINT TO 5.4% IN AUGUST. The Texas unemployment rate also dropped one-tenth of a percentage point in August while the national unemployment rate dropped two-tenths of a percentage point.

Unemployment Rate (Actual)

	AUG 2014	JUL 2014	AUG 2013
Civilian Labor Force	3,189,596	3,205,220	3,124,226
Total Employed	3,016,087	3,029,752	2,928,528
Unemployed	173,509	175,468	195,968
Unemployment Rate	5.4%	5.5%	6.3%



THE HOUSTON-SUGAR LAND-BAYTOWN MSA ADDED 3,700 JOBS TO PAYROLLS IN AUGUST, UP 0.1 PERCENT. This was the weakest August increase since 2010. Partially responsible was an estimated loss of 600 jobs in Trade Transportation and Utilities which normally experiences a seasonal increase during the month. Another factor was seasonal declines in Leisure & Hospitality that normally occur in July being pushed back to August. The overall increase was made possible by strong gains in Construction and Education & Health Services. The public sector reported normal seasonal declines as educational institutions reduced staff for the summer.

THE HOUSTON-SUGAR LAND-BAYTOWN MSA ADDED 107,400 JOBS OVER THE YEAR WITH THE PACE OF JOB GROWTH AT 3.9 PERCENT. All of the super sectors were reporting over-the-year job gains. Strongest growth has been in Mining and Logging, Construction of Buildings, Non-Durable Goods Manufacturing, Architectural Engineering and Related Services, Computer Systems Design and Related Services, and Health Care Services (Private). Detailed data can be viewed on pages 6 & 7.

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

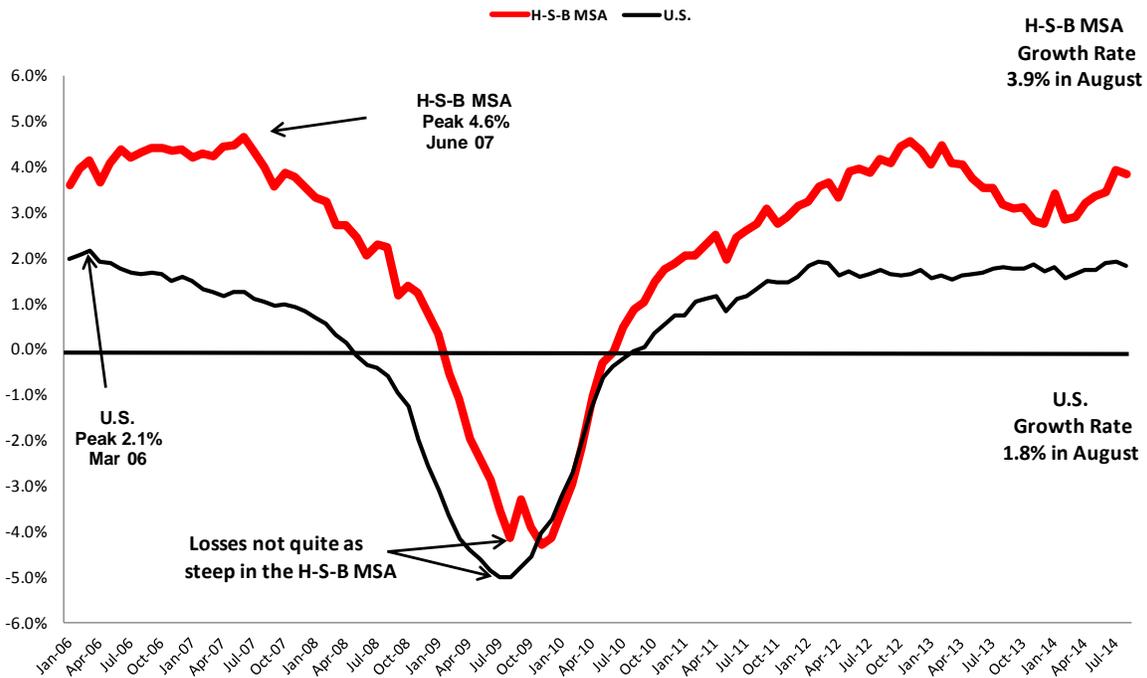
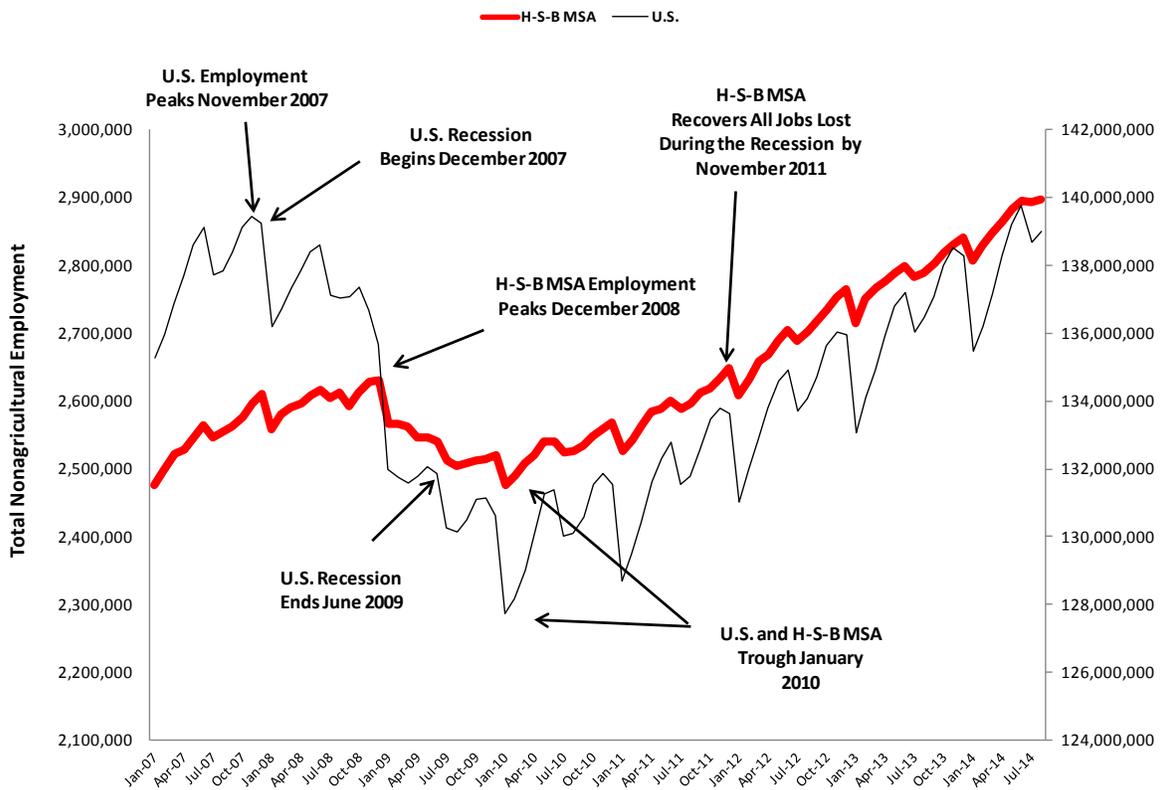
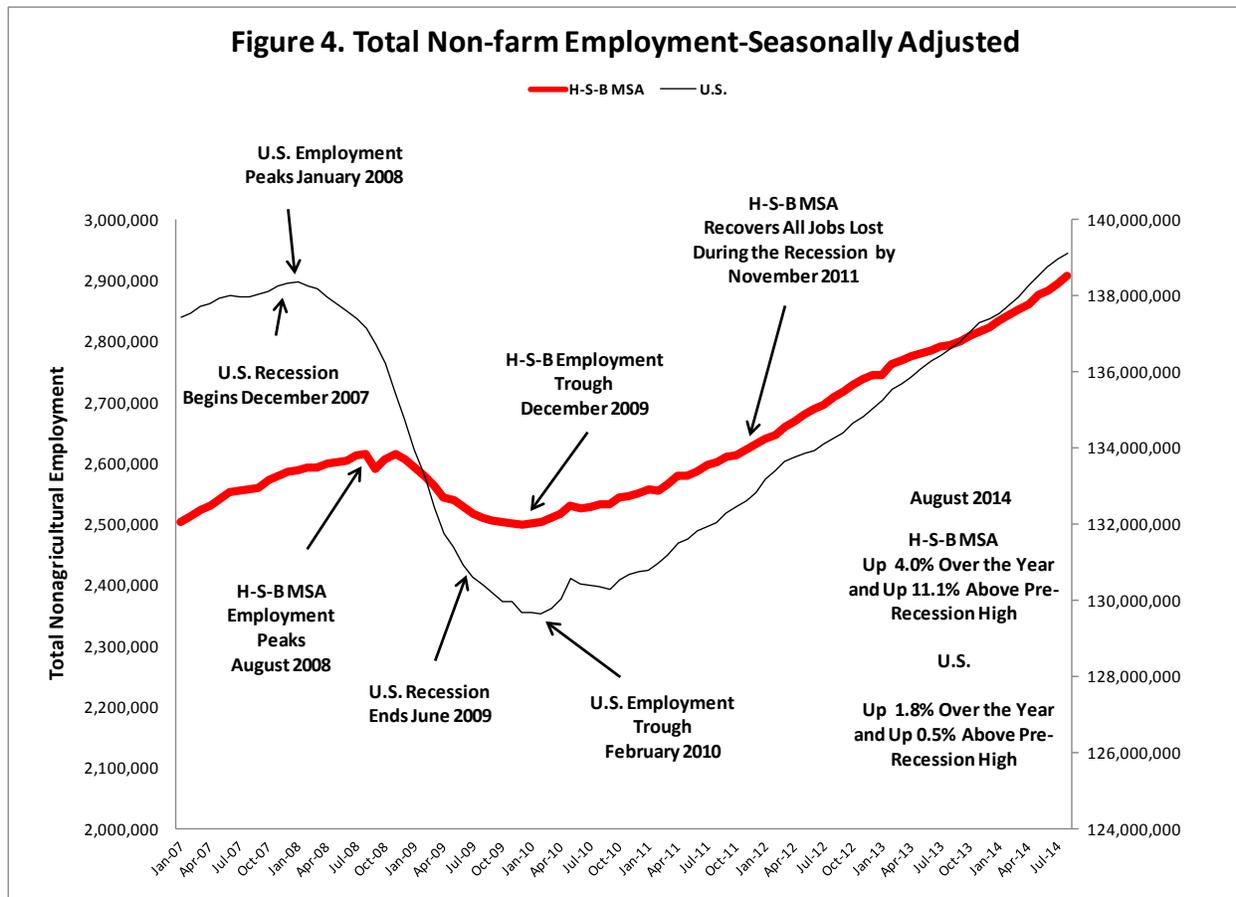


Figure 3. Total Non-farm Employment-Actual



Seasonally adjusted data for the H-S-B MSA and U.S. seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. The H-S-B MSA recovered all jobs lost since the beginning of the recession by November 2011. Payrolls have since grown another 11.1 percent above the pre-recession high adding another 291,600 jobs. Employment at the national level finally reached the pre-recession high in May of this year after more than six years of recovery with payrolls currently up 753,000 jobs above the pre-recession high.

Additional details by super sector are provided below.

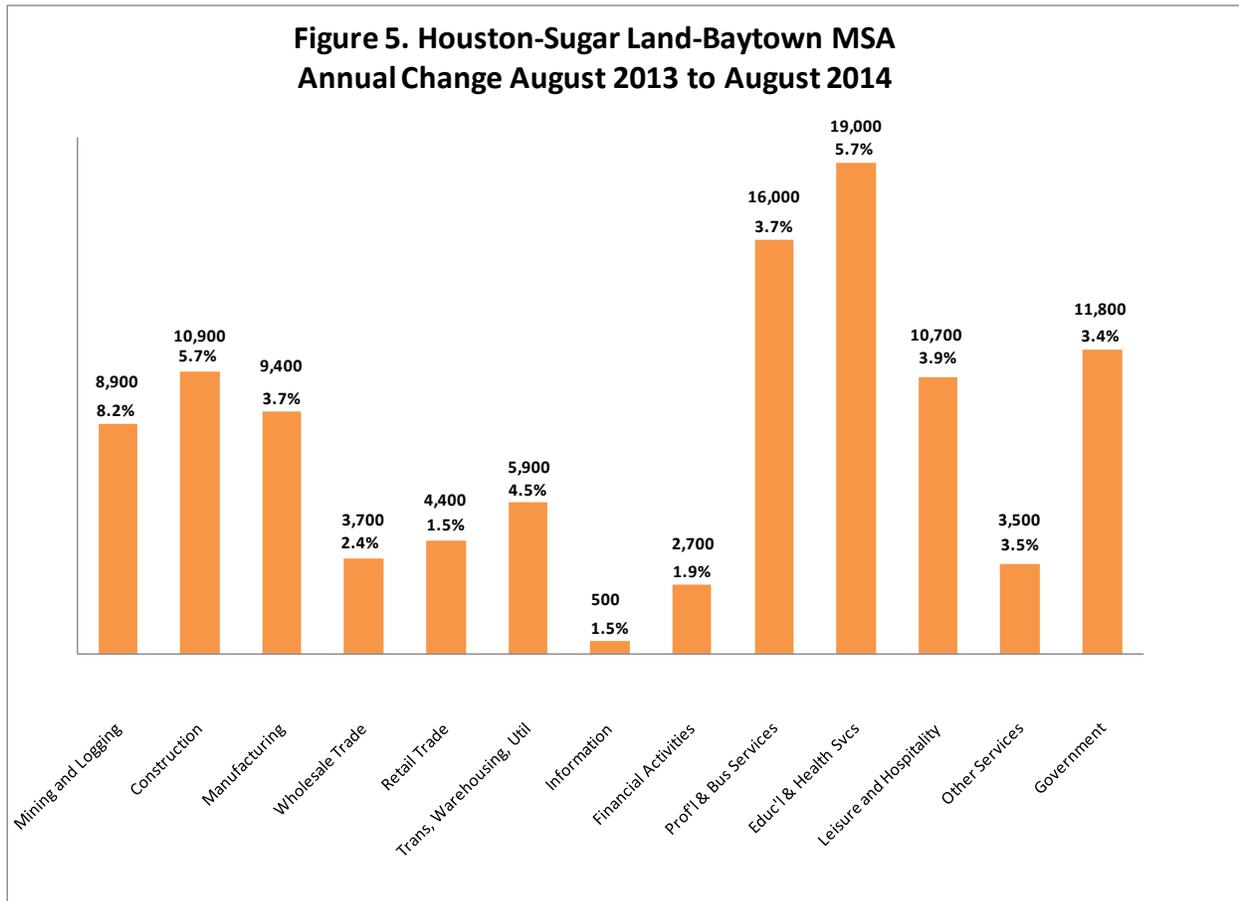


DETAILS BY SUPER SECTOR

Mining and Logging payrolls increased for the ninth consecutive month in August, up 1,400 jobs or 1.2 percent. Gains have been particularly strong in Support Activities for Mining with payrolls rising more than 4,400 jobs over the last three months. The pace of job growth in the super sector rose to its highest level since April 2013, up 8,900 jobs or 8.2 percent. Job growth is found across the board but the pace of job growth in Support Activities for Mining, up 11.2 percent, nearly doubles the pace in Oil and Gas Extraction, up 6.1 percent. The average U. S. rig count was 1,904 in August, up 28 from July and up 123 from one year earlier. The average Texas rig count was 900 in August, up 8 from July and up 52 from one year earlier representing nearly half of all active land rigs in the United States.

Construction added 5,700 jobs in August, up 2.9 percent. This was the strongest August increase on record according to data dating back to 1990. The pace of job growth in Construction rose to its highest level since July 2013, up 5.7 percent, with payrolls up 10,900 jobs over the year. Strongest

job gains continue to be in Construction of Buildings where construction activity has been strong, up 7,100 jobs or 14.3 percent.



Manufacturing added 700 jobs in August with payrolls up 9,400 jobs or 3.7 percent over the year. Breaking historical trends, the majority of job growth has recently been in Nondurable Goods Manufacturing, where chemical and petrochemical plants are found, up 6,600 jobs. The 8.2 percent increase in Nondurable Goods Manufacturing represents the fastest pace of hiring on record according to data dating back to 1990. Nondurable Goods Manufacturing is benefitting from low natural gas prices that are encouraging plant expansions and new plant construction. Durable Goods Manufacturing, where many companies that support the energy sector are found, added 2,800 jobs over the year, up 1.6 percent. The number of jobs in Durable Goods Manufacturing is currently at all time highs according to data dating back to 1990. While the pace of hiring at durable goods manufacturers has slowed considerably the labor market for skilled workers remains tight. The Houston Purchasing Managers Index fell in August to 55.6 but continues to indicate likely production expansion in the near future. Any index over 50 indicates production gains over the near term.

Trade Transportation & Utilities reported a loss of 600 jobs in August. If the loss does not get revised it will be the first August decline for the super sector on record according to data dating back to 1990. The decline resulted from losses in Wholesale Trade and Transportation Warehousing & Utilities, down 1,400 jobs each. The pace of job growth fell nine-tenths of a percentage point to 2.5 percent with payrolls up 14,000 jobs over the year. Trade accounted for more than half of the increase with Retail Trade up 4,400 jobs or 1.5 percent and Wholesale Trade up 3,700 jobs or 2.4

percent. Transportation, Warehousing, and Utilities added 5,900 jobs to payrolls over the year, up 4.5 percent. Largest increases were in Utilities, Truck Transportation, and Pipeline Transportation.

Information added 500 jobs over the year, an increase of 1.5 percent. About half of the MSA's employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

Financial Activities reported an increase of 600 jobs in August with payrolls up 2,700 jobs or 1.9 percent over the year. Most of the increase was in Real Estate and Rental and Leasing where strong activity continues across the H-S-B MSA, up 2,300 jobs or 4.4 percent. Although the Finance and Insurance sector as a whole reported an increase of 400 jobs over the year, Credit Intermediation and Depository Credit Intermediation were reporting declines of 600 jobs and 700 jobs respectively.

Professional and Business Services reported an increase of 1,500 jobs over the month with payrolls up 16,000 jobs or 3.7 percent over the year. Most of the gains were tied to Professional, Scientific, and Technical Services where Architectural, Engineering, and Related Services reported a strong increase of 9,300 jobs, up 13.3 percent. Computer Systems Design and Related Services also continues to report a strong pace of job growth, up 2,400 jobs or 8.0 percent.

Education and Health Services continued to see strong gains with a record increase of 5,900 jobs in August, up 1.3 percent. The super sector has seen payrolls rise 14,300 jobs year-to-date, nearly double the previously posted highest year-to-date increase of 7,900 jobs back in 2009. The track record of employment estimates for Education and Health Services are poor, however, considering original over-the-year job growth estimates by the month of August of 2013 were over estimated by 6,800 jobs. Current estimates show the pace of job growth increased to its highest level in more than twelve years, up 5.7 percent with payrolls up 19,000 jobs over the year. The majority of new jobs are found in Health Care and Social Assistance where Ambulatory Healthcare Services was up 9,400 jobs or 6.8 percent and Hospitals was up 3,600 jobs or 4.6 percent. The pace of job growth in Educational Services has also been strong, up 2,400 jobs or 4.9 percent.

Leisure and Hospitality experienced a loss of 3,700 jobs in August, down 1.3 percent. Employers in the super sector usually reduce payrolls at this pace in July but did not this year holding onto seasonal staff an extra month. Leisure and Hospitality added 10,700 jobs over the year, up 3.9 percent. Most of the growth is found in Food Services and Drinking Places, up 7,900 jobs or 3.5 percent. Accommodations, where hotels are found, reported an increase of 900 jobs over the year, up 3.8 percent. Arts, Entertainment, and Recreation added 1,900 jobs over the year, up 6.2 percent. Population growth continues to drive demand in the Leisure and Hospitality super sector.

Other Services experienced a seasonal loss of 1,100 jobs in August, down 1.1 percent, with payrolls up 3,500 jobs or 3.5 percent over the year. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Government experienced a seasonal loss of 6,700 jobs in August as educational institutions reduced staff for the summer, down 1.8 percent. The super sector was up 11,800 jobs or 3.4 percent over the year. Most of the increase was in Local Government, up 11,400 jobs or 4.6 percent, with 9,700 of the jobs found in Local Government Educational Services.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	AUG 2014	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,896,400	3,700	0.1%	107,400	3.9%
Total Private	2,538,600	10,400	0.4%	95,600	3.9%
Goods Producing	581,400	7,800	1.4%	29,200	5.3%
.Mining and Logging	117,800	1,400	1.2%	8,900	8.2%
...Oil and Gas Extraction	63,100	200	0.3%	3,600	6.1%
...Support Activities for Mining	53,500	1,300	2.5%	5,400	11.2%
.Construction	201,400	5,700	2.9%	10,900	5.7%
..Construction of Buildings	56,700	2,700	5.0%	7,100	14.3%
..Heavy and Civil Engineering Construction	46,900	500	1.1%	900	2.0%
..Specialty Trade Contractors	97,800	2,500	2.6%	2,900	3.1%
.Manufacturing	262,200	700	0.3%	9,400	3.7%
..Durable Goods	174,900	400	0.2%	2,800	1.6%
...Fabricated Metal Product Manufacturing	60,200	0	0.0%	200	0.3%
...Machinery Manufacturing	58,500	0	0.0%	1,600	2.8%
....Agriculture, Construction, and Mining Machinery Manufacturing	44,100	0	0.0%	1,500	3.5%
...Computer and Electronic Product Manufacturing	19,200	0	0.0%	100	0.5%
..Non-Durable Goods	87,300	300	0.3%	6,600	8.2%
...Petroleum and Coal Products Manufacturing	13,000	0	0.0%	800	6.6%
...Chemical Manufacturing	37,500	0	0.0%	1,900	5.3%
Service Providing	2,315,000	-4,100	-0.2%	78,200	3.5%
.Private Service Providing	1,957,200	2,600	0.1%	66,400	3.5%
..Trade, Transportation, and Utilities	584,800	-600	-0.1%	14,000	2.5%
...Wholesale Trade	155,900	-1,400	-0.9%	3,700	2.4%
....Merchant Wholesalers, Durable Goods	91,800	-800	-0.9%	2,100	2.3%
.....Professional and Commercial Equipment and Supplies Merchant Wholesalers	11,000	0	0.0%	100	0.9%
....Merchant Wholesalers, Nondurable Goods	44,100	200	0.5%	1,800	4.3%
...Retail Trade	291,100	2,200	0.8%	4,400	1.5%
....Motor Vehicle and Parts Dealers	37,900	100	0.3%	1,100	3.0%
....Building Material and Garden Equipment and Supplies Dealers	21,400	-100	-0.5%	900	4.4%
....Food and Beverage Stores	61,300	200	0.3%	500	0.8%
....Health and Personal Care Stores	18,000	0	0.0%	500	2.9%
....Clothing and Clothing Accessories Stores	30,300	600	2.0%	0	0.0%
....General Merchandise Stores	63,300	600	1.0%	-500	-0.8%
.....Department Stores	20,900	100	0.5%	300	1.5%
.....Other General Merchandise Stores	42,400	500	1.2%	-800	-1.9%
...Transportation, Warehousing, and Utilities	137,800	-1,400	-1.0%	5,900	4.5%
....Utilities	16,700	0	0.0%	500	3.1%
.....Air Transportation	23,300	0	0.0%	100	0.4%
.....Truck Transportation	25,000	100	0.4%	900	3.7%
.....Pipeline Transportation	9,700	-100	-1.0%	200	2.1%
..Information	33,300	0	0.0%	500	1.5%
...Telecommunications	15,100	-100	-0.7%	200	1.3%
..Financial Activities	147,100	600	0.4%	2,700	1.9%
...Finance and Insurance	92,300	0	0.0%	400	0.4%
....Credit Intermediation and Related Activities	44,100	200	0.5%	-600	-1.3%
.....Depository Credit Intermediation	29,100	100	0.3%	-700	-2.3%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	17,300	100	0.6%	400	2.4%
....Insurance Carriers and Related Activities	29,300	200	0.7%	-800	-2.7%
...Real Estate and Rental and Leasing	54,800	600	1.1%	2,300	4.4%

NONAGRICULTURAL EMPLOYMENT Houston-Sugar Land-Baytown MSA	AUG 2014	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	447,600	1,500	0.3%	16,000	3.7%
...Professional, Scientific, and Technical Services	219,700	-1,000	-0.5%	15,600	7.6%
....Legal Services	24,400	-200	-0.8%	500	2.1%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	20,300	-100	-0.5%	300	1.5%
....Architectural, Engineering, and Related Services	79,400	800	1.0%	9,300	13.3%
....Computer Systems Design and Related Services	32,300	100	0.3%	2,400	8.0%
...Management of Companies and Enterprises	25,400	100	0.4%	1,300	5.4%
...Administrative and Support and Waste Management and Remediation Services	202,500	2,400	1.2%	-900	-0.4%
....Administrative and Support Services	191,400	2,300	1.2%	-2,300	-1.2%
.....Employment Services	80,200	2,000	2.6%	4,100	5.4%
.....Services to Buildings and Dwellings	48,600	200	0.4%	1,500	3.2%
..Educational and Health Services	354,400	5,900	1.7%	19,000	5.7%
...Educational Services	51,700	1,300	2.6%	2,400	4.9%
...Health Care and Social Assistance	302,700	4,600	1.5%	16,600	5.8%
....Ambulatory Health Care Services	147,600	3,000	2.1%	9,400	6.8%
....Hospitals	81,100	900	1.1%	3,600	4.6%
..Leisure and Hospitality	287,600	-3,700	-1.3%	10,700	3.9%
...Arts, Entertainment, and Recreation	32,600	-1,000	-3.0%	1,900	6.2%
...Accommodation and Food Services	255,000	-2,700	-1.0%	8,800	3.6%
....Accommodation	24,500	-200	-0.8%	900	3.8%
....Food Services and Drinking Places	230,500	-2,500	-1.1%	7,900	3.5%
..Other Services	102,400	-1,100	-1.1%	3,500	3.5%
Government	357,800	-6,700	-1.8%	11,800	3.4%
.Federal Government	27,200	-300	-1.1%	-200	-0.7%
.State Government	70,300	0	0.0%	600	0.9%
..State Government Educational Services	37,100	0	0.0%	300	0.8%
.Local Government	260,300	-6,400	-2.4%	11,400	4.6%
..Local Government Educational Services	174,600	-5,700	-3.2%	9,700	5.9%

UNEMPLOYMENT RATE	AUG 2014	JUL 2014	AUG 2013
H-S-B MSA	5.4	5.5	6.3
Texas (Actual)	5.5	5.6	6.4
United States (Actual)	6.3	6.5	7.3

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

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