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Hiring surges in Texas



Danny Ruiz, front office manager, left, and Tabitha Edgington, front desk agent, check in guests at the Moran CityCentre hotel.

Photos by Melissa Phillip / Staff photographer

State adds nearly 100K jobs as shots, stimulus boost consumers

By Rebecca Carballo
STAFF WRITER

Employers across Texas, including those hardest hit by the pandemic, are hiring and rehiring workers as more people get vaccinated and venture out to spend stimulus checks and savings accumulated over a year of hunkering down.

The state economy created nearly 100,000 jobs in March – the most since October – led by restaurants, hotels and entertainment venues that keenly felt the impact of shutdowns, ca-



Housekeepers Veka Rivas, left, and Rosie Bahena fold sheets at the Moran CityCentre on Friday.

capacity limits, social distancing and just plain fear. In Greater Houston, employers added more than 26,000 jobs, the most since June, the Texas Workforce Commission reported Friday.

“For us, this is a stellar jobs report,” said Parker Harvey, an economist for Gulf Coast Workforce Solutions, a workforce development organization. “If you look at a typical March, it’s well above what we’d expect. It does look that vaccines revving up seems to be working in our

Jobs continues on A11

Biden pulls Medicaid waiver for Texas

By Jeremy Blackman
AUSTIN BUREAU

A federal waiver granting Texas billions of dollars over the next decade to help cover emergency care for the uninsured was abruptly rescinded Friday, a

move that could upend the state’s health care safety net and adds pressure on Republican leaders hesitant to expand Medicaid.

The Centers for Medicare and Medicaid Services said in a letter that it had incorrectly allowed

Texas to forgo the normal comment period when applying for an extension of its 1115 waiver, which reimburses hospitals in the state for uncompensated care. The extension had been approved in the waning days of the Trump administration, after

the state asked for urgency because of the coronavirus pandemic. But the agency asserted Friday that Texas never presented an issue in its application that “related to the public health emergency for COVID-19.”

Medicaid continues on A11

NASA picks SpaceX to build lunar lander

By Andrea Leinfelder
STAFF WRITER

The SpaceX spacecraft being developed and tested in South Texas will lower astronauts to the surface of the moon, NASA announced Friday.

SpaceX was one of three companies – Blue Origin and Dynetics are the others – vying to build a human landing system for NASA. For the past year, NASA personnel worked with these companies to

refine their lander concepts.

The SpaceX Starship vehicle, which has prototypes launching (and crashing) outside of Brownsville, was selected to lower the next two NASA astronauts to the moon.

“We are humbled to help @NASAArtemis usher in a new era of human space exploration,” SpaceX said on Twitter.

NASA said it was looking for an innovative, reliable and cost ef-

SpaceX continues on A11

DYNAMO FANS GET THEIR KICKS



Members of El Batallón play a marching song as they and other fans head to their seats before the Dynamo’s 2-1 season-opening win over the San Jose Earthquakes on Friday at BBVA Stadium.

Coverage on page C1.

Godofredo A. Vázquez / Staff photographer

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FROM THE COVER

JOBS

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favor.”

The strong employment gains in March represented a rebound from February, when the state shed some 2,400 jobs in the wake of severe winter weather and days of widespread power outages. Those gains are the latest evidence of an accelerating economic recovery driven by millions of vaccinations and hundreds of billions of dollars in federal stimulus money.

On Thursday, the Labor Department reported that first-time claims for unemployment insurance fell by nearly 20,000 in Texas to about 65,000, the lowest level since January. Retail sales surged across the nation in March, jumping nearly 10 percent from February, the Commerce Department reported.

Sales in bars and restaurants jumped more than 13 percent last month, according to the Commerce Department.

In Texas the leisure and hospitality sector, which includes bars, restaurants and hotels, added more than 23,000 jobs in March as employers caught up with pent-up consumer demand, analysts said.

Traveling again

The fast-food chain McDonald's this week held a three-day event to hire nearly 2,500 workers across the region. Aimbridge Hospitality, a global hotel management company, is looking to fill 1,000 open positions across 58 of its Houston-area hotels, un-



Melissa Phillip / Staff photographer

Danny Ruiz, front office manager, left, and Tabitha Edgington, front desk agent, work the desk at the Moran CityCentre, which has rehired about 40 percent of its 150 staff.

der brands including Hyatt, Marriott International, Hilton, IHG, and Wyndham Hotels & Resorts.

“Over the last 12 weeks, we’ve seen great occupancy growth as more people are getting vaccinated and restrictions are lifting,” said Adam Patenaude, vice president of operations for Aimbridge Hospitality.

Occupancy in its hotels in Houston grew to 70 percent from 40 percent at the beginning of the year, Patenaude said.

At the Moran CityCentre hotel in Memorial City, about 40 percent of the hotel’s 150 staff have been hired back, including six people recently added to work in the bar area, said Jamal Mazhar, the hotel’s director of sales and marketing. Occupancy rates are about 90 percent on the weekends, near pre-pandemic levels.

Business travelers also are returning, Mazhar said. Weekday occupancy rates have doubled to 40 percent from 20 percent a

month ago.

“We can tell as more people get vaccinated, they are starting to travel again,” Mazhar said. “We noticed that C-level execs are starting to travel, and we are hoping that starts to spread.”

The reawakening of the economy is spreading across industries. Construction added 19,000 jobs in Texas last month while business services gained nearly 15,000, according to the Texas Workforce Commission. Retail-

ers added nearly 6,000 jobs

Shellie McBeath, owner of Little Eclectic House, a women’s clothing and jewelry store in Cypress, said she noticed an uptick in foot traffic in her store once vaccines became widely available to all adults.

“We used to just see shoppers come in alone,” McBeath said. “Now we’re having groups of girlfriends come in after getting lunch, and we haven’t really seen that since before the pandemic.”

Hungry for energy

The increased activity is boosting demand for gasoline and other petroleum products, which has pushed oil prices above \$60 a barrel. Energy companies added about 5,000 jobs in Texas last month, according to the Texas Workforce Commission.

Oil settled at \$63.13 a barrel Friday.

Manufacturing, which is closely tied to the oil and gas industry in Texas, is also growing, adding 7,500 jobs last month. A recent survey by the Federal Reserve Bank of Dallas found that 28 percent of Texas manufacturers increased employment in March, up 8 percentage points from February.

This all points to what economists have forecast: a strong, post-COVID recovery. By Harvey’s estimates, Houston has regained about half the jobs lost in the pandemic-driven recession.

“We’re moving in the right direction,” he said.

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SPACE X

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fective system. Cost was important because NASA didn’t receive its desired level of funding for the human landing system. In its current budget, NASA received \$850 million for this system. Former President Donald Trump had requested \$3.4 billion.

The company’s track record likely gave it an edge on the competition. The SpaceX Falcon 9 rocket and Crew Dragon spacecraft are flying NASA astronauts to the International Space Station.

“It is about experience. The company has conducted over 100 successful orbital launches with Falcon 9 and Falcon Heavy, many successful cargo missions to ISS and 2 successful crew missions to ISS,” Phil Smith, a space industry analyst at analytics and engineering firm BryceTech, said in an e-mail. “This type of track record bodes well for a company vying to provide an additional service that leverages this experience. The health of the company is also good, with revenue being generated and an apparent robust launch backlog.”

But the Starship spacecraft is still under development. It’s undergoing a fast-paced cadence of flying, crashing, adjusting and then flying again. SpaceX has conducted four high-altitude Starship flights since December. Only one of those vehicles landed upright. And then it, too, exploded after sitting on the landing pad for several minutes.

The rocket needed to launch Starship, called the Super Heavy, is also under development. Smith said the company’s focus regarding the human landing system has largely been on Starship, and he wasn’t sure how far along SpaceX is in developing the Super Heavy rocket.

“I imagine this award will gen-



Kin Man Hui / Staff photographer

SpaceX personnel work on the company’s Starship SN10 at a launch facility near Boca Chica Village last month. NASA chose SpaceX to lower the agency’s next two astronauts to the moon.

erate much more attention to the system, with deeper questions asked and updates requested,” he said.

The contract announced Friday was for \$2.89 billion. It covers two lunar landings: a test flight to the surface without crew followed by a trip carrying astronauts. SpaceX will own the vehicle, as it owns the Falcon 9 rocket and Crew Dragon spacecraft, and NASA will pay to use it as a customer.

“We awarded the SpaceX contract given the appropriation we have and what we believe are realistic budgets in future years,” said Steve Jurczyk, NASA’s acting administrator.

A goal in this contract is to land on the moon as soon as 2024, though many believe that date is unrealistic. In a call with media, NASA leaders promised to keep people updated on whether SpaceX was on track for that goal.

Ultimately, the system will fly when it’s safe, said Kathy Lueders, head of human spaceflight. She definitely wants to see that happen this decade.

“We would really like to have human landers at the end of the ‘20s,” she said.

Not everyone in Congress was pleased with Friday’s announcement. Democratic U.S. Rep. Eddie Bernice Johnson of Dallas, chairwoman of the House Committee on Science, Space and Technology, said she was “disappointed” that this decision was made before NASA received its new permanent administrator.

“The decision to make the award today also comes despite the obvious need for a re-baselining of NASA’s lunar exploration program, which has no realistic chance of returning U.S. astronauts to the Moon by 2024,” the congresswoman said in a statement. “While work continues on

the upcoming Artemis-1 mission, it will be critically important for the new NASA leadership team to carry out its own review of all elements of NASA’s Moon-Mars initiative to ensure that this major national undertaking is put on a sound footing.”

A Senate hearing is scheduled next week for former Sen. Bill Nelson, whom President Joe Biden nominated to be the next NASA administrator. Greg Autry, a clinical professor of space leadership, policy and business for Arizona State University, said Friday’s announcement will “unexpectedly complicate” Nelson’s hearing. He will likely be cornered by senators in states that have an interest in SpaceX or in the other systems that were rejected, such as Washington Sen. Maria Cantwell, chair of the Senate Committee on Commerce, Science and Transportation, who has the Blue Origin headquarters in her state.

Nelson will have to “defend it, oppose it or duck,” Autry said in an e-mail. “He would have seemingly had a straightforward hearing and vote before this.”

The human landing system is part of NASA’s Artemis program seeking to return astronauts to the moon. On the program’s first lunar landing, NASA’s Space Launch System rocket will launch four astronauts onboard the Orion spacecraft. Separately, SpaceX will launch its Super Heavy rocket and uncrewed Starship.

Two of the four crew members would transfer to the Starship and then be lowered to the moon. They would spend about a week exploring the moon’s surface before returning to Orion.

The Artemis program is looking to create a sustained human presence on the moon. As such, NASA said it would have “a competitive procurement for sustainable crewed lunar surface transportation services” that it’s opening to industry for subsequent landers after SpaceX delivers NASA’s first crew to the moon.

Blue Origin, which partnered with Lockheed Martin, Northrop Grumman and Draper for its lander, said the team “doesn’t have very much information yet” and is “looking to learn more about the selection.” Dynetics, a company that has worked with NASA for decades and was acquired by Leidos Holdings last year, was partnering with more than 25 contractors for its lander. It did not respond to email requests for comment.

“When NASA returns to the moon with the Artemis program, it will go in a way that reflects the world today,” Lueders said, “with government, industry, international partners in a global effort to build and test the systems needed for challenging missions to Mars and beyond.”

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MEDICAID

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“CMS erred in exempting the state from the normal public notice process – a critical priority for soliciting stakeholder feedback and ensuring public awareness,” it said in a subsequent statement.

While the state’s current 1115 waiver won’t expire until September of next year, the reversal has immediate political impacts because the state Legislature has only weeks left in its session and won’t meet again until 2023. Without certainty over how much the federal government will contribute going forward, lawmakers risk leaving huge funding gaps for counties and hospitals.

Texas Republicans, who control the state government, have long campaigned against the Affordable Care Act and have declined to expand Medicaid under the act’s provisions as they seek to

overturn the law in court. The state has depended on the waiver system as a cheaper alternative that nonetheless leaves millions of Texans uncovered.

Today, Texas has the highest uninsured rate in the country, with nearly 1 in 5 people lacking coverage. That results in staggering amounts of uncompensated emergency room visits each year, some of which is reimbursed by the 1115 waivers.

Calls for expansion

Health care advocates and some moderate Republicans have joined Democrats in calling for Medicaid expansion this session, citing the pandemic’s toll. Congress also offered Texas an extra \$3 billion over the coming biennium if it expands the safety net coverage. So far, none of the expansion bills has made any serious progress in the Legislature.

Gov. Greg Abbott, a Republican who has opposed Medicaid ex-

pansion, said the federal government’s decision on Friday is “obstructing health care access for vulnerable Texans and taking away crucial resources for rural hospitals in Texas.”

“With this action, the Biden administration is deliberately betraying Texans who depend on the resources made possible through this waiver,” Abbott said.

Earlier this year, a group of national health associations including the American Cancer Society, the American Heart Association and the American Lung Association called out the Trump administration’s expedited approval, saying there was plenty of time to hold a public comment period before the existing waiver expires next year.

“The waiver application was hundreds of pages, I don’t think it even mentioned COVID,” said Joan Alker, a Medicaid expert at Georgetown University who had signed on to the letter. “So it was a

blatant disregard of what the exemption was supposed to be for.”

‘State’s health at serious risk’

The Texas Hospital Association said it was disappointed with the decision.

“This action undermines the safety net and hospitals’ ability to protect people,” president Ted Shaw said in a statement. “It puts the state’s health at serious risk and creates unprecedented levels of uncertainty for an industry that is charged with saving lives.”

Others noted that the waiver was never meant to be a permanent solution.

“The waiver was always intended to serve as a temporary bridge until the state implemented an insurance option – with federal Medicaid expansion funds – for low-wage workers whose jobs don’t provide health coverage,” said Patrick Bressette, who directs the Children’s Defense Fund Texas. “Now would be a good time to

have a real conversation about Medicaid expansion.”

Texas Sen. Nathan Johnson, a Democrat from Dallas who authored an expansion bill, said the state should reapply for the waiver while taking up the expansion question.

“The story being told on the Republican side is Biden’s taking away resources from vulnerable people. False,” he said. “There’s still time left under the old waiver protections to do this the right way.”

Even if the state were to expand Medicaid, it would need federal support under the 1115 waiver to cover higher income Texans who are uninsured.

“There will still be uncompensated care burdens for hospitals,” said Anne Dunkelberg, a health care expert at the left-leaning group Every Texan.

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