

**DEPARTMENT OF LABOR, LICENSING AND REGULATION
GOVERNOR'S WORKFORCE INVESTMENT BOARD
June 30, 2004**

**FINAL REPORT TO THE GENERAL ASSEMBLY:
THE MARYLAND WORKFORCE DEVELOPMENT SYSTEM**

EXECUTIVE SUMMARY

During the 2003 Maryland legislative session, the General Assembly included language in the Governor's Workforce Investment Board (GWIB) FY 2004 Operating Budget requiring the GWIB to "Identify Inefficiencies within the State's Own Workforce Development Delivery System" (full text of the budget language is in the Appendices). An interim report was submitted to the General Assembly on December 31, 2003. This final report provides information on the development of the ten opportunities for improvement that were identified in the interim report.

The GWIB is the State's chief coordinating body on workforce development, composed of approximately 41 members, with more than 50 percent coming from business. It is responsible for developing a strategic plan and policies to help forge a coordinated workforce system from a multiplicity of education, employment, and training programs. The following partner agencies collaborated with the GWIB as part of its Sub-cabinet, to develop the interim and final reports.

- Department of Human Resources (DHR)
- Department of Labor, Licensing and Regulation (DLLR)
- Maryland State Department of Education (MSDE)
- Maryland Higher Education Commission (MHEC)
- Department of Business and Economic Development (DBED)
- Department of Health and Mental Hygiene (DHMH)

A successful workforce system is demand-driven, delivering services as needed. The GWIB's new motto is "***Workforce development is economic development,***" because businesses cannot expand or locate in Maryland unless there is an available highly skilled workforce. In Maryland, as in other states, Local Workforce Investment Boards (LWIBs) directly provide employment and training services and serve as the primary coordinator for the provision of workforce services in each jurisdiction. These Boards are required to coordinate their services with the local Job Service offices, 24 Departments of Social Services, the sixteen community colleges, State-operated rehabilitation services, and adult literacy programs.

The local delivery of services and the coordinating role of the LWIBs are funded almost entirely by the Federal government with some local government contributions. Eight state agencies also oversee components of both Federal and State workforce programs for Maryland. The GWIB's role is to ensure that this system is aligned with the economic and educational goals of the State of Maryland, resulting in a qualified workforce available to Maryland employers.

The GWIB works towards accomplishing this goal by, among other things, coordinating with its agency partners, to make Maryland a cutting edge state because of its workforce development system. This coordination encompasses economic development, the K-16 education system, social services, and labor. The GWIB and its agency partners have made great strides to meet the needs of business, help incumbent workers upgrade their skills to match the needs of their employers, and help job seekers get the skills they need to work in industries facing significant shortages. The GWIB and its partners are working diligently to close some of the existing gaps and create a more demand-driven system. They have met with several recent successes, which are described in both the interim and final reports.

The General Assembly's mandate to the GWIB comes at a key time for the GWIB and its partners. The Governor has reorganized the GWIB, made it a division within DLLR, and recently appointed industry leaders in the manufacturing, healthcare, aerospace, education, and hospitality industries. Governor Ehrlich has charged the GWIB and its partner agencies with the task of making Maryland's workforce system truly responsive to businesses so they are able to find the skilled candidates they need, and results in a vibrant economy to propel citizens on their career paths.

The GWIB recognizes that although many great strides have been made, through initiatives such as public-private partnerships formed to address workforce concerns, there are still many opportunities for improvement. In an effort to accelerate our progress and create a more demand-drive workforce system, Sub-cabinet members have made a commitment to improve cooperation, collaboration and communication among the departments. Ten opportunities for improvement have been identified and are highlighted below.

1. **Identify businesses or business sectors with growth potential that are currently experiencing or projecting worker shortages and determine how to service their workforce needs (the "Industry Cluster-Based Approach").** The Industry Cluster-Based Approach to Workforce Development is a demand-driven model for connecting specific industry needs with the workforce development system. The GWIB is addressing the problem in the healthcare industry with an industry cluster-based approach and is replicating the healthcare workforce initiative process in other industries.
2. **Identify interagency collaboration for the Maryland Career Cluster system in order to fully align workforce preparation at all education and training levels.** Career clusters are groupings of interrelated occupations that represent the full range of career opportunities in Maryland's economy. They reflect all levels of education and include a common core of academic, technical and workplace knowledge and skills required for education and training. There is a long history of interagency collaboration related to the development of Maryland's career cluster system within MSDE, but more needs to be done. Resources have already been earmarked for training and curriculum writing associated with interagency cooperation as well as in the development of content standards.
3. **Execute a plan to market Local Workforce Investment Areas to area businesses.** Many Maryland employers are unaware of the One-Stop system. The system must have a clear identity, message and standardized approach. Additional resources and stronger business linkages are also needed. A plan has been developed that will bring together

education, economic development and workforce development to devise a new marketing strategy.

4. **Eliminate duplication and reduce costs through improved consolidation and coordination of Federal and State workforce dollars and programs.** There is considerable overlap in the services provided through the Workforce Investment Act (WIA) and the Wagner-Peyser Act (Job Service). Through consolidation, duplicative efforts can be eliminated and cost savings realized and/or services improved. Efforts are already underway to identify and eliminate duplicative activities through the reorganization of the Division of Workforce Development within the Department of Labor, Licensing and Regulation. Savings realized from consolidation will be passed on to the local areas for direct service activities.
5. **Improve connections with Maryland's business community and job seekers by focusing attention on updating and integrating the workforce Management Information System.** The WIA-funded One-Stops and the Maryland State Job Service had been using an antiquated mainframe-based information and job matching system that needed replacing. A new system, the "Maryland Workforce Exchange," was implemented on Monday, March 29, 2004. Staff is becoming skilled at its use and the system is undergoing debugging. Plans are underway to make the system available on the Web to job seekers and employers. Expansion plans include creating access for other workforce development system partners.
6. **Identify opportunities for the Department of Social Services and Local Workforce Investment Areas to combine resources in a collaborative and efficient manner to improve services to low-income individuals.** Combining Temporary Assistance to Needy Families (TANF) and WIA resources is a long-standing concern for many service delivery areas in Maryland and has been recognized as a gap in the workforce development system that should be addressed rapidly to ensure that our labor supply keeps pace with the demands of our growing economy. Plans are underway to develop a facilitated meeting between WIA and TANF service delivery agencies to develop a joint plan and policy for improved coordination.
7. **Fully integrate adult education into Maryland's workforce development system.** It is important that all partner agencies understand the roles and services of Maryland's adult education programs. Partner agencies have begun meeting to discuss the integration of adult education programs with traditional workforce training programs. It is recommended that the Sub-cabinet develop specific plans for program integration. These should include opportunities for increased customer referrals, expanded literacy services in Maryland One-Stops, adult education representation on local boards and improved connections between agency systems.
8. **Design a strategy to expand support for transitioning ex-offenders into the Maryland workforce.** There are currently many barriers impacting ex-offenders' abilities to re-enter the workforce. Agencies are looking at reallocating resources for programs and services with documented performance outcomes for ex-offenders in the community.

9. Increase job opportunities for persons with disabilities. The high rate of unemployment for persons with disabilities is a long-standing and significant problem both nationally and in Maryland. Local Workforce Investment Boards (LWIBs) and One-Stops are working to become more accessible and welcoming to persons with disabilities. The One-Stops will eventually become a primary service point of entry for persons with disabilities.

10. Build capacity among workforce development system partners. Efforts are underway to expand the role of the Maryland Institute for Employment and Training Professionals (MIETP) to include training that will facilitate closer working relationships and cooperation among the various workforce development partners. Interagency efforts are underway to position MIETP to be the “trainer of choice” for the industry cluster-based approach for public and private sector personnel involved in “cluster initiatives.”

The effective and swift implementation of these GWIB recommendations will require the full attention, participation, and cooperation of all parties committed to improving the State’s workforce development system. It will also require that Maryland businesses be engaged on a strategic and operational level throughout the workforce investment system.

A glossary of acronyms/abbreviations can be found in Appendix III.

I. Background

During the 2003 Maryland legislative session, the General Assembly included language in the Governor's Workforce Investment Board (GWIB) FY 2004 Operating Budget requiring the GWIB to "Identify Inefficiencies within the State's Own Workforce Development Delivery System" (full text of the budget language is in the Appendices). An interim report was submitted to the General Assembly on December 31, 2003. This final report provides information on the development of the ten opportunities for improvement that were identified in the interim report.

II. The Mission, Focus, and Structure of the GWIB

The GWIB's mission is to guide a nationally recognized workforce development system that aligns itself with the educational system as primary driver for economic development for the State. The GWIB is the State's chief coordinating body on workforce development. The GWIB is composed of 41 members, with 51% coming from business. It is responsible for developing a strategic plan and policies to help forge a coordinated workforce system from a multiplicity of education, employment, and training programs. It brings together and focuses various workforce development partners and stakeholders on an outcome: a properly prepared workforce that will meet the current and future demands of Maryland employers.

III. Partner Agencies on the GWIB

Several partner agencies collaborate with the GWIB and each other to plan and implement the workforce development system in Maryland. The GWIB establishes the vision and principles through the Sub-cabinet. The following partner agencies are members of the GWIB:

- Department of Human Resources (DHR)
- Department of Labor, Licensing and Regulation (DLLR)
- Maryland State Department of Education (MSDE)
- Maryland Higher Education Commission (MHEC)
- Department of Business and Economic Development (DBED)
- Department of Public Safety and Correctional Services (DPSCS)
- Department of Juvenile Services (DJS)
- Department of Aging (DOA)

IV. Maryland's Workforce —A Key Economic Asset for the State

The quality of Maryland's current and future workforce is vital to the economic future of the state. Maryland's continued economic strength is directly linked to its ability to produce and continuously develop a highly skilled workforce. Not long ago, it did not take a college education or advanced training beyond high school to make a decent living and to meet the demands of the labor market. Today, education and training beyond high school means the difference between subsistence living and family-sustaining careers. A workforce with a higher level of preparation also means the difference between a Maryland economy that lags behind the nation, and one that leads it. Failure to produce the higher skills demanded by growth industries

results in an inability to attract and maintain industries that will propel Maryland's economy forward.

In the past few years, Maryland's economy has changed dramatically, and the workforce must keep up with business' changing needs.

- Historically, Maryland's major industries were the Federal government, manufacturing, healthcare and financial services. Today, those industries are technology, biotechnology and healthcare.
- During the early 1990s, the Federal government decreased procurement as well as the civilian Federal workforce in order to help balance the budget. By 2008, one-sixth of the Federal workforce is expected to retire, creating more job opportunities.
- Between 1990 and 2000, jobs in areas such as national security and international affairs decreased. The events of September 11, 2001, however, saw an increased need for skilled workers in these areas.
- In the 1990s, hospitals implemented cost containment measures and reduced their workforces. Today, Maryland faces a shortage of more than 5,000 registered nurses. If we fail to address it, that number is predicted to jump to 17,000 in the next ten years. There are similar acute shortages all across the board in healthcare.
- Both the financial services industry and the manufacturing industries have been major players in the success of Maryland's economy in the past. Recently, the financial services industry has suffered and several large manufacturing plants either closed or downsized, leaving thousands of workers displaced. These workers had been employed in the plants for many years, and the majority of the displaced workers had limited transferable skills or advanced education.

These examples illustrate that the State needs to respond quickly by producing workers that can meet the demand of today's economy. A major international event, the aging of the population, new scientific breakthroughs, consumer demand, and economic cycles, all play a part in the direction of the economy. Maryland's ability to hold its competitive edge depends on its ability to forge an education and training system that can stay ahead of rapid shifts in demand for new and increased skills. For example:

- In biotechnology, which has emerged as a growth industry, the Hopkins/UMD biotech corridor in Baltimore City is predicted to need some 8,000 workers over the next 10 years. According to the 2003 MSDE Report Card, Baltimore City high schools have a 54.18% graduation rate. This represents the cumulative effect of a high dropout percentage in grades 9-12. This enormous high school student dropout problem and low graduation rate must be addressed in order to solve the worker shortage.
- Maryland's construction industry estimates it could hire at least 7,500 workers today, but cannot because applicants lack basic skills, literacy or transportation.

V. Maryland's Workforce Drives Economic Development

Maryland offers a wide array of resources to businesses. Its highly educated workforce and strategic location are extremely attractive to companies looking to either relocate to, or expand

in, Maryland. A successful workforce system is demand driven. Today, GWIB's motto is ***“workforce development is economic development,”*** and businesses cannot expand in, and will not come to Maryland unless there is an available highly skilled workforce.

A significant challenge in Maryland and the rest of the United States is what many term a “skills mismatch.” Currently, there are thousands of less educated Maryland job seekers and low-income incumbent workers who want to work or advance in their careers, but do not have the skills or the know how to obtain the skills that businesses demand. With Maryland's unemployment rate (currently 4.0%) approximately one-third below the national average, businesses in many industries are facing significant worker shortages. This will become more problematic as Maryland companies seek to expand.

Many job seekers lack the resources to pursue additional education and training, which would enable them to move into careers that offer benefits and family-sustaining wages. These Maryland residents lack the educational foundation that all businesses look for and increasingly cannot find in applicants. Many Maryland businesses today express concern that a substantial number of high school graduates do not even possess the basic literacy and job readiness skills necessary to succeed in the workplace.

In short, Maryland faces a troubling dichotomy when it comes to its workforce. For example:

- Maryland ranks first among states in the percentage of people age 25 and older with a bachelor's degree. It ranks second in number of workers with graduate or professional degrees. However, according to the Maryland Association for Adult Community Continuing Education, 20% of Maryland residents function at the lowest literacy levels, putting Maryland toward the bottom of U.S. adult literacy rates.
- Maryland has one of the lowest poverty rates in the nation but the number of individuals living in poverty increased by 14% between 1990 and 2000.
- The percentage of Maryland residents age 25 or higher with less than a high school diploma fell from 22 percent to 16 percent between 1990 and 2000. On the other hand, according to the Office of Children, Youth and Families' “Maryland Results for Child Well-Being,” only 40-50% of children in 3rd, 5th and 8th grades scored even at the satisfactory level in reading and writing.

These statistics are alarming not only from an economic development perspective, but also just as importantly, from a public policy perspective. Both now and in the future, industries across the board face significant skilled worker shortages in areas such as healthcare, manufacturing, construction, transportation, biotechnology, hospitality/tourism and retail, aerospace and digital technology. In addition, what are traditionally thought of as “un-skilled” jobs now require higher-level skill sets. There are also emerging advanced industries such as nano-technology and geospatial technology that need skilled workers. All of this is happening at a time when funding for education and training programs, such as Adult Education and the Department of Business and Economic Development (DBED)'s Partnership for Workforce Quality, are competing with other critical state services. These workforce development needs will continue to place an increased demand on public and private higher education institutions.

VI. Maryland's Workforce Development System

In Maryland, as in other states, Local Workforce Investment Boards (LWIBs) directly provide employment and training services and serve as the primary coordinator for the provision of workforce services in each jurisdiction. These Boards are required to coordinate their services with local Job Service offices, 24 Departments of Social Services, the sixteen community colleges, state operated Rehabilitation services and adult literacy. The local delivery of services and coordination role at the LWIBs is funded almost entirely by the federal government and by some local government contributions. Eight state agencies also oversee components of both federal and state workforce programs for Maryland. The GWIB's role is to ensure that this system is aligned with the economic and educational goals of the State of Maryland that will result in a qualified workforce available to Maryland employers.

The GWIB works towards accomplishing this goal by, among other things, coordinating with its agency partners, making Maryland a cutting edge state when it comes to its workforce system. This coordination encompasses economic development, the K-16 education system, social services, and labor. The GWIB and its agency partners have made great strides over the past few years to meet the needs of business, help incumbent workers upgrade their skills to match the needs of business, and help job seekers get the skills they need to work in industries facing significant shortages. This effort is partly through legislative mandates such as the Workforce Investment Act, the across-the-board support of Maryland's educational system, and the commitment and dedication of workforce and education professionals to develop a seamless workforce system. We must continue to look forward and to view our education system as a vital link to the State's economic success.

VII. Recent Successes

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The GWIB and its partners are working diligently to close some of the existing gaps and move toward creating a more demand-driven system. The following are some examples of successful workforce partnerships and coordination in Maryland:

- **The Governor's Healthcare Workforce Summit** - The GWIB staff brought together representatives from the healthcare industry, government and education as a steering committee to look for ways to address the existing and future healthcare workforce shortages. The steering committee organized and implemented a healthcare summit, held August 28th, 2003 in Annapolis, MD. Nearly 170 participants worked together to develop strategies for solving these looming shortages. The steering committee put together subcommittees responsible for five different strategic approaches:
 1. *Attraction and Recruitment* – Raise the awareness and education of students in middle and high school levels to the opportunities in healthcare careers. Develop a program to reach out to young males to consider health careers.
 2. *Retention* – Build a system approach to create work environments in the industry that compel incumbents to stay and grow professionally.

3. *Capacity and State policy* – Assure sufficient faculty, classroom, and clinical space to accommodate people seeking credentials for health careers.

4. *Career Development* – Provide continuous opportunity for incumbent workers to obtain credentials to move throughout the healthcare career ladders.

5. *Military Transition* – Build bridges for exiting military healthcare workers to obtain additional credentials and careers in the private sector.

This effort has received significant national attention from the United States Department of Labor. Since the summit, the GWIB has received two grants from the U.S. Department of Labor to 1) create the Maryland Center for Cluster-Based Initiatives and 2) to implement the healthcare strategies to increase the supply of healthcare faculty, and improve the skills and credentials of incumbent healthcare workers in order to increase nurse-teaching faculty. This effort is further described in the “opportunities for improvement” section.

- **Technology Workforce Task Force** - At the request of the Sub-cabinet, the GWIB established the Technology Workforce Task Force, which was comprised of representatives from business, education and government. Its purpose was to develop solutions for recruiting and retaining workers in the technology field. In 2003, Governor Ehrlich formed a new Commission to further the work of the Technology Workforce Task Force.
- **Career Connections** - The Maryland State Department of Education implemented “Career Connections,” a federally funded initiative designed to promote a change in the approach to workforce development as it begins in K-12 education. It advocated a partnership among education, workforce preparation and economic development in order to create a comprehensive system to prepare today’s students for the career and educational opportunities of tomorrow. The initiative sought to expand business input into the curriculum, expand career development, and provide opportunities for students to explore career interests.
- **Performance Incentive Grants** – Maryland was one of only 16 states in 2002 and the only one in the region to meet all of the performance measures required by the Workforce Investment Act, including measures for Career and Technology Education and Adult Education, thereby qualifying for a \$1.9 million incentive grant. The Governor allocated \$1 million of this amount for a new incumbent worker training program, called “Maryland Business Works,” to support existing Maryland businesses in the retention and growth of their workforce. The program encourages promotion, creates additional job opportunities and improves worker retention by increasing the skill level of the existing workforce. There is a dollar-for-dollar match required by the employer. The remaining \$900,000 was allocated to various local public and private workforce projects. Maryland also recently qualified again for another performance grant from DOL.

VIII. Opportunities for Improvement

The General Assembly's mandate to the GWIB comes at a key time for the GWIB and its partners. The Governor recently reorganized the GWIB and made it an Office within DLLR. The Governor appointed Gino J. Gemignani, Jr. as its new Chair, Robert W. Seurkamp as its new Executive Director, and has infused the GWIB with many new private sector leaders from the hospitality, aerospace, manufacturing, education, and finance industries, with more to be appointed in the coming months. Governor Ehrlich has charged the GWIB and its partner agencies with the task of making Maryland's public workforce development system truly responsive to businesses so they are able to find the skilled candidates they need, and citizens can count on a vibrant economy to propel them on their career paths. The GWIB staff has schematically outlined the role and function of the organization, presented it to the Governor and his staff, and is in the process of meeting with all partner agency heads to inform them and garner their support for the GWIB and its role.

While the GWIB and its partners continue to work to strengthen their relationships with businesses and make Maryland's workforce development system more demand-driven, there is still more to do. In an effort to create a more demand-driven system, the GWIB's Sub-cabinet members are continuing to work in a more coordinated fashion. They have identified ten Opportunities for Improvement (summarized below). These will be important items of focus for the Sub-cabinet in the year ahead.

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| <p>1. Identify businesses or business sectors with growth potential that are currently experiencing or projecting workforce shortages and determine how to service their workforce needs (the "Industry Cluster-Based Approach").</p> |
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Background

The Industry Cluster-Based Approach to Workforce Development is a demand-driven model for connecting specific industry needs with the workforce development system. Specifically, this approach focuses on industries facing workforce shortages. Jobs are currently available in the following industries: healthcare, construction, information technology, some manufacturing, retail, teaching, and hospitality/tourism industries. In addition, state and local economic development agencies are strategically focused on building and recruiting the biotechnology, interactive technology and nanotechnology industries for Maryland's future economy.

The first example of a successful cluster-based approach was the healthcare industry. In 2002, the GWIB created a Healthcare Steering Committee, comprised of representatives from healthcare, education and government, to review workforce issues and select strategies to:

- Attract & Recruit workers to the industry;
- Retain workers;
- Create Career Development systems for incumbent workers;
- Link State policies with the healthcare industry's workforce needs; and
- Assist military healthcare workers with transitioning to the private sector.

The work of the Steering Committee culminated in the publication of an industry report and the convening of the Governor's Healthcare Workforce Summit, held on August 28, 2003. One hundred and sixty-eight people from education, government and industry attended. The participants selected projects and assigned champions to implement the projects in the aforementioned categories.

The Steering Committee continues to meet monthly to continue the projects. There are three major accomplishments from this effort. The first is a substantial reduction of Maryland's healthcare workforce shortage. The second is that the DLLR/GWIB is recognized by the U.S. Department of Labor as the leader in the State-sponsored Industry Cluster-Based Approach to Workforce Development. Thirdly, as stated earlier, the DLLR/GWIB has also received two grants from the U.S. Department of Labor. One is to create the Maryland Center for Cluster-Based Initiatives and the second is to implement strategies to increase the supply of healthcare faculty and improve the skills and credentials of incumbent healthcare workers.

Statement of the Problem

At present there are 8 state agencies managing thirty-one workforce development programs. These total \$2.4 billion per year (this does not include the K-12 system, teacher development programs, Job Corps, adjudicated youth and adults, and some direct subsidies to citizens such as Temporary Assistance to Needy Family (TANF) recipients).

These programs were designed to provide job training and placement services to specific populations. However, Maryland has 120,000 citizens unemployed while at the same time 130,000 job openings exist. There is a mismatch between the jobs that are available and the skills of the available workers to perform those jobs.

Many, if not most of these jobs in the industries mentioned earlier in the report, will require at least a high school diploma and, in many cases, post-secondary education, training or certifications. A coordinated approach, similar to the Healthcare Industry initiative, can be applied to other industries as well.

Statement of the Solution

The Industry Cluster-Based Approach to Workforce Development is a demand-driven model for connecting specific industry workforce needs with the workforce development system. The GWIB is working with its State partners to identify the key emerging industries in Maryland with critical workforce shortages. The GWIB plans to replicate the Healthcare Industry Workforce Initiative process for other targeted industries. Efforts are already underway in the aerospace, manufacturing and tourism/hospitality industries.

Description of the Solution

The GWIB plans to use the funding it received from the US DOL to address these issues. The two U.S.DOL/ETA grants provide for the following components:

- Staff - Center Director, Healthcare Coordinator, and two Industry Analysts;
- Limited support for three Industry Cluster Initiatives;
- Development of a Policy Guide for Cluster-based Initiatives and a Maryland State of the Workforce Report;
- Grants to local WIBs for local cluster-based initiatives;

- A Statewide workforce conference for each identified industry;
- Scholarships for nurses to become faculty members; and
- An incumbent worker training program for the healthcare industry to backfill the teaching nurses' positions.

Description of Benefits/Impact

The ultimate benefit of the Industry Cluster-Based Approach to Workforce Development is continued economic development for Maryland. This dialogue and cooperative effort allows the public agencies to focus their resources by organizing and delivering their services more efficiently. The private sector will spend less on recruiting and human resource development so resources can be applied to other competitive needs.

Next Steps

The GWIB is educating its members about the Industry Cluster-Based Approach to Workforce Development. Selected Board members will function as representatives for their industry and will use the approach to convey their industry workforce issues to the public sector.

The GWIB will provide policy, guidance, and technical support for the statewide industry initiatives and will lend support to locally driven Cluster-Based Approaches. The GWIB's goal is to eventually make the Center self-sustaining through a combination of government, foundation, and corporate support.

2. Identify interagency collaboration for the Maryland Career Cluster system in order to fully align workforce preparation at all education and training levels.

Background

Career Clusters are groupings of interrelated occupations that represent the full range of career opportunities in Maryland's economy. They reflect all levels of education and include a common core of academic, technical and workplace knowledge and skills required for education and training. The GWIB's Sub-cabinet approved an Interagency Action Plan in November 2001, and signed a Memorandum of Understanding (MOU) aimed at using a system approach that connects economic development, workforce preparation, and education reform.

As part of the Plan, five interagency coordination strategies were agreed-upon: developing, validating and continually updating career clusters and pathways within each cluster and related cluster content standards; formalizing partnerships; developing a single performance management system; leveraging resources; and organizing schools into smaller learning communities around career clusters. A self-assessment tool was crafted for local workforce investment boards to use to better understand the linkages used to improve partnership commitment.

As the lead agency, the Maryland State Department of Education (MSDE) worked with Maryland business leaders to define each Career Cluster in terms of the core business functions, related cross-cluster skills and content standards. As a result, MSDE in partnership with the Maryland Department of Business and Economic Development produced *Maryland Career*

Clusters in print and on CD, and for easy access on the Division of Career Technology and Adult Learning website, www.Marylandpublicschools.org.

Statement of the Problem

There is a long history of interagency collaboration related to the development of Maryland's Career Cluster system. However, further interagency collaboration is required to fully align workforce preparation at all education and training levels and to be responsive to changes in economic priorities. All agencies remain committed to developing a single and stable system that customers, including the business community, can align with when seeking services.

Statement of the Solution

The following recommendations target interagency collaboration for the Maryland Career Cluster system and require a time commitment only. They directly apply to building a single system and the related components of career clusters that must be considered to bridge linkages and unify the delivery of education and workforce preparation services. Related components include content and career development standards, as well as assessment tools. Joint policy and marketing will facilitate and promote an understanding of the system concept. There will be savings using a single, unifying approach, but it will require a pre-post analysis following full system implementation. The recommendations are:

1. Update the previous memorandum of understanding and Interagency Action plan to establish Maryland Career Clusters as the systemic structure for linking State and local workforce preparation and all education levels;
2. Determine time intervals (i.e. bi-annually, annually) and strategy (i.e. web-based; employer focus group sessions) for regular updates of the career clusters, including the content standards using Maryland's economic development priorities as the driver;
3. Identify interagency strategies for implementing the new Career Development Standards-Based framework at all education levels and in local One-Stop centers that are responsive to customer needs; also get local school system buy-in, possibly through the Local Workforce Investment Boards (LWIBs). The MSDE, through the Sub-cabinet, should lead the development of a plan to accomplish this;
4. Partner in the development of content standard, indicator and objective statements for each career cluster, including an assessment system that measures student and incumbent worker performance;
5. Identify joint policy opportunities to bridge linkages, resources, and performance gaps; and
6. Develop a joint marketing strategy to fully promote an understanding of the career cluster system.

Next Steps

Recommendations three and four are instrumental to the immediate implementation of a career cluster system. Recommendation one should be updated to successfully implement three and four. Resources have been earmarked for training and curriculum writing associated with items three and four. Interagency collaboration will highly facilitate the full development of Maryland's career cluster system.

3. Execute a plan to market Local Workforce Investment Areas to area businesses.

Background

In order for Maryland's workforce investment system to function, its product and services must be understood and embraced by the business sector. While local workforce investment boards and their partner organizations are somewhat known to individual clients in need of services, the attraction of private sector business clients remains a challenge. Overall marketing to the business sector is critical.

Statement of the Problem

Need for a clear identity - Success in any marketing effort for a service organization or group of organizations requires a clear identity (i.e. brand), defined products and services and clear benefits to the end user (i.e. the business sector).

Need for a clear message – The system must agree on the standard products and services they will deliver to their business customers.

Need for a standardized approach - Changes in federal program names, functions and fluctuating resource levels have made a clear message and sustained marketing difficult. Marketing, for the most part, has been left up to individual programs. The number of individual programs and the resulting absence of a defined and stable brand and product cause confusion.

Need for marketing expertise and resources - Marketing to the private sector has never been the collective goal or the forte of the state or local workforce investment system. Funds available for marketing, in many cases, are considered to compete with services to individuals. If a viable marketing effort is deemed to be critical to the success of the statewide workforce investment system, then resources for the effort must be identified.

Need for stronger economic development linkages – The workforce investment system must be viewed as a viable tool of economic development. Strong links with economic development are not forged in some instances or utilized to the fullest extent possible in the marketing effort.

Statement of the Solution/Next Steps

Utilize business sector expertise - The experience and energy of the business sector members of the Governor's Workforce Investment Board and the local WIBs must be harnessed to develop of an overall marketing plan for the system.

Identify the best marketing practices of other states – Identify which states do the best job marketing their workforce investment system to the private sector. Determine how they finance marketing, as well as who pays and out of which funds. Other issues include how to piggyback on other efforts as well as how other states measure their results.

Identify marketing funds - Existing marketing resource commitments at both the state and local levels should be surveyed. A collective and collaborative funding plan and funding commitment should be made by the workforce development system.

4. Eliminate duplication and reduce costs through improved consolidation and coordination of Federal and State workforce dollars and programs.

Background/Problem

Maryland One-Stops are funded primarily with Federal Workforce Investment Act (WIA) dollars. Centers supported with Wagner-Peyser Act funds (Job Service) are also located statewide. There is considerable overlap in the services provided. This results in confusion among both job seekers and businesses seeking candidates for hiring. In some cases, coordination exists between the two entities and offices are co-located. In others, the centers are separate. Even among those that are housed under the same roof, the level of cooperation and coordination varies widely.

The House WIA reauthorization bill (H.R. 1261) calls for full consolidation of these initiatives. The Senate WIA reauthorization bill (S. 1627) calls for mandatory co-location of their respective centers. Reauthorization is still pending in Congress. Additionally, the federal Department of Labor has been encouraging states to explore how services rendered under these separate programs can become more seamless. Several states have already taken the initiative to combine these two programs.

Statement of the Solution

Through consolidation, duplicative efforts can be eliminated and cost savings realized, and/or services improved. The Department of Labor, Licensing and Regulation took the first steps toward consolidation by undertaking a reorganization of its central staff in the Division of Workforce Development. Duplicative staff positions were eliminated and responsibilities for tasks shared in common by both funding streams (fiscal, personnel, performance monitoring, etc.) were combined. The Labor Market Analysis and Information unit and the Apprenticeship and Training office were also integrated into the new structure. In total, 17 positions were eliminated. Savings realized from this streamlining will be given to the 12 local areas to be used for direct services.

Next Steps

Within each of the twelve local areas the State operated Job Service offices have entered into a new era of cooperation with their WIA partners. Efforts are now underway to identify and eliminate duplicative activities. Coordination is now taking place with regard to job fairs and mass recruitments for employers. Job orders are being shared and job seekers have begun to benefit from access to the services that both funding streams have to offer. Further consolidation

efforts will occur at a pace commensurate with the readiness and capability of each of the local areas.

5. Improve connections with Maryland’s business community and job seekers by focusing attention on updating and integrating the workforce Management Information System.

Background/Problem

The WIA funded One-Stops and Wagner-Peyser funded Job Service centers had been using an antiquated mainframe-based information system that needed replacing. For several years Maryland had been involved in a joint effort with neighboring states to produce a new state-of-the-art, web-based system. It was envisioned that once it were operational, Job Service and WIA data (and eventually, data from other partners) would be integrated into a single set of records allowing all partners to have access to complete and up-to-date information about job seekers and business customers. Service delivery would be supported by case management capability, including ticklers to facilitate follow-up. Fully automated data collection would result in the superior ability to monitor performance and meet federal reporting requirements. Unprecedented connections with Maryland’s business community would be enabled. Both job seekers and businesses would be able to enter and access information online.

Statement of the Solution

Unfortunately, the effort had become stalled and attention needed to be focused on moving it forward. An assessment was conducted to determine whether the project was salvageable or should be abandoned in favor of an off-the-shelf system that might need only minimal customization for use in Maryland. It was determined that it would be more expedient and cost effective to invest efforts into getting the existing project on track. An analysis was undertaken of all of the tasks that had to be done. Assignments were made and deadlines were established for completion of each of the four remaining phases of development. A detailed plan was put in place to field test the system using actual “real world” cases. A system for providing feedback and making adjustments in the system was devised. Standards and benchmarks were established for each phase, ensuring that the project would not progress to the next phase of development until the established criteria were met. The launch date was March 29, 2004.

Next Steps

Training materials were developed and in the weeks leading up to the launch, personnel throughout the State were trained. A help desk was established and a plan for handling problems associated with the transition to the new system was devised. The system was given the name “**Maryland Workforce Exchange**” and a logo was created. On Monday, March 29, 2004, as scheduled, the new system was implemented. Staff is becoming skilled at its use and the system is undergoing debugging. Plans are underway to make the system available on the Web to job seekers and employers. Expansion plans include creating access for other workforce development partners.

6. Identify opportunities for the Department of Social Services and Local Workforce Investment Areas to combine resources in a collaborative and efficient manner to improve services to low-income individuals.

Background

Combining TANF and WIA resources is a long-standing concern for many service delivery areas in Maryland. This has been recognized as a gap in the workforce development system that should be addressed rapidly, to ensure that our labor supply keeps pace with the demands of our growing economy. In the state of Maryland, welfare and workforce are two separate systems, with limited communication and coordination that varies from one jurisdiction to another. As a potential candidate for becoming a mandatory partner in the “one-stop centers,” this raises many concerns for TANF agencies that are part of a single or multiple county service delivery area. The concerns range from funding and accessibility to the type and availability of employment services for low-income and disadvantaged workers.

Historically, the TANF and WIA agencies have operated separately and experienced an acceptable level of success in most jurisdictions. In the recent past, these workforce development entities have simultaneously undergone a radical transformation in philosophy and deed by changing from *Private Industry Council (PIC)* to *Workforce Investment Board (WIB)* and *Aid to Families with Dependent Children (AFDC)* to *Temporary Assistance for Needy Families (TANF)* agencies. In anticipation of further changes resulting from legislation to reauthorize WIA and TANF, and the fiscal crisis in Maryland, combining resources becomes critically important in an arena where the workforce is an integral part of economic recovery and growth. In response to these concerns, the GWIB’s Sub-cabinet asked that TANF and WIA officials meet to develop recommendations on how to work in a more collaborative and efficient fashion.

Statement of the Problem

In a perfect world, proponents of a more collaborative workforce system may envision a single system with strong linkages to employers, easy access for all workers, and one in which low-income families are treated as potential workers rather than stigmatized as welfare recipients. At the same time, integration efforts raise concerns that the special needs and circumstances of the disadvantaged may not be effectively addressed in the workforce investment system; that resources intended to address the needs of low-income families could be diverted to less needy groups; or that the resulting system might be seen by employers and other workers as a welfare program in which they might be hesitant to participate. These and other factors are a partial explanation for why Maryland’s TANF and WIA agencies have not quickly moved towards combining resources to provide services to the populations mandated and commonly served.

While the State sets priorities, exercises oversight and control over the TANF welfare agencies, local workforce investment areas are monitored differently. Generally speaking, oversight for workforce investment areas is the shared responsibility of the chief local elected official, local workforce investment boards, and the Department of Labor, Licensing and Regulation. As simple as it may seem, the appointing authorities for TANF and WIA agencies have never insisted that these vital entities must work together to assist the populations commonly served. This lack of basic guidance is further exacerbated by a lack of mutual understanding of the roles played, and the performance measures and funding streams for each agency. Overall, turf,

money, historically misconceived perceptions, communication and personnel issues are the underlying factors preventing better coordination and collaboration.

Statement of the Solution/Next Steps

As mentioned above, at the request of the Sub-cabinet, Local and State representatives with a vested interest discussed opportunities for the Department of Social Services and Local Workforce Investment Areas to work more collaboratively and efficiently together to combine resources and to provide more efficient services to low-income individuals. They developed the following recommendations to help improve the accessibility and effectiveness of workforce development services to low-income workers;

- Require that WIA and TANF service delivery staff attend an annual facilitated meeting to receive an overview of program obligations and responsibilities respectively. The parent or State coordinating organizations should also meet regularly as needed to ensure that lines of communication are open and issues are resolved that may require a joint solution. They also made the following recommendations to stimulate discussion and provide the call to action:
 - Provide presentations on the proposed changes to WIA and TANF reauthorization;
 - Present an overview of both programs' funding streams, performance measures, and target populations;
 - Facilitate a basic discussion of WIB and Department of Social Services operations;
 - Facilitate an open discussion on why it is important to combine WIA and TANF resources, and;
 - Employ a seasoned facilitator steeped in the issues to assist with creating an open dialogue between agencies.

The annual meetings will afford local WIA and TANF agencies the opportunity to clear the air of misconceptions and misunderstandings, and remove all barriers in the way of working together. Attendance will also be mandatory for the twelve (12) WIA directors and the twenty-four (24) local directors of social service.

- Appointing authorities for WIA and TANF agencies must request that each service delivery area develop a joint plan to leverage resources for all workers and businesses. State coordinating and oversight agencies such as Department of Human Resources (DHR), Department of Labor, Licensing and Regulation (DLLR) and GWIB will approve and monitor the plans.
- A joint WIA and TANF plan must be submitted annually for review. The plan will discuss the proposed treatment of target populations commonly served by both agencies.
- WIA and TANF agencies will develop a State policy that will foster an ongoing relationship.

- Create a Memorandum of Understanding (MOU) similar to the agreements used by One-Stop partners. The MOU will outline the WIA and TANF agencies' plans to provide specific services to the target populations in the area and will specify how resources between the agencies will be leveraged. The monetary value of services provided will not be committed or expressed in the agreement.
 - Establish an annual workforce development forum with workshops that add value to WIA and TANF operations.
 - DLLR, DHR and GWIB officials will set the stage for collaborative TANF and WIA efforts by requiring each area to develop an MOU. The MOU will be signed by the chief local elected official, WIA Director and the DSS Director.
- Develop bonus/incentives for collaborative operations among TANF and WIA agencies
 - Create incentive awards for joint WIA and TANF programs.
 - Use collaboration with partners as a measure of performance.
 - Look for support from Federal partners to set aside funds for innovative programs that involve the joint efforts of WIA and TANF agencies.
 - DLLR, DHR, and GWIB officials would contact each county's chief elected officials regarding the added value of combining workforce development resources in their communities, setting the stage for collaborative TANF and WIA efforts. Suggested topics may include:
 - How economies of scale will help achieve efficiencies.
 - The impact of workforce development on the local economy.
 - Combining workforce development resources reduces unemployment in their communities.
 - How workforce development contributes to the local and state economies by increasing business and government revenues.
 - Conduct a survey of Maryland's WIA and TANF agencies to identify best practices for combining resources. This information would be shared at the mandatory WIA/TANF Directors' meeting.

These recommendations alone will not resolve the issues without the commitment of those chosen for the task of improving the accessibility and effectiveness of workforce development services for all workers and businesses. There are WIA and TANF agencies such as Anne Arundel County, Baltimore City, Lower & Upper Shore and others that have demonstrated the propensity and willingness to work collaboratively on workforce matters that challenge the economic health of their communities. However, there is considerable room for improvement, and opportunities for increasing the effectiveness of workforce development by improving communication and coordination throughout the system.

7. Fully integrate adult education into Maryland's workforce development system.

Background

The Adult Education program is authorized by Title II of the Workforce Investment Act (WIA) and is named the Adult Education and Family Literacy Act. The Adult Education program is a mandated partner in WIA. It is also one of the three programs which must achieve the federally negotiated Performance Measure targets in order for the state to be eligible for the WIA federal incentive funds. Resources for adult education include \$9M in federal and \$2.2M in state funding. Services are delivered through 35 competitive grants to local organizations, including local school systems (55%), community colleges (17%), community based organizations (17%), and some government agencies (11%). WIA requires that all grants be competitive and specifies the organizations that must be allowed to have equitable access to the competitive grant process, as well as the criteria that must be used in evaluating and selecting grantees.

In Fiscal Year (FY) 03, the adult education program provided services to approximately 38,000 individuals. Participants ranged from individuals who are non-readers to second language learners who have professional degrees in their native language. They include out of school youth over the age of 16, as well as parents of young children who are participating in a family literacy program such as Even Start, Judy Centers, and the Family Support Centers. The percent of the participants who are second language learners has increased every year for the last six years. The enrollment of out of school youth has increased every year for the last six years.

Statement of the Problem

The degree to which Adult education and Local Workforce Investment Boards (LWIBs) / One-Stops are coordinating and integrating services varies significantly across the State. Some of the reasons are historical. With the advent of WIA, Maryland decided to grandfather in the Private Industry Council (PIC) Board structure, eliminating the opportunity to appoint local adult education program leadership to the LWIBs. In most cases, the local adult education leadership was not a participant in the planning or development of workforce services and products. Many opportunities were lost for developing a shared vision of a local workforce system and services.

Another issue affecting the integration of services is the fact that while many (28%) adult education learners have needs and goals that can be met by Title I, the Workforce Investment System section of WIA, there are a substantial number (over 52%) of enrollees who are already employed. This incumbent workforce is frequently enrolled with the goal of further education and training or advancement on the job, even though these services are not currently readily available through Title I. In addition, another large segment of the adult education population is not available for employment. They are parents of young children or, in some cases, incarcerated.

There continues to be an uneven mutual understanding of the roles, services, and other components of the Title I and Adult education programs. This has interfered with the opportunity for the two areas to interact and develop solutions to common issues. Historically local issues over communication, funding, decision-making, and the pressures to meet performance measures

for two sets of requirements, have been barriers to the effective partnering between Title I and Adult education programs.

Another continuing issue for adult education is the limited state funding for instruction. There is a waiting list for services across the state of approximately 4,000 to 5,000 on an annual basis. There is also a revenue shortage in the operating costs of the General Educational Development (GED) testing office.

Additionally, there is also a lack of documented referrals from Title I to the Adult education program. In FY 03, there were less than 200 referrals out of 38,000 individuals served, in spite of documented needs for GED and English as a Second Language (ESL) instructional services. GED services are provided in the One-Stops with Title I employees or contracted to community providers who are not Adult education grantees.

It is important to reinforce that in spite of the many issues and barriers, there are some parts of the state, such as the Lower Shore, which have been very successful in laying a good foundation for a more highly integrated system.

Statement of the Solution

There are many opportunities for improved coordination, collaboration, and integration. The climate for making significant gains in partnering has improved tremendously in recent months and some initial discussions have begun at the state and local level. A clear plan must be developed to reach this goal. Some potential opportunities, which may be developed as part of a comprehensive plan, are included below.

- Create a statewide MOU between adult education and the LWIBs/One Stops to ensure a consistent level of integrated services and efficiency of operation across the state.
- Create a mechanism for Adult education programs to have representation on the LWIBs and ensure that the representation of DLLR, DHR, Division of Rehabilitation Services (DORS) and local WIBs continues on the State Advisory Committee for Adult Education (STAC).
- Modify existing data systems to create an electronic referral system, which can track and evaluate the results of cross referrals.
- Identify and build connections between the Literacy Works Information System (LWIS) and Workforce Exchange data systems to better meet customer and stakeholder needs.
- Complete the transformation of the GED Testing Office Services to an e-business environment to make services available 24/7 and in every One-Stop and WIA partner location.
- Build on the expertise of the adult education system by including adult education programs as partners when planning initiatives.
- Consolidate the delivery of GED and ESL programs into Adult education to eliminate duplication while ensuring that the instruction meets Title I timeframe, reporting, and outcome requirements.
- Provide more reading, math, GED and ESL instruction on site at One-Stop locations.
- Continue to identify all adult education programs as Eligible Training Providers.
- Appoint the directors of Adult education programs to the Local Youth Councils.
- Identify Adult education products and services that can be made available in the One-Stops; identify One-Stop services that can be brought into existing adult learning centers.

- Develop a coordinated plan to connect the Department of Business and Economic Development (DBED)'s Partnership for Workforce Quality employers needing ESL, basic skills refreshers and GED services for their employees with adult education services.
- Identify the service gaps, unmet needs, and partner concerns experienced by the LWIBs/One-Stops in partnering with Adult education programs.
- Identify shared professional development needs and opportunities to connect the staff and resources.
- Define adult education instruction as a work related activity for welfare clients and provide supports to assist customers to continue and complete their instruction after entering employment.
- Create incentives for effective joint Title I and Adult education programs.

Next Steps

The GWIB Sub-cabinet will review and develop options for an improved system, following on the recommendations of the 2001 Adult Education Task Force. Potential solutions, including costs and benefits, will be more carefully considered and developed as part of an overall plan to improve the effectiveness of the system, and will include an implementation timeline. The Sub-cabinet will also identify and review national effective model practices as a plan is developed.

Many of the options listed above would not require additional funding, but would require an investment of human resources in planning and implementation. Some of the options, such as modification of data systems, may require a significant investment of time and money. The benefits of improving the integration of the system would certainly be an increase in the number of potential and incumbent workers who are better able to achieve their goals and a more highly skilled workforce to meet the needs of Maryland employers.

In moving forward, it is important to model, at the state level, the valuing of partner contributions and participation that is expected at the local level. The Development and articulation of a common vision for the Maryland workforce development system is essential to success.

8. Design a strategy to expand support for transitioning ex-offenders into the Maryland workforce.

Background

Several State agencies are taking the lead in preparing and supporting ex-offenders as they re-enter their community and attempt to find and retain employment. These are: the Maryland Division of Correction under the Department of Public Safety and Correctional Services (DOC/DPSCS), the Maryland State Department of Education/Correctional Education Program (MSDE/CE), Baltimore Mayor's Office of Employment Development/Ex-offender's Task Force (MOED/One-Stop Career Centers), Department of Human Resources (DHR), Department of Juvenile Services (DJS) and Veterans Affairs. These agencies offer transitional services, such as substance abuse counseling, job counseling, discharge planning and other community services, and educational services such as occupational training and Graduate Equivalent Degree (GED). Funding comes from Federal, State and foundation sources. Agencies work in collaboration with

each other to provide some of the services. A more detailed chart of the services offered can be found in Appendix II at the end of the report.

Statement of the Problem

The number of people released from Maryland prisons in 2001 was nearly twice the number released two decades ago. Well over half of the Maryland prisoners released in 2001 returned to Baltimore City and many were concentrated within a few neighborhoods in Baltimore. Funding for services to help transition ex-offenders is extremely limited. According to the March 2003 Urban Institute Report: *A Portrait of Prison Reentry in Maryland*, "Prisoners today are typically less prepared for reintegration, less connected to community-based social structures, and more likely to have health or substance abuse problems than in the past. In addition to these personal circumstances, limited availability of jobs, housing, and social services in a community may affect the returning prisoner's ability to successfully reintegrate." Ex-offenders have less access to education and training programs, job services, and wrap-around services such as housing, transportation and childcare, even though there is a direct link between receiving an education while in prison and the recidivism rate. Ex-offenders also face problems in getting hired because of many employers' lack of willingness to hire people with criminal records.

Statement of the Solution

Because of the lack of resources to serve all of the ex-offenders returning to Maryland, there needs to be an increase in collaboration to improve the efficiency of the service-delivery system to ex-offenders. In addition, there must be an increase in interagency coordination and strategies to ensure that offenders leaving prison have all IDs necessary for employment and eligibility for community services. Finally, all state agencies must review existing legal and licensing barriers in order to develop a process to change policies that negatively impact ex-offender reentry.

Description of the Solution

- Encourage policies to reallocate existing resources into programs and services with documented progress in offender performance outcomes.
- Review state statutes, regulations and other policies affecting licensure.
- Review state and local agency hiring practices that often prohibit hiring former inmates.
- Coordinate with state agencies and community providers offering career development, employment readiness and transition services to deliver a form of "standard curriculum" that requires student inmates to demonstrate core competencies necessary for re-entry and sustained employment.

Description of Benefits/Impact

- Improves outcomes in employment for all agencies and lowers recidivism rates.
- Links economic and community development while addressing workforce needs of employers.
- Improves the effectiveness of agency and community staff to increase the employment and retention outcomes of ex-offenders as well as increasing employer and community perception of ex-offenders.

Next Steps

- Expand existing training options (i.e. Global Career Development Facilitator) and include offender issues similar to the National Institute of Correction (NIC) offender workforce development specialists training and national credential. The Maryland Institute for

Employment and Training Professional (MIETP) is currently offering staff training in workforce development skills.

- Assure that all supply side staff is knowledgeable of barriers and best practice strategies. The GWIB could co-sponsor with partner agencies the request that the NIC consider Maryland as a potential partner state to increase the expansion of training options available in Maryland to work with staff and ex-offender clients.
- Identify what could be done if more resources were available or policies were revised, such as:
 - increased training opportunities.
 - access to training in key labor market sectors that are often denied to ex-offenders.
 - greater public support and participation in workforce development strategies.
 - increased access to community support services and wraparound services.
- Identify issues (barriers) that need support or action from the General Assembly, such as tax credits, reallocation of funds, revision of legal barriers, establishment of investment funds.

9. Increase job opportunities for persons with disabilities.

Background:

The unemployment of persons with disabilities is a long-standing and significant problem both nationally and in Maryland. The 2002 American Community Survey Profile conducted by the U.S. Census Bureau determined that nationally only 44.8% of persons of work-age (21 – 64) with disabilities were working compared to 77.6% for non-disabled individuals. In Maryland, the same study found that 52.4% persons of work-age with disabilities were working compared with 81.2% of non-disabled individuals. This translates into 198,818 individuals of work-age with disabilities in our State who are not working despite research that indicates approximately two-thirds of persons with disabilities want to work if given the opportunity.

Statement of Problem:

The underlying cause(s) of the high unemployment rate for persons with disabilities has been the subject of recent debate and research in response to the disability community demanding action by policy-makers and the high social and economic costs associated with unemployment. Cornell University, Rehabilitation Research Center has been a lead organization in examining this issue. Cornell researchers believe there are three “main contenders” as to cause:

1. Economic disincentives regarding Federal disability benefits;
2. Employers’ perceptions regarding the risk of hiring persons with disabilities including fear of litigation and higher insurance costs; and
3. Increases in the severity of impairments and health conditions of persons with disabilities.

In addition to the findings of the Cornell researchers, empirical evidence of additional barriers include: limited education and work skills of persons with disabilities; a lack of public transportation to get workers to where the jobs are located; budgetary deficits (Medicaid, federal,

and state) and restricted capacity of publicly-funded programs that have traditionally served this population.

A critical need area is services to young people with disabilities who are completing or exiting the public education system. Maryland communities have made a tremendous economic investment in this group of individuals with disabilities served under the Individuals with Disabilities Education Act (IDEA). It is extremely important to the State that opportunities exist for these young individuals to access post-secondary education and obtain careers that lead to self-sufficiency.

Beyond the traditional public and private non-profit agencies that serve persons with disabilities are an array of workforce programs and service providers who may or may not have the experience, capacity, and ability to serve persons with disabilities relative to their employment needs. All too often, the traditional providers of disability employment services and the other partners in the state's workforce system operate with too little collaboration and coordination, not leveraging existing resources, and therefore not maximizing employment and career opportunities for persons with disabilities.

The One-Stop workforce system needs to build credibility with persons with disabilities. Physical and programmatic access needs to be assured for persons with disabilities to the programs and services offered by local workforce investment boards and One-Stop centers. Performance measures need to be modified so that "hard-to-serve" consumers are not inadvertently disenfranchised from the One-Stop service delivery system.

Statement of the Solution:

Maryland should build upon its national reputation as a leader in supporting and ensuring career opportunities for persons with disabilities. Our state has a number of nationally recognized programs of excellence such as: The RISE Program – a self-employment and entrepreneurial program for persons with disabilities including individuals with significant developmental disabilities; Rehabilitation Technology Services, Workforce and Technology Center – provides a wide array of assistive technology solutions for the successful employment of persons with physical, sensory and cognitive disabilities. The Governor's QUEST Program provides paid internships in state government for persons with disabilities. Maryland should work to eliminate the wide disparity in unemployment rates between job seekers with disabilities and non-disabled individuals.

Description of the Solution:

Local Workforce Investment Boards (LWIBs) and One-Stops should establish as a priority the employment of persons with disabilities both in terms of its efforts with the business community and the operation of One-Stop centers. LWIBs and One-Stops should aggressively work to educate and connect with employers on the issue of hiring persons with disabilities such as establishing local Business Leadership Networks (BLN) and customized training programs with employers. LWIBs should work to communicate to the business community the advantages of having persons with disabilities as a part of their workforce including data demonstrating high employment retention and productivity rates of workers with disabilities.

Disability navigators should be established in all One-Stop centers. A disability navigator provides direct services to individuals with disabilities through his or her knowledge of disability

employment issues and strong knowledge of the array of resources available to persons with disabilities. In addition, the disability navigator works with the management and partners of the One-Stop center to assure the access and participation of persons with disabilities in the programs and services offered by the center.

Division of Rehabilitation Services (DORS) counselors should be physically located at all One-Stop Centers and function as a member of the One-Stop team which can help assure that disability awareness and access is incorporated into everything a One-Stop center does; co-location versus team approach. DORS counselors would take the lead with One-Stop consumers with disabilities who request or require specialized services in order to obtain employment. Examples of specialized services include: assistive technology, supported employment and job coaching, medical rehabilitation services, adjustment to disability services, specialized services for the blind and deaf; modified driving systems and vehicle modifications, and architectural modifications to homes.

Other strategies/solutions include:

- One-Stop performance measures must be changed in order not to penalize the centers from working with “hard-to-serve” consumers.
- Roll-out of the new “Maryland Workforce Exchange” to include all workforce partners and community organizations. This would foster better integration within the workforce system of the many entities involved including public disability services, the statewide network of private non-profits community organizations, public education, colleges and universities, and One-Stop centers.
- Encourage and support the continuing engagement of public two-year and four-year colleges and universities in serving persons with disabilities. These are critically important partners in assuring high-quality employment opportunities for persons with disabilities.

Description of Benefits/Impact:

Analysis conducted by the Council of State Administrators in Vocational Rehabilitation indicates that the successful employment of persons with disabilities has the following economic impact:

- Persons with disabilities demonstrate a higher job retention rate than non-disabled individuals thereby saving employers money by reducing the turnover rate in their workforce.
- The total benefit to federal and state budgets is an increase of \$2 – 4 dollars in revenues to every dollar invested in returning an individual with a disability to employment.

Next Steps

- Make One-Stop centers a true one-stop for persons with disabilities, not just “one-of-the-stops.” The One-Stop should become the primary service provider/point-of-entry for a large segment of the population accessing the state’s workforce investment system, including persons with disabilities.

- Foster engagement with the business community to understand why it is good business to include persons with disabilities in their hiring decisions. Connect the business community with young people with disabilities to provide career-connected experiences.
- Establish state policy on the co-location and participation of partner agencies at One-Stop centers.

Seed grant projects within One-Stop centers and at colleges and universities that increase access to programs and services for persons with disabilities and support collaboration and service integration

10. Build capacity among workforce development system partners.

Background

Over the next 30 years, as the older, retirement-age population rapidly increases, the existing workforce will shrink. It will mean integrating every available worker into the workforce. At the same time, the economy's shift from a goods-producing to a service-producing environment means a dramatic increase in the need for knowledge workers. Maryland's workforce development system must be poised to address these issues if the State is to remain competitive in terms of economic development and growth. In order for Maryland's workforce development system to be effective, its numerous partner agencies, representing economic development, education, employment and training programs, and human services, must collaborate and coordinate their efforts. It is important that staff in these agencies, both professional and support, have the knowledge and skills necessary for the collaboration and coordination that will ensure Maryland has a workforce prepared for the demands of today's and tomorrow's businesses.

Statement of the Problem

At present, each agency provides for the training and development of staff with responsibilities for the delivery of workforce services. There is no uniform set of knowledge and skills to support improved collaboration and coordination among partner agencies at either state or local levels. Nor is there an agreed upon approach to the training and professional development that results in a staff ready and able to network and to minimize "silos" associated with separate funding streams. The agencies reach out to one another to include partner representation on workgroups and to encourage support for local programs to similarly seek interagency representation. However, this results in cross-training of only a few agency representatives.

The Maryland Institute for Employment and Training Professionals (MIETP) is a not-for-profit staff development and networking organization that helps frontline staff acquire and develop knowledge and skills needed to provide service while also assisting workforce agency supervisors and administrators with leadership skills development. MIETP's targeted professional development programs are responsive to the needs of the agencies it currently serves. MIETP has recently initiated efforts to expand its scope of services beyond employment and training agency personnel to include the economic development and education communities. However, while the organization aspires to broaden the types of participants in its programs, at present it lacks the resources to expand programs.

Statement of the Solution

The GWIB Sub-cabinet seeks to renew and expand its commitment to ensuring that the professional and support staff of the partner agencies possess the knowledge and skills needed to effectively collaborate and coordinate on the opportunities for improvement outlined in this report. As a first step, it proposes to address the knowledge and skills associated with two Improvement Opportunities previously discussed: the State's Industry Cluster-Based Approach to Workforce Development and the State's Career Clusters framework for organizing and delivering the education and training needed to prepare Maryland's knowledge workers. The Sub-cabinet has suggested that a portion of the Maryland 2004 Workforce Investment Act Incentive Grant be set aside to launch a professional development initiative, in partnership with MIETP that would address these two systemic priorities. The incentive grant resources provide an opportunity to test the effectiveness of a collaborative approach to expanding the knowledge and skills of interagency workforce development staff at both state and local levels for the Industry Cluster-Based Approach and Career Clusters. And, a successful non-profit provider of training and networking services stands ready to assist.

The benefits to the approach are numerous: improved collaboration can help eliminate duplication of services, education and training services can be better targeted to the needs of Maryland's businesses, important systemic improvements can be shared more universally and efficiently, and state and local staffs can develop key knowledge and skills that improve their effectiveness. Launching such an initiative with the WIA Incentive Grant (one-time money) represents both opportunity and challenge. As an opportunity, the Incentive Grant supports an immediate implementation of this opportunity for improvement. When success is demonstrated, it will be incumbent upon the agency partners to identify ongoing resources to support a collaborative approach to professional development and networking.

Next Steps

- Apply for the Incentive Grant funds.
- Establish an interagency planning committee.
- Coordinate implementation with MIETP.
- Assess effectiveness.
- Agree on future direction.

IX. Conclusion

The effective and swift implementation of these recommendations will require the full attention, participation, and cooperation of all parties committed to improving the State's workforce development system. It will also require that Maryland businesses be engaged on a strategic and operational level throughout the workforce investment system.

Appendix I

D86Y00 – Governor’s Workforce Investment Board

3. Adopt the following narrative:

Identify Inefficiencies within the State’s Own Workforce Development Delivery System:

The Governor’s Workforce Development Board (GWIB) is in a unique position to investigate the possible sources of efficiency savings in the delivery of the State’s own workforce development system. In the current State budget climate, as resources become more limited, redundancy across agencies in the State’s use of personnel and other resources should be eliminated. With that goal in mind, GWIB is directed to produce a report and make specific recommendations for efficiency savings in State agencies related to the State’s workforce development delivery system. This report shall be submitted by September 1, 2003, to the Department of Budget and Management (DBM), Department of Legislative Service, and the following agencies involved in workforce development:

- Department of Aging;
- Department of Human Resources – Family Investment Administration;
- Department of Labor, Licensing, and Regulation – Division of Employment and Training;
- State Department of Education;
- Maryland Higher Education Commission;
- Department of Business and Economic Development; and
- Department of Juvenile Justice.

DBM and the named agencies are directed to provide State workforce data and information to GWIB and to participate as requested by the GWIB in the production of this report.

| Information Request | Author | Due Date |
|--|---------------|-------------------|
| Recommendations for State Workforce Development Efficiency Savings | GWIB | September 1, 2003 |

Appendix II

Agency Services and Funding Information for Ex-Offenders

| AGENCY | SERVICES | FUNDING |
|--|---|--|
| <p>Maryland Division Of Correction/ the Department of Public Safety and Correctional Service</p> <p>DOC/DPSCS</p> | <ul style="list-style-type: none"> • Support substance abuse counseling, education/occupational training, victim impact training, discharge planning, library services, etc to benefit inmate reintegration, serving 20% of the inmates (other than general library services). • Permits access of community partners to deliver a range of transition services inside the fence, linked to community services. • Discharge planning linking to offender services in the community | <ul style="list-style-type: none"> • Inmate Welfare funds to support part time contractual instructional staff and limited materials • “Going Home” federal fund (\$2mil) for limited services inside the fence and the community. This grant is also shared with DJS. • In kind program support from partners with targeted funding from their sources (i.e. Goodwill, STRIVE, Transitional Jobs Project, etc) |
| <p>Maryland State Department of Education/ Correctional Education Program</p> <p>MSDE/CE</p> | <ul style="list-style-type: none"> • 38 occupational training programs across the state, many of them nationally certified (ASC, Print Ed accreditation, etc.) • OSTC has p/t job developer in partnership with DOC work release • Collaboration with community partners and grantees (i.e. Enterprise Foundation (REP) MOED etc. | <ul style="list-style-type: none"> • 4 full time state positions • Limited resources for materials • Access to DOC funded and grant funded staff for instruction (10+ contractual staff) • Limited Perkins (federal occupational Training funds) • The state invests approx. \$12 million in prison ed impacting student success while the drop in recidivism saves approx \$24 million |
| <p>Baltimore Mayor’s Office of Employment Development/Ex-offender’s Task Force</p> <p>MOED One Stop Career Centers</p> | <ul style="list-style-type: none"> • 1 f/t foundation grant funded person targeting ex-offenders • 1 f/t parole and probation agent co-located in One-Stop • Regularly offers in-kind staff to participate in Career Fairs, exit orientations etc inside the institutions. • Extensive coordination provided to Ex-Offender Task Force, Gov’s Advisory Council on Offender Employment Coordination and the Mayor’s Offender Steering Committee, BWIB, GWIB • Extensive effort in employer and community partner engagement | <ul style="list-style-type: none"> • Small foundation grant for 1 staff person • In-kind contributions of staff • No designated funding currently • Prior contractual staff reassigned when special project funding could not be sustained in the current fiscal climate. |
| <p>DHR</p> | <ul style="list-style-type: none"> • Food stamps • Medical assistance • Temporary Cash assistance • Employment & Training-(TANF and Food Stamp eligible customers) • Daycare Assistance • Transportation Assistance | <ul style="list-style-type: none"> • Food and Nutrition Services (USDA) • Medicaid (USDHHS) • Temporary Assistance to Needy Families (USDHHS) • Food and Nutrition Services (USDA) and TANF (USDHHS) |

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| | <ul style="list-style-type: none"> • Special Needs (License, Protective gear, tools, etc.) • TEMHA (Transitional Emergency Medical Housing Assistance) | <ul style="list-style-type: none"> • State General Funds |
| DJS | <ul style="list-style-type: none"> • Provides individualized care and treatment to youths aged 7 to 21 who have violated the law or are in danger to themselves or to others • Until July 1, 2004, offers instructions in English, math, science, social studies, physical ed, music/art, remedial reading and math and prepares students for the General education Development (GED) for a MD high school diploma. MSDE will begin educational programs at Hickey School July 1, 2004. • Link youth to education and/or training upon release | <ul style="list-style-type: none"> • State General funds • Limited Federal "Going Home Grant" funds for students returning to the Baltimore City school system |
| VA | <ul style="list-style-type: none"> • Links to entitlement programs prior to release and within the community | <ul style="list-style-type: none"> • Federal |

Appendix III

GLOSSARY OF ACRONYMS

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| DBED | Department of Business and Economic Development (MD) |
| DHR | Department of Human Resources (MD) |
| DJS | Department of Juvenile Services (MD) |
| DLLR | Department of Labor, Licensing and Regulation (MD) |
| DOL | U.S. Department of Labor |
| DORS | Division of Rehabilitation Services: a division of MSDE (MD) |
| GWIB | Governor's Workforce Investment Board |
| LWIBs | Local Workforce Investment Boards |
| MHEC | Maryland Higher Education Commission |
| MIETP | Maryland Institute for Employment Training Professionals |
| MSDE | Maryland State Department of Education |
| PWQ | Partnership for Workforce Quality |
| TANF | Temporary Assistance for Needy Families |
| WIA | Workforce Investment Act of 1998. |