



Workforce Development Group

House Committee on Appropriations
Subcommittee on Education and Economic Development
Delegate Adrienne A. Jones, Chair
Delegate Ben Barnes, Vice-Chair
February 1, 2018

Senate Committee on Budget and Taxation
Subcommittee on Education, Business & Administration
Senator Nancy J. King, Chair
February 5, 2018
Kelly M. Schulz, Secretary

Agenda

Introduction

DLS Responses

Budget Overview

EARN Maryland

Unemployment Insurance

Workforce Development and Adult Learning



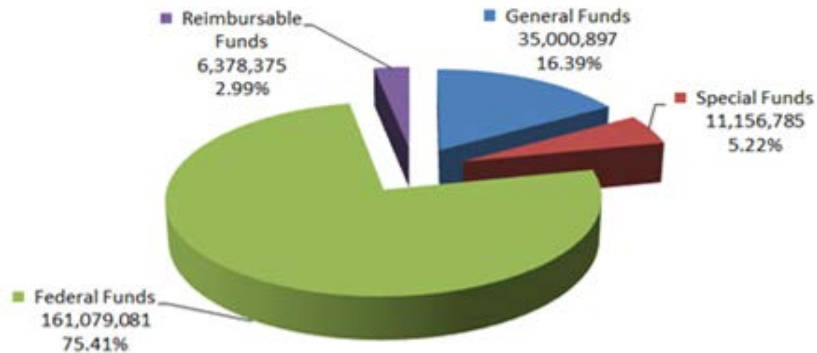
FY 2017 Actual and FY 2018 Appropriation

The Workforce Group is supported by a combination of general, special, federal, and reimbursable funding as follows:

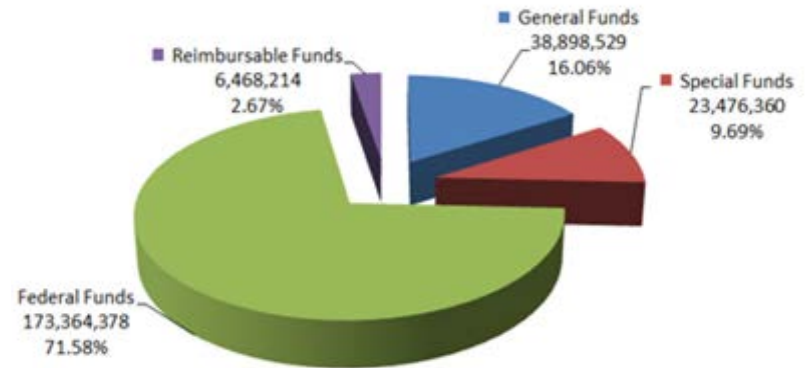
Note: Increase in federal funds from UI modernization grant

WORKFORCE						
	FY 2017		FY 2018		FY 2019	
	ACTUAL	%	APPROPRIATION	%	ALLOWANCE	%
General Funds	35,000,897	0.164	38,898,529	0.161	38,539,536	0.175
Special Funds	11,156,785	0.052	23,476,360	0.097	27,034,983	0.123
Federal Funds	161,079,081	0.754	173,364,378	0.716	148,638,407	0.674
Reimbursable Funds	6,378,375	0.030	6,468,214	0.027	6,291,543	0.029
Total	\$ 213,615,138	1.000	\$ 242,207,481	1.000	220,504,469	1.000

FY 2017 ACTUAL



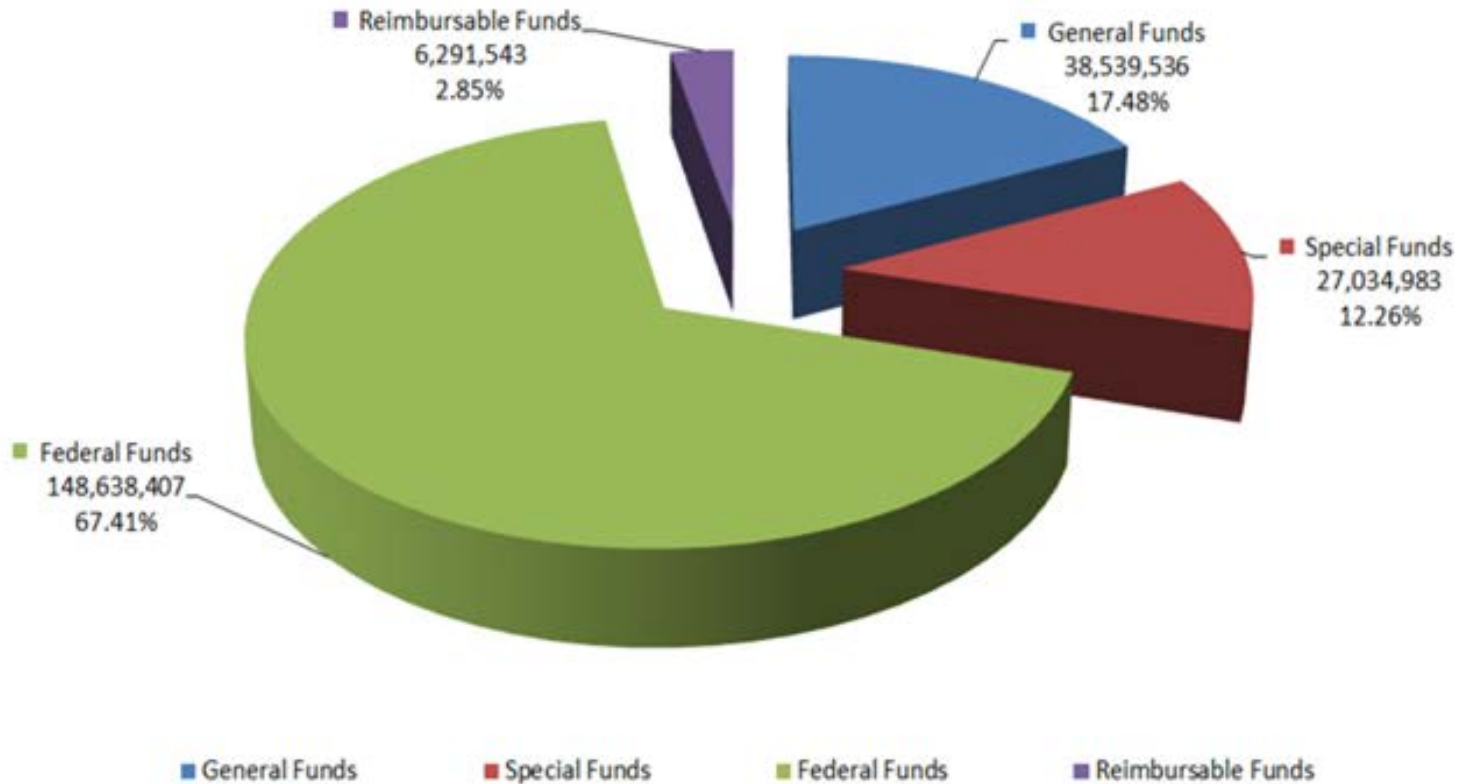
FY 2018 APPROPRIATION



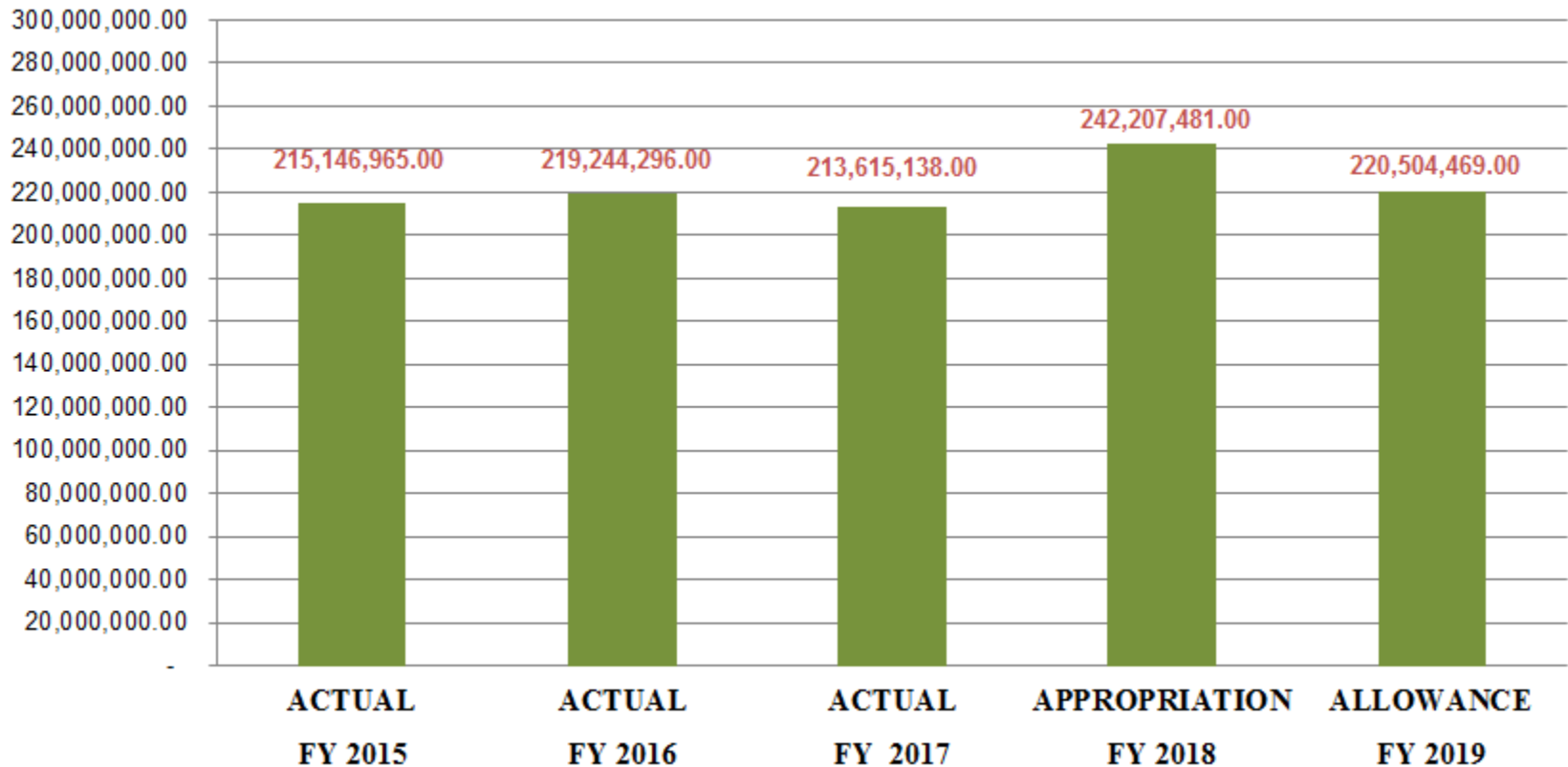
■ General Funds ■ Special Funds ■ Federal Funds ■ Reimbursable Funds

■ General Funds ■ Special Funds ■ Federal Funds ■ Reimbursable Funds

FY 2019 Allowance



Workforce Development Group Budget FY 2015 Actual – FY 2019 Allowance



Executive Summary

The Office of the Secretary provides executive leadership, general administration, public information, and comprehensive planning for the commissions, boards, divisions, and agencies of the department, and includes the Governor's Workforce Development Board (GWDB), the Office of Program Analysis and Audit, the Office of Fair Practices, the Office of Legal Services, the Board of Appeals and the Lower Appeals Division, and the Employment Advancement Right Now (EARN) Program.

Employment Advancement Right Now (EARN)



EARN Maryland's Impact on Business



Increased Productivity

An employer partner of the Maryland Advanced Manufacturing and Plastics Partnership stated that due to an influx of highly skilled workers, the company was able to add a new production line, leading to new business contracts.



Increased Opportunity

The mHealth Partnership was instrumental in aiding the growth of three of their smaller employer partners. Upon hiring EARN trainees, the companies have gone on to secure contracts totaling \$8.25 million, which was made possible due to EARN addressing the company's human capital needs.

EARN's Benefits to Employers



Significant Cost Savings

Because EARN is providing qualified candidates with relevant skills, employers report lowered costs around screening, interviewing and training.



Expansion

EARN Maryland has facilitated the expansion of at least three successful programs: Wor-Wic Welding Partnership for entry-level welders on the Eastern Shore; Project JumpStart is providing skilled workers for construction projects in Prince George's County; and, the Jane Addams Resource Corporation continues to be hailed a best practice in Baltimore City.

EARN By the Numbers:

\$8 million: FY 2018 total investment

99%: Percent of employers recently surveyed who said that EARN has had a positive impact on their business

58: Number of strategic industry partnerships being funded

\$18.97: The state's return on investment for every \$1 spent



Investing in Green and Cyber Jobs with EARN

Governor Hogan's targeted investment will allow benefit Maryland employers and residents

- Cyber: \$3 million in FY18
 - 12 partnerships with 90 employer partners participating
 - Over 500 unemployed and underemployed to be trained
 - Nearly 175 incumbent workers to be trained
 - About \$800k remaining to be invested in training
- Green: \$1 million/year FY18, 19, and 20
 - 4 partnerships with 25 employers participating
 - Over 200 unemployed and underemployed to be trained
 - 24 incumbent workers to be trained



EARN Maryland Quotes

“Without the EARN Grant Partnership and the funding provided, there was no way, economically, that we could have provided the different levels of technical training that our new hires and incumbents so desperately needed.”

“EARN funding was instrumental in our plant increasing our efficiencies in our production lines by 15% to 20%, **which overall saved the plant \$1.6 million dollars to our bottom line.**”

“It is because of [EARN] that companies like [ours] will continue to grow and succeed right here in Maryland.”



Division of Unemployment Insurance

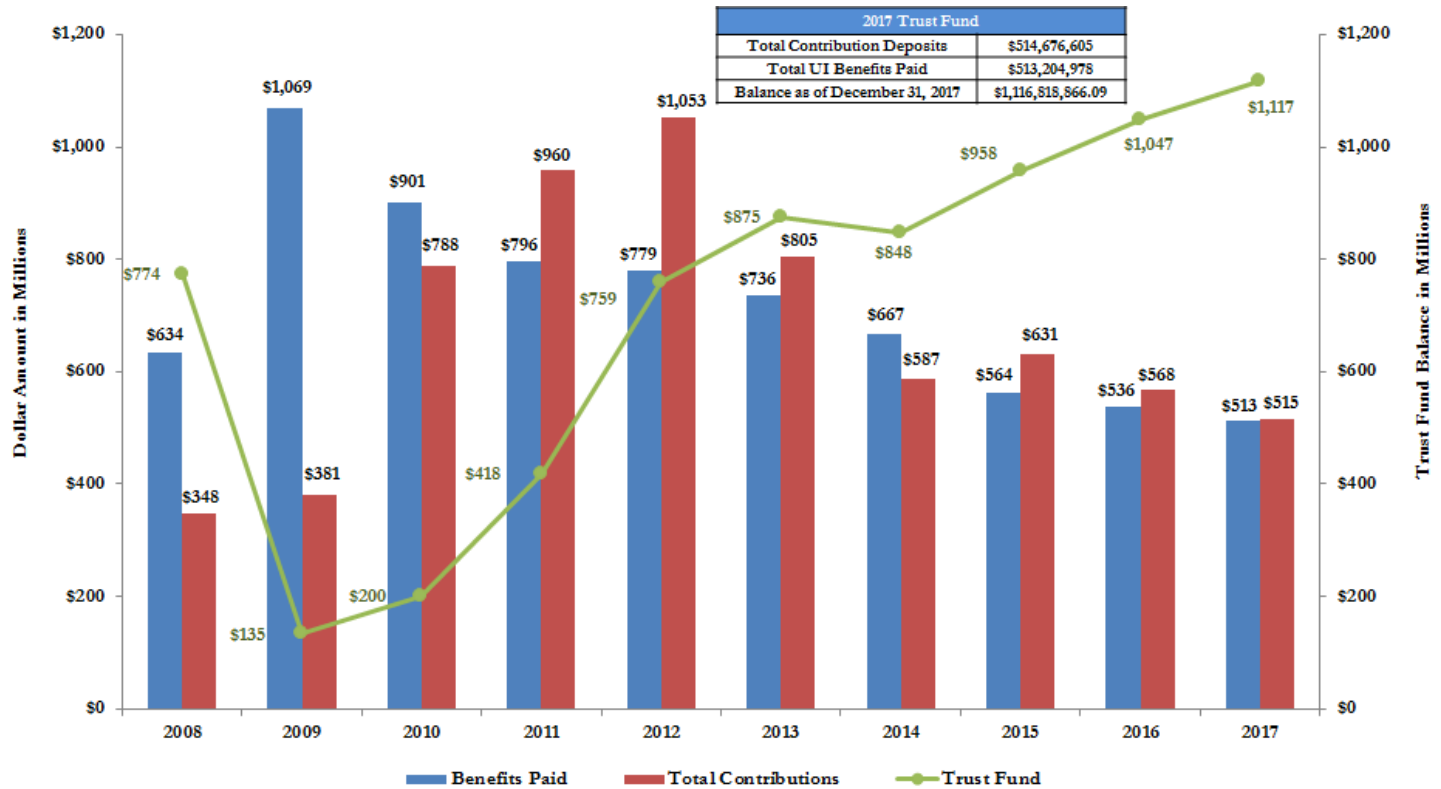
Executive Summary

The **Division of Unemployment Insurance** administers the collection of unemployment taxes, the determination of employer rates, and the payment of benefits to eligible individuals. Benefits are paid with employer-paid taxes. Federal extensions of unemployment benefits are paid solely with federal funds. The administrative costs of the program are paid through a federally funded grant.

Unemployment Insurance

- Provides temporary weekly benefits for workers who have lost their jobs – through no fault of their own.
- Focus on fiscal responsibility for the UI Trust Fund.
- Maryland maintains one of the strongest unemployment insurance systems in the country.
- In Calendar Year 2018, Maryland employers are paying unemployment insurance taxes at the lowest rate table.

Benefits Paid, Contribution Deposits, and Trust Fund Balances



* Calendar Year Data

Strength of the UI Trust Fund

Top 14 State Trust Fund Balances*

	State	Balance (\$)
1.	Washington	\$4,338,226,049
2.	Oregon	\$3,827,539,626
3.	Michigan	\$3,652,137,647
4.	Florida	\$3,629,213,257
5.	North Carolina	\$3,040,460,741
6.	New Jersey	\$2,239,212,333
7.	Pennsylvania	\$2,135,257,663
8.	New York	\$2,017,590,851
9.	Georgia	\$1,796,679,857
10.	Illinois	\$1,712,832,037
11.	Minnesota	\$1,583,562,934
12.	Wisconsin	\$1,448,626,979
13.	Virginia	\$1,166,119,788
14.	Maryland	\$1,152,905,128 *

Maryland UI Trust Fund:

Has **14th highest balance** as of 9/30/2017:

- **\$1,152,905,128***

No Trust Fund Loan:

- 2 states (CA and VI) have trust fund loans from the federal government as of 9/30/2017

2018 Table A:

- Range of rates – 0.3% - 7.5%
- \$25.50 - \$637.50 per employee
- Wage base - \$8,500

Cost of UI for Employers - Maryland UI Rate Tables

Table A: 0.3% to 7.5% = \$25.50 to \$637.50 per employee per year

Table B: 0.6% to 9.0% = \$51.00 to \$765.00 per employee per year

Table C: 1.0% to 10.5% = \$85.00 to \$892.50 per employee per year

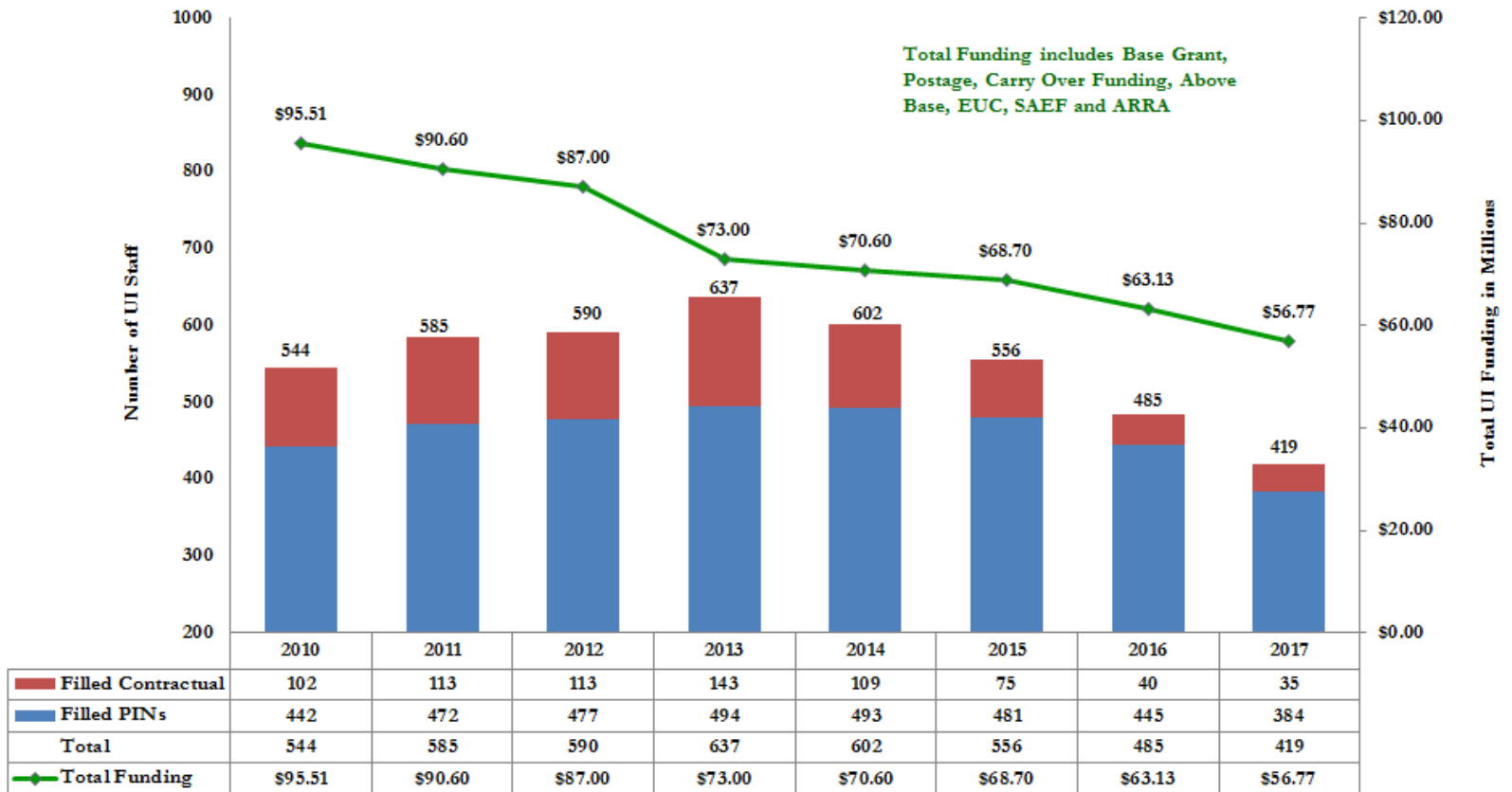
Table D: 1.4% to 11.8% = \$119.00 to \$1,003.00 per employee per year

Table E: 1.8% to 12.9% = \$153.00 to \$1,096.50 per employee per year

Table F: 2.2% to 13.5% = \$187.00 to \$1,147.50 per employee per year

Source: MD Code Ann., Labor and Emp. Art. § 8-612

Total UI Funding and Staffing Levels



* Federal Fiscal Year Data



Current Integrity Efforts

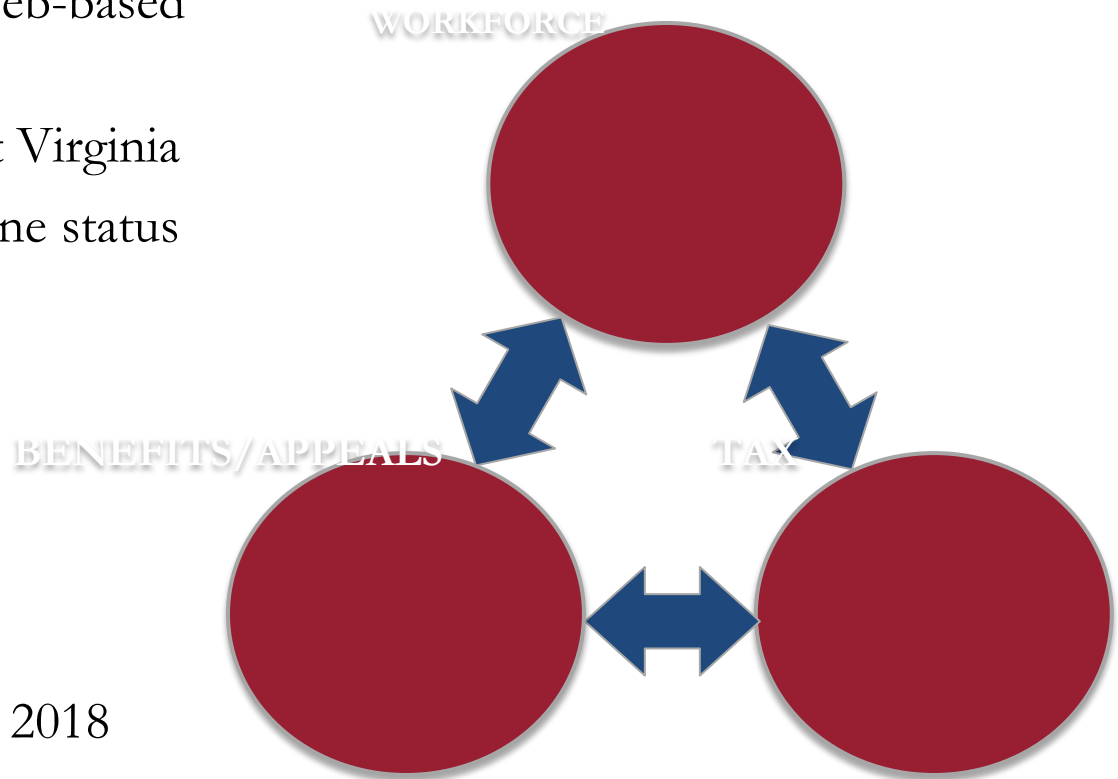
- Internal Security Program Integrity Unit
- Suspicious Actor Repository
- Appriss
- National and State Directories of New Hires
- Identity Resolution

Reemployment Exchange (REX) Module

- Web-based tool designed to help UI claimants find suitable employment and return to work as quickly as possible.
- Features of REX:
 - Job listings and job matches from multiple sources
 - Applying for jobs online (must maintain an active resume in the MWE system)
 - Real-time labor market information
 - Weekly reemployment strategies
 - Online assessments and training opportunities
 - Career recommendations to expand work search beyond normal occupation
- Located within the Maryland Workforce Exchange system

Maryland-West Virginia Consortium (MWC) Reemployment BEACON

- Fully integrated, real time, web-based system
- Consortia partner with West Virginia
- Greater self-service and online status available to:
 - Employers
 - Claimants
- Ease of modification and enhancement
- Security features
- Implementation: November 2018





Division of Workforce Development and Adult Learning

Executive Summary

The **Division of Workforce Development and Adult Learning (DWDAL)** manages 29 American Job Centers throughout the state and has oversight responsibility for four DWDAL offices:

- Office of Workforce Development
- Office of Adult Education and Literacy Services
- Office of Correctional Education
- Office of Workforce Information and Performance

Total DWDAL Funding and Staffing Levels 2010 - 2017





National Recognition



“Maryland’s plan describes how sector partnerships supported by EARN will be used to help identify workforce needs, create career pathways for adult education students and others...and validate industry-recognized credentials.”



State’s Combined State Plan “illustrat[es] a deep commitment to serving those who face the most significant barriers to employment.”



Maryland’s Plan “clearly describes implementation of priority of service, as required” under WIOA.

Connecting with Maryland's Jobseekers

- In FY2017, 59,492* Marylanders received services at Maryland's 29 American Job Centers
 - Resume assistance
 - Connecting with jobs and training
- Available through Maryland's American Job Centers
 - Resume training
 - Interview coaching
 - Workshops and seminars
 - Job/skills training
- Job fairs
- Maryland Workforce Exchange - Maryland's online job site

**Figure reflects WIOA definition that excludes those who receive only information or utilize self-service.*

Maryland Business Works: Investing in Training



- The department is dedicating \$1 million in federal funds that, when combined with the dollar-to-dollar match from employers, will equate to \$2 million in training of Maryland's workforce.
- Invests in Maryland businesses who invest in the training of their employees.
- Funds will be primarily targeted to small businesses with 500 employees or fewer, local and regional businesses providing in-demand products or services, and businesses facing potential layoffs.

Apprenticeship and Training



MARYLAND
APPRENTICESHIP
2.0 Training that Works.



Apprenticeships: Maryland's Premier Workforce Solution

2018 Vision

Maryland recognizes that registered apprenticeship is the way to build and maintain career pathways between all Maryland jobseekers and Maryland businesses seeking workers. Maryland's Apprenticeship and Training Program is a nationally recognized model through

1. expansion in non-traditional industries,
2. growth in apprentices among underrepresented populations,
3. broadened public awareness,
4. integration of Department of Labor services,
5. dedicated customer outreach, and
6. a sustainable funding plan.

Apprenticeships: Maryland's Premier Workforce Solution

- Since January 2015, the number of registered apprentices has grown to approximately 9,600, a nearly 20 percent increase.
- In 2017, 15 new registered apprenticeship programs were created and seven were re-activated, resulting in a record year for the program.
- The state has revolutionized Maryland's workforce through investments in modern-day registered apprenticeships.
- New apprenticeship opportunities have been created in sectors like information technology, cyber security, healthcare, digital and social media, biotechnology, and advanced manufacturing.



Apprenticeships: Maryland's Premier Workforce Solution

- In November 2017, Maryland celebrated its first graduate from an information technology registered apprenticeship.
- The Maryland Department of Labor, the Maryland Tech Council, and TranZed Apprenticeship Services launched a public-private partnership.
- The American Hotel and Lodging Association launched a statewide lodging registered apprenticeship program to help fill the hospitality industry's critical labor shortage.

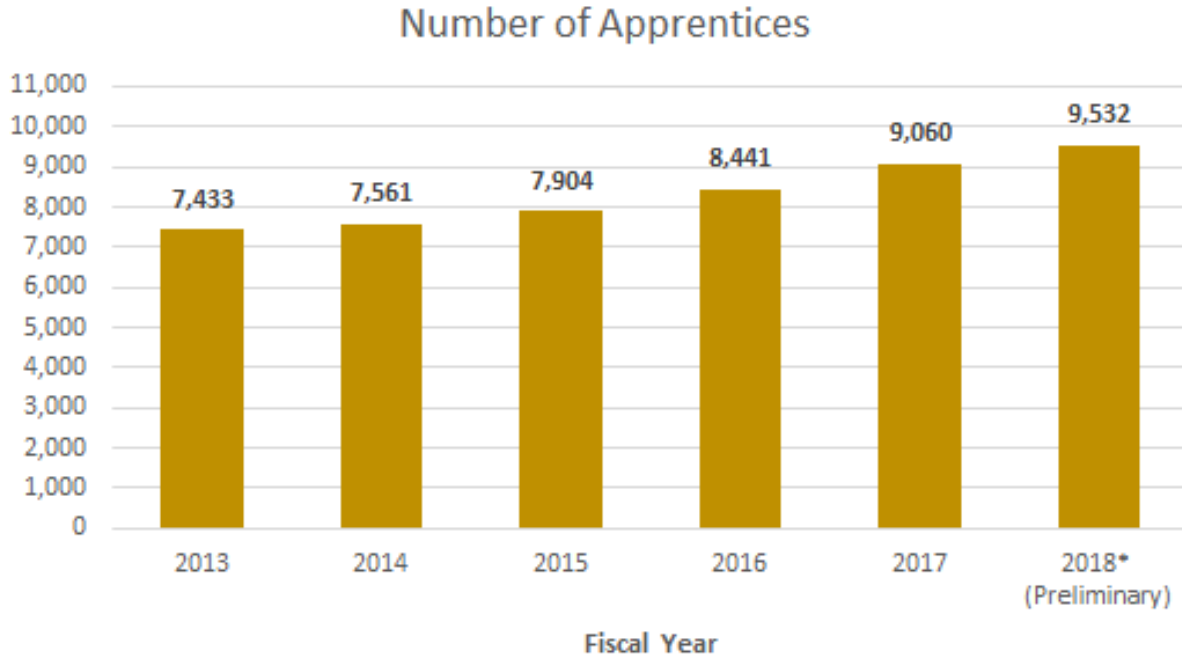




Apprenticeships: Maryland's Premier Workforce Solution

“Registered apprenticeship has opened doors that potentially would never have been opened in my life. I am earning while I’m learning. This is paid training that will change my life. It’s a dream come true.”

– Robert Gurlick, Registered Apprentice



“The apprentice is ultimately the success story, but the companies and the employers are the ones that, at the end of the day, become very successful when they have a very well-trained workforce.”

– Jason Roberts, Education Director, ABC Metro Washington

Youth Apprenticeships: Building the Talent Pipeline



Student apprentice at Frederick Memorial Hospital

Photo Credit: Frederick News Post

Connecting with Maryland's Veterans



- Dedicated staff serve the needs of Maryland's veterans and their spouses
- Veterans receive “priority of service” in obtaining any USDOL funded services
- Veterans service team also participates in community-based interventions like the veterans courts throughout the state
- 3,814 veterans receiving workforce services in FY 17

Connecting with Maryland's Adult Learners

Provides adult learners with:

- Instruction in basic and secondary level academic skills for adult learners
- English language acquisition classes for New Americans
- High school diploma options
- Administering the statewide GED® testing program

	FY 2014	FY 2015	FY 2016	FY 2017
Number of GED applicants tested	8,727	5,590	7,186	7,072
MD Pass Rate	52%	63%	75%	68%
National Pass Rate	52%	63%	82%	79%

1. Data from GED Analytics
2. FY '15 was the first year where GED's computer-based test was fully implemented. National trends also reflect declining numbers of testers as states transitioned from the paper-based examination.
3. GED changed the passing score from 150 to 145, which increased the number of passers and increased the pass rates in MD and nationally.

Connecting with Individuals with Barriers to Employment

- Instruction in academic, special education, ESOL, transitional, occupational, college, and library programs at Maryland's correctional institutions
- 23 occupational programs, many of which provide nationally-recognized certifications
- Re-entry programs focus on job readiness
- Federal bonding options for employers who hire ex-offenders

Correctional Education Statistics

Avg. numbers of students served per day	3,000
Approx. number of students served per year	12,000
Number of full-time State CE employees	147.5
Number of Schools	21



CHANGING
Maryland
for the Better



Thank You