

MEMORANDUM

TO: Planning, Housing and Economic Development Committee

FROM: Justina J. Ferber  Legislative Analyst

SUBJECT: **Worksession:** Organizational Reform Commission – Recommendation No. 7 -
Workforce Services

Recommendation

In its report to the Council dated January 31, 2011, the Organizational Reform Commission (ORC), in **Recommendation No. 7**, recommended the County seek changes to workforce services grants.

Recommendation No. 7: Enable the Workforce Investment Board and the Division of Workforce Services to coordinate oversight of the workforce grants awarded by the Executive and the Council.

The full text of the recommendation is below:

No. 7 Workforce Training

Statement of the Issue

Montgomery County has made the training of its residents to become productive members of the workforce a top priority over the years and is to be commended for doing so. This can include such worthy tasks as the development of job-seeking skills, specific marketable skills, and job-placement assistance. A number of highly capable entities within the County play important roles in this process, including the Montgomery County Workforce Investment Board, Montgomery College, Department of Health and Human Services, Housing Opportunities Commission and Division of Workforce Services.

Discussion of the Issue and Recommendations

ORC members met with representatives of virtually all components of the County's workforce training system. While their functions are separate, some specific aspects are similar and could form the basis for consolidation that could lead to overall savings and efficiencies. The ORC is sensitive to the needs of the various client communities that are the intended recipients of this workforce training. We have sought to make value-added recommendations that will save money and enhance the effectiveness of government operations.

- *To eliminate duplication, provide support and assistance to grantees, and increase the reach of workforce services in the County, the ORC recommends that the Montgomery County Workforce Investment Board (WIB), the Division of Workforce Services (DWS), and its contractors coordinate oversight of the workforce grants awarded by the Executive and the Council.*

Specifically, we recommend the following changes. With regard to the:

- 1) **Role of the WIB** - The WIB would develop grant criteria and lead the grant review. The grant review would also include community members.
- 2) **Role of DWS** – DWS would staff the WIB and oversee the work of the one-stop contractor, including ensuring that assistance to grantees would be included in the scope of work of their contract.
- 3) **Role of the DWS contractors** – DWS contractors would work with the grantees to increase their knowledge and skills, issue checks to grantees, provide oversight of the grants through regular reporting by the grantee and monitoring, and develop the network among the grantees.

Other activities that may be part of this change could be the development of common outcome measures and application of program standards.

In order to ensure that this change is beneficial to all, there must be sufficient funding for the grants, the administration of the grants (financial and programmatic oversight), and the development of the network among the grantees. Additionally, if funds could be included for grant-writing, the WIB, DWS, and the DWS contractor could work to find funds to support services.

Benefits to the County would include: (1) providing grant oversight at lower cost by the one-stop operator; (2) eliminating duplication; (3) providing support and assistance to grantees; and (4) increasing the reach of workforce services in the County.

Benefits to grant recipients would include: (1) being part of a larger network; (2) access to information on job fairs and recruitments; and (3) access to experts at Workforce Services.

Executive's Response

In a memorandum to the Council President dated February 21, 2011, the Executive responded to each of the 28 recommendations in the ORC report. The Executive's response to the recommendation on workforce services is listed below:

7. Enable the Workforce Investment Board and the Division of Workforce Services to coordinate oversight of the workforce grants awarded by the Executive and the Council.

County Executive's Position: Support with Conditions

The County Executive generally supports the ORC recommendations regarding Workforce Training with the following exceptions:

- The Division of Workforce Services (DWS) contractors should only work with the grantees to increase their knowledge and skills.
- The DWS should oversee grants and develop the network among the grantees.
- Checks are issued by the Department of Finance. Therefore, there would be no assumption about lower costs due to oversight of grants by the one-stop operator.
- Assigning DWS contractors to oversee other contractors would be problematic.

Council Staff Analysis

While the coordination of grants that address workforce services and training has merit, there are a few questions that need to be addressed:

- What is the definition of workforce services and the types of grant programs that should be included in the DWS oversight?
- What does oversight involve?
- Will DWS have staff time to coordinate the efforts of contractors and grantees?
- Will DWS oversight apply to noncompetitive contracts that also provide workforce services?
- Should workforce programs go through a different grant approval process?
- Should grantees (e.g. CASA) that have been providing workforce services for years be required to follow this oversight process?

Council Staff Recommendation

Council staff recommends partial Council support for Recommendation No. 7 to provide oversight of workforce grants. Staff does not believe the development of grant criteria and review by the Workforce Investment Board should be considered at this time due to the number of unanswered questions. The Council should consider the ORC recommendation for DWS oversight of workforce grants on the condition that a committee made up of DED, OMB and Council staff members work on defining which types of workforce services grants require DWS oversight and what that oversight would entail.