

**MEMORANDUM**

December 2, 2014

TO: Planning, Housing, and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst *JS*  
Linda McMillan, Senior Legislative Analyst *LM*

SUBJECT: Update—Workforce Investment Board strategic plan

The following individuals will attend this briefing:

- Julie Squire, Assistant Secretary for Workforce Development and Adult Learning (Maryland Department of Labor, Licensing and Regulation).
- Mike Sullivan, Chair, Montgomery County Workforce Investment Board

**Purpose**

The purpose of this update is to provide background regarding the recent congressional authorization of the Workforce Investment and Opportunities Act (WIOA) and the strategic direction of Montgomery County's Workforce Investment Board. The update will provide important background for possible future decisions regarding local legislation or appropriations affecting workforce development programs and the shape of the workforce development delivery system.

**Background**

Over the past year, there have been several discussions regarding workforce development coordination and programming.

- In March 2014, the Office of Legislative Oversight briefed the Planning, Housing, and Economic Development Committee and the Education Committee on youth and work in Montgomery County.
- In May 2014, Bill 27-14 (sponsored by Councilmembers Berliner and Navarro) was introduced. Bill 27-14 would establish a career pathways program with a career pathways manager.

- Also in May 2014, the Council approved funding for *Rx for Employability*, an industry-driven career pathways program in the health and wellness industries. Collaboration on this project has included Montgomery Business Development Corporation (MBDC), industry partners, education partners, and community/nonprofit partners. *Rx for Employability* is funded through not only County funding, but also a State of Maryland grant (Employment Advancement Right Now, or EARN) and private contributions.
- In June 2014, the EARN grants were announced, with several Montgomery County programs receiving grants, including *Rx for Employability* (MBDC), BIOTrain (Montgomery College), and Mid Maryland Transportation and Logistics (Montgomery College).
- In September 2014, Bill 40-14 (sponsored by Councilmembers Riemer and Branson) was introduced. Bill 40-14 would require a contractor or subcontractor on County construction contracts subject to the County Prevailing Wage Law to provide apprenticeship training directly or by making payments to support apprenticeship training programs operated by other organizations.
- In October 2014, Montgomery Moving Forward (a coalition of business, government, philanthropy, and other leaders organized by the Roundtable's Montgomery County Community Program) issued a *Call to Action: Fueling our Future with Skilled Workers and Good Jobs*. MMF urged elected officials to begin immediately to create a single workforce development authority to be charged with closing the gap between the current demand for good jobs and the supply of skilled employees to fill them.
- Also in October 2014, Councilmember Navarro sponsored *Ready for Tomorrow: Education and Workforce Summit*. The subject of the summit was the academic achievement gap and developing a workforce to meet future demand.

In early 2015, the Department of Economic Development is expected to complete a review of best practices in workforce development and make recommendations with respect to the future structure and coordination of the County's workforce development system.

### **Workforce Investment and Opportunity Act**

Julie Squire, Maryland Department of Labor, Licensing, and Regulation Assistant Secretary for Workforce Development and Adult Learning, will provide an overview of the Workforce Investment and Opportunity Act of 2014 (WIOA) and how it will change state and local approaches to workforce development. This will provide the Committee with some context to consider changes that will be coming to the Workforce Investment Board and the recommendations for change the WIB has made in its report.

Attached at © 38-42 is a summary of key provisions of WIOA prepared by the Center for Post Secondary and Economic Success at the Center for Law and Social Policy (CLASP). The brief notes that WIOA 2014 (1) increases the focus on serving the most vulnerable workers; (2) expands education and training options; (3) helps disadvantaged and unemployed adults and youth to earn while they learn; and (4) aligns planning and accountability policies across programs. Some changes include:

- Clarifying that the Priority of Service Requirement applies regardless of the amount of funding that is available.
- Raising the out-of-school youth eligibility from ages 16-21 to ages 16-24.
- Increasing the minimum percent of available funding that must be spent on workforce investment services for out-of-school youth from 30% to 75%.
- Expanding the definition of homelessness.
- Expanding the criteria for low-income to include eligibility for free and reduced meals.
- Allowing a portion of Title 1 funds to be used for pay-for-performance contracts.
- Adding new reporting requirements for states and Workforce Investment Boards that include common measures for core programs reporting on the number of individuals with barriers to employment served by each core program.

WIOA requires states to create four-year unified state plans that include all core programs. Local plans will identify the needs of local labor markets. It also allows combined planning with additional programs such as Career and Technical Education and TANF. CLASP notes that unified planning can help states develop and implement innovative two-generation approaches to address the needs of low-income parents and their children.

Under WIOA, State Workforce Investment Boards and local plans are to facilitate the development of “career pathways”. “Career pathways” are defined as: rigorous and high-quality education, training, and other services that align with skill needs of industries in the economy of a state or region; preparing individuals to be successful in a range of secondary and postsecondary education options, including apprenticeships; counseling to support an individual’s education and career goals; organizing education and training in a manner that accelerates educational and career advancement; and assisting individuals to advance in specific occupations or occupational clusters.

### ***Workforce Investment Board Recommendations for a High Performing Workforce Development System for Montgomery County***

Mike Sullivan, Chair of the Montgomery County Workforce Investment Board, will present an overview of the WIB’s report to the PHED Committee (see © 2-35). Recommendations include:

- Reconfiguring the WIB as the entity that delivers a “one-system” interface for customers; coordinating the efforts of various players in workforce development.

- Developing a system that ensures ease of access for businesses and jobseekers.
- Implementing a plan to provide workforce solutions to businesses based on the WIB's industry-sector approach.
- Developing common processes for the various players in the County's workforce development delivery system.
- Adopting technologies/platforms that facilitate online access to information, registration and application processing, common tracking and reporting, etc.
- Expanding the financial and human resources of the WIB.

Attachments: Letter from WIB	© 1
WIB Report to PHED	© 2-35
History of Workforce Development laws	© 36-37
Summary of WIOA Changes	© 38-42

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# Montgomery County Workforce Investment Board

Nancy Floreen  
Councilmember, At-Large  
Montgomery County Council  
100 Maryland Ave  
Rockville, Maryland 20850

December 1, 2014

Dear Councilmember Floreen:

It is my pleasure to submit the enclosed report on behalf of the Montgomery County Workforce Investment Board. We are appreciative of the ongoing focus of the Montgomery County Council and the Committee on Planning, Housing & Economic Development on creating a robust system of workforce development to benefit Montgomery County businesses, workers, and residents.

I believe that our report, *Recommendations For a High Performing Workforce Development System for Montgomery County*, will contribute significantly to the Council's ongoing deliberations with regard to developing a 'one system' approach for workforce development in the County. This report presents seven key recommendations organized into four core areas: 1) visionary leadership; 2) data, outcomes, and accountability; 3) technology; and 4) investment.

I look forward to further discussion with you and the Committee on December 4, 2014. Thank you for providing the WIB with the opportunity to contribute to this effort.

Sincerely,

Michael J. Sullivan, Jr  
Chair  
Montgomery County Workforce Investment Board

The Montgomery County Workforce Investment Board helps businesses succeed through workforce services.

Montgomery County Department of Economic Development  
111 Rockville Pike, Suite 800, Rockville, Maryland 20850 | 240-777-2000

# Recommendations For a High Performing Workforce Development System For Montgomery County



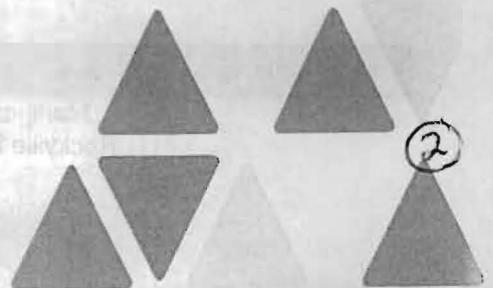
Prepared by the  
Montgomery County Workforce Investment Board

And Delivered to the  
Montgomery County Council

## November 2014



**WorkSource**  
MONTGOMERY  
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# TABLE OF CONTENTS

<b>ACKNOWLEDGEMENTS .....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>SECTION I: INTRODUCTION .....</b>	<b>6</b>
<b>BACKGROUND .....</b>	<b>6</b>
<b>WORKFORCE INNOVATION AND OPPORTUNITY ACT .....</b>	<b>6</b>
<b>THE MONTGOMERY COUNTY WORKFORCE INVESTMENT BOARD .....</b>	<b>7</b>
Industry Sector Approach .....	8
Recent Progress.....	9
Strategic Plan 2014-2017 .....	10
<b>SECTION II: KEY DRIVERS OF A HIGH PERFORMING WORKFORCE DEVELOPMENT SYSTEM.....</b>	<b>11</b>
<b>OVERVIEW.....</b>	<b>11</b>
<b>WHAT IT TAKES .....</b>	<b>11</b>
Creating One System Led by the WIB .....	15
<b>SECTION III: RECOMMENDATIONS.....</b>	<b>20</b>
<b>Visionary Leadership .....</b>	<b>20</b>
<b>Recommendation 1: Reconfigure the WIB as the Entity that Delivers a “One System”</b>	
Interface for Customers .....	20
<b>Recommendation 2: Work Together as a Team of Champions .....</b>	<b>21</b>
<b>Data, Outcomes, and Accountability .....</b>	<b>21</b>
<b>Recommendation 3: Develop a System that Ensures Ease of Access for all Customers.....</b>	<b>21</b>
<b>Recommendation 4: Implement a System-Wide Industry Sector Based Business Services Plan .....</b>	<b>22</b>
<b>Recommendation 5: Develop Common Processes by Bringing Stakeholders Together.....</b>	<b>22</b>
<b>Technology.....</b>	<b>22</b>
<b>Recommendation 6: Catalyze the Development and Use of Technology .....</b>	<b>22</b>
<b>Investment .....</b>	<b>23</b>
<b>Recommendation 7: Provide Financial and Human Resources to Carry Out These Recommendations ....</b>	<b>23</b>
<b>APPENDIX A: MONTGOMERY COUNTY WORKFORCE INVESTMENT</b>	
<b>BOARD MEMBER LIST 2014 .....</b>	<b>26</b>
<b>APPENDIX B: INDUSTRY ALLIANCE MEMBERSHIP .....</b>	<b>27</b>
<b>APPENDIX C: STRATEGIC PLAN 2014-2017 (EXCERPT) .....</b>	<b>28</b>
<b>APPENDIX D: SAMPLE QUALITY STANDARDS AND INDICATORS .....</b>	<b>31</b>
<b>APPENDIX E: BEST PRACTICES IN WORKFORCE DEVELOPMENT ORGANIZATION AND PROGRAMMING:</b>	
<b>RESOURCES.....</b>	<b>32</b>
<b>APPENDIX F: THE CURRENT STATE OF MONTGOMERY COUNTY’S WORKFORCE</b>	
<b>DEVELOPMENT SYSTEM .....</b>	<b>34</b>

# ACKNOWLEDGEMENTS

The Montgomery County Workforce Investment Board (WIB) acknowledges the Montgomery County Council—especially the Committee on Planning, Housing & Economic Development—for their ongoing focus on creating a robust system of workforce development to benefit Montgomery County businesses, workers, and residents.

The board thanks private sector WIB members Dawn Weglein and Deborah Murphy for their leadership in moving the development of this report forward. The board also thanks WIB Director Barbara Kaufmann for her ongoing leadership of the board's activities and for facilitating many of the conversations and resource-gathering that contributed to the ideas in this report.

The board expresses deep gratitude to Lori Strumpf of Strumpf Associates for authoring this report. Her excellent work in curating many conversations and outside resources has put the WIB on a positive course for creating “one system” for workforce development in Montgomery County.

The board also thanks Barb Siegel for helping to illustrate the WIB's current state and envisioned future state. Her infographics, which are included with this report, have helped the board visualize its future in a manner that words alone cannot accomplish. Additionally, the board thanks Reingold LINK for their outstanding and timely editing and graphic design support, which helped package a report that the county will rely on for years to come in implementing its workforce development initiatives.

Finally, the board thanks WIB Chair Michael J. Sullivan, Jr. for his tireless efforts on behalf of the WIB. His work is transforming the WIB into an entity that provides regional leadership around workforce issues and delivers on behalf of businesses and jobseekers across Montgomery County.

## EXECUTIVE SUMMARY

This report is the culmination of a comprehensive process to develop recommendations for transforming the Montgomery County Workforce Investment Board (WIB) into the primary driver for cultivating and organizing workforce development efforts in Montgomery County. The recommendations are based on best practices from across the country and are the result of hundreds of conversations between WIB members and stakeholders from the business community, government agencies and elected bodies, and community organizations that focus on workforce development activities.

The WIB will work with businesses, local elected officials, and other stakeholders from across the County to implement the recommendations in this document. This work will lead to the development of a “one system” approach that brings together myriad resources in Montgomery County and allows customers of the County’s workforce development system with a single point of contact that they can rely on to connect them with the resources they need to help develop the County’s workforce (in the case of businesses), find and maintain meaningful employment (in the case of jobseekers), and ultimately grow the local economy.

The seven recommendations in this report are organized into four core areas: 1) visionary leadership; 2) data, outcomes, and accountability; 3) technology; and 4) investment. While all seven recommendations are important for carrying out the work described above, three of the recommendations are *essential* to the effort:

- ▶ **Recommendation 1: Reconfigure the WIB as the Entity that Ensures a “One System” Interface for Customers.** Reconfiguring the WIB will allow for a locus of effort that will help align and coordinate the great work being conducted across the County by businesses, government agencies, and community organizations. The WIB should serve as a convener for the County’s comprehensive workforce development system, which will bring together many stakeholders under a common goal.
- ▶ **Recommendation 2: Work Together as a Team of Champions.** In order to achieve a “one system” approach, the County Executive and the County Council must champion a community-based engagement process that permanently galvanizes regional workforce investment resources around the common goal of aligning and coordinating services for businesses and jobseekers.
- ▶ **Recommendation 7: Provide Resources to Carry Out These Recommendations.** In order to capitalize on current momentum and implement the full breadth of activities called for by a “one system” approach, the WIB must expand its financial and human resources by leveraging multiple public and private funding sources. This effort should include growth of the recently established WIB, Inc., an independent 501 c3 organization established to benefit local workforce development efforts and carry out the “one system” approach for workforce development in Montgomery County.

This report builds on the Montgomery County Council’s commitment to invest in the County’s workforce development services and better serve the residents of Montgomery County who seek employment, education, and training. This commitment extends to businesses, whose continued growth depends on a qualified and competitive workforce. The WIB is pleased to respond to this call to action to respond to the needs and expectations of the businesses and employees who contribute to a vibrant regional and national economy.

This report illustrates a watershed moment for the WIB and workforce development services in Montgomery County.

The WIB has evolved from an organization established to carry out federal workforce investment mandates to one aligned with a vision and strategic approach toward cultivating a system that links local economic development, workforce investment, and education and training resources in order to focus on local and regional economic growth and skills development for County residents.

The WIB is excited to present these recommendations and this report to the County Council for review. The board is eager to begin the work laid out in this document, which promises to greatly improve workforce development services for WIB customers and contribute to the expansion of high growth, high demand, and high wage industries in Montgomery County.

**A Note on Infographics.** Hundreds of group and individual conversations and external resources were drawn upon in the creation of this report. In an effort to help pull together that information and visualize the current and future states of the Montgomery County workforce development system, the WIB worked with Barbara Siegel, a Graphic Recording artist, who compellingly captured the words and ideas of the board and other stakeholders. The infographics Ms. Siegel developed are located between each report section and at the end of the report, in Appendix F.

## Section I: Introduction

### BACKGROUND

The Montgomery County Workforce Investment Board (WIB) has prepared this report in response to the County Council's request for information regarding the future of the workforce development system in Montgomery County. The contents of this report bring together priorities from the WIB's 2014-2017 Strategic Plan around one core objective: *strengthening and molding the County's workforce development programs into a unified, "one system" approach.*

The County's request came from a recent joint session of the County Council's Education and Planning, Housing & Economic Development (PHED) Committees, where councilmembers discussed an Office of Legislative Oversight report on Youth and Work in Montgomery County. Additional discussion about the County's workforce development system occurred at the PHED Committee's hearing on the Department of Economic Development FY15 budget.

The County Council recognizes the need to strengthen, organize, and align the County's workforce development system. Myriad programs and services across the County do great work and the WIB recommends transforming the board's work to embrace a "one system" approach that builds collaborative partnerships among these stakeholders. *Together, we can deliver a coherent set of services through which our shared customers are able to benefit from being able to rely on the WIB to connect them with the right workforce development resources to meet their needs.*

Many jurisdictions nationwide have struggled with developing robust workforce development systems. The information included in this report is based on best practices from workforce development efforts across the country, as well as research from the past 15 years that illustrates workforce development service strategies that have produced the best outcomes. Montgomery County is positioned to use these evidence-based practices to take action toward organizing its workforce development system so that businesses and jobseekers can easily access the services they need.

This report includes background on the WIB and its programs and services, and leverages information from the board's recent strategic plan to describe a path forward. The report also reflects the WIB's vision for a comprehensive workforce development system for Montgomery County and defines what it will take to foster a connected, high-performing workforce system that meets the needs of Montgomery County businesses and leads to jobs and careers for County residents.

### WORKFORCE INNOVATION AND OPPORTUNITY ACT

The Montgomery County WIB was created as an advisory arm for the County's Division of Workforce Investment Services in response to the federal Workforce Investment Act of 1998. This act established Montgomery County as a Local Workforce Investment Area and provided federal funding for local workforce development activities. The Council's request for recommendations from the WIB coincides with passage of the Workforce Innovation and Opportunity Act of 2014 (WIOA), which replaces the 1998 legislation and will be in effect for the next five years (2015-2020).

The purpose of WIOA is to provide for resources to better align local workforce systems with education and economic development initiatives in order to create collaborative local responses to economic and labor market challenges. WIOA builds on previous trends in workforce-related legislation by further engaging the private sector to lead local workforce development efforts. The legislation also introduces increased flexibility and accountability for board

members. WIOA encourages an improved response to labor market needs by connecting board performance to outcomes that require an understanding of the correlation between training investments and economic return. The primary goal of WIOA is to prompt workforce investment boards across the country to increasingly lead collaboration, convening, and partnership among local programs and organizations. The recommendations in this report reflect these shifting priorities.

## THE MONTGOMERY COUNTY WORKFORCE INVESTMENT BOARD

The Montgomery County WIB helps businesses succeed by leading effective countywide investment in workforce services that align local and regional economic development, education, and talent development initiatives to sustain a vibrant economy in the County. The 30-member WIB is composed of business representatives, community leaders, labor, and public officials. WIB members are appointed by the County Executive and approved by County Council in accordance with the Workforce Investment Act of 1998 and Montgomery County Executive Order No. 159-02. For a complete membership list, see **Appendix A**.

The WIB works with the Montgomery County Division of Workforce Services (DWS) within the Department of Economic Development to ensure that Montgomery County has a well-prepared, educated, trained, and adaptable workforce to meet the current and future needs of County businesses and to ensure that the County's workforce has the tools and resources to successfully compete in an evolving economy. The WIB and DWS are responsible for the County One-Stop Career system, which provides employment and training resources for jobseekers and businesses. While the WIB is required as a condition for Local Workforce Investment Areas like Montgomery County to receive federal and state funds to operate programs under the Workforce Investment Act and successor legislation, the Montgomery County WIB also administers programs and services beyond federal requirements and provides policy guidance and advice on workforce issues to the County Executive and the County Council.

**WIB Services.** The WIB provides leadership and involvement in planning workforce development services for businesses, youth, and adults. Businesses are the WIB's primary customer<sup>1</sup>: successful businesses help grow a talented workforce that contribute to a vibrant economy. Using WIB services, businesses can list their job openings physically or electronically and host recruitment activities to find employees at the county's one-stop career centers—also known as MontgomeryWorks—located in Wheaton, Germantown, and Laurel. One-stop center staff provide businesses with pre-screened candidates who are "job-ready." The WIB also sponsors job fairs and provides labor market information to businesses.

The WIB provides additional benefits to job seekers. Montgomery County residents can:

- ▶ Use resource rooms in the one-stop centers to conduct job searches.
- ▶ Attend workshops on topics such as job searches and career planning, resume writing, and successful interviewing.
- ▶ Meet one-on-one with counselors to address barriers to employment.
- ▶ Obtain occupational training or retraining.

The WIB maintains a strong partnership with the Montgomery County Department of Correction and Rehabilitation. A one-stop center located in the Montgomery County Correctional Facility, which is jointly supported by federal workforce funds and County funds is nationally recognized for its innovative approach and services.

### FY 14 Montgomery County WIB Activities

- ▶ 470 Businesses Served
- ▶ 13,758 Jobseekers Served
- ▶ 6,898 Jobseekers Placed
- ▶ 270 Youth Served
- ▶ 194 Youth Served in Summer Programs
- ▶ 175 Youth Participating in HS/GED Services

<sup>1</sup> When the term customer is used it refers to both businesses and jobseekers, unless otherwise noted in the text.

The WIB provides services for local youth (aged 14-21) that includes:

- ▶ Pre GED and GED classes
- ▶ Tutoring
- ▶ Job readiness training
- ▶ Job fairs
- ▶ Internships
- ▶ Case management and counseling

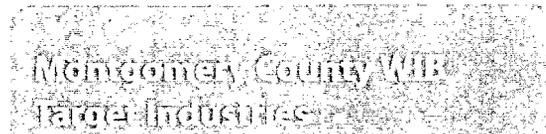
## **Industry Sector Approach**

Earlier this year, the WIB revised its strategic plan to build on the progress from the last four years. In its 2010 plan, the WIB determined that local businesses are the board's primary customer group based on the principle that if businesses are successful, they will grow and prosper, generating jobs that benefit other businesses, workers, and the economy overall. The WIB targets its efforts via an "industry sector approach" that builds on years of research into best practices in workforce development. As part of the recent strategic plan revision, the board identified several initial target industries using available data to select industries that are either high growth *and* high demand *or* high wage in the County.<sup>2</sup> The WIB also examined initial industry sectors for alignment with County economic development targets, as well as assumed policy implications for the County vendor selection process and to ensure a diverse occupational base for the County.

**Industry Sector Alliances.** The WIB further refined the industry sectors based on local economic growth trends, establishing the following Industry Sector Alliances to direct needed workforce investment resources to local growth industries:

- ▶ Allied Health Industry Alliance
- ▶ Cybersecurity Industry Alliance

An industry alliance is a group of business representatives and education and training providers who work together on initiatives to develop and maintain a skilled workforce to meet the projected demand for regional industry needs. A list of organizations participating in the two current alliances is found in the **Appendix B**. The WIB is currently developing a Food Services Industry Alliance to help direct needed resources to that industry cluster.



- ▶ Health and Education (initially focused on Health)
- ▶ Business and Professional Services (initially focused on Cybersecurity)
- ▶ Hospitality (focused on Food Services)

To assist each industry alliance, the WIB developed a workforce report for each sector based on labor market data. At their first meeting, members of the industry alliance were asked to confirm the data and outlook for employment in their sector in this region. The alliances used this information to advise the WIB on challenges and opportunities in their fields, suggesting areas where the WIB could provide value for local businesses and workers.

The *Allied Health Industry Alliance* proposed that the WIB work with local stakeholders to do the following:

- ▶ Create or promote vehicles to systematically build awareness among employers about existing youth programs that build career awareness and assist businesses in engaging with those programs.
- ▶ Develop a clearinghouse of work-based learning opportunities and a mechanism to match students with

<sup>2</sup> As described above, target sectors are identified using three criteria:

- Are they "high growth" (based on 2, 5, and 10 year projections on NEW job openings)?
- Are they "high demand" (based on 2, 5 and 10 year projections on the number of job openings, including new and replacement jobs)?
- Do they have the potential to generate a "high wage" for employees (defined as the starting wage of the area's "self sufficiency" standard, which was \$77,933 for a family of three in Montgomery County in 2012)?

opportunities, to include internships for post-secondary students and career awareness activities for high school students.

- ▶ Generate local demand for occupations that are forecasted to grow.
- ▶ Foster learning opportunities, such as externships, for school counselors to better understand the allied health industry and associated skill requirements so they can better direct students to relevant career opportunities.
- ▶ Create a system for distributing company openings and information to relevant stakeholders.

The *Cybersecurity Industry Alliance* identified the following long-term priorities:

- ▶ Build the pipeline of workers by introducing STEM careers to students beginning in middle school.
- ▶ Improve middle school and high school preparation and awareness about STEM-related occupations and career pathways at all County's schools.
- ▶ Help "career switchers" understand STEM-related occupations.
- ▶ Implement appropriate skills assessments for prospective employees.
- ▶ Create an accessible and user-friendly portal to identify local talent, including work-ready or industry-ready individuals.
- ▶ Improve education and training programs so they are current, relevant, and appropriately challenging.

## **Recent Progress**

The WIB has been working with each industry alliance and other stakeholders from across the County to accomplish the goals laid out by the alliances, as well as other strategic objectives.

**Health Industry Externships.** In collaboration with the Allied Health Industry Alliance, the WIB worked with Montgomery County Public Schools to develop externships for school counselors. Counselors completed robust educational programs with area businesses to learn about available careers and the skills students need to learn to be competitive for careers in the health field. The first externships were conducted during the summer of 2013, with a second round recently completed during the summer of 2014.

During the summer of 2014, eight Montgomery County school counselors completed externships with four local businesses:

- ▶ Kaiser Permanente (4 externs)
- ▶ Adventist Home Health (1 extern)
- ▶ Asbury Methodist Village (2 externs)
- ▶ CVS Pharmacy (1 extern)

The coordinator for the Kaiser Permanente program worked with the WIB to expand the program to the school systems in Prince Georges and Baltimore counties. Kaiser Permanente connected with the school systems and used the materials (e.g., the application form and related informational collateral) developed by the WIB to host an additional eight externs. In total, Kaiser Permanente had 12 externs.

The WIB received positive feedback from representatives of the businesses that participated. They believed the experience was beneficial to the counselors and recommended that the WIB work to expand the program to benefit more businesses and counselors. After the externships, several industry representatives were invited by counselors to come to their schools to talk with students. The representatives reported that counselors seemed impressed and surprised to learn about the wide variety of occupations and jobs available at their companies and within the health industry overall.

**Cybersecurity Initiatives.** The WIB recently started implementing activities to address priorities identified by the Cybersecurity Industry Alliance. The board is currently developing a STEM "Boot Camp" for career switchers and unemployed adults. The boot camp includes a curriculum that helps prospective employees improve their math skills,

develop core workplace skills, and cultivate customer service skills. The WIB is also examining skills assessments that meet the needs identified by alliance and is exploring development of a local talent search portal.

**WIB, Inc.** In accordance with the WIB's 2010 strategic plan, the board has created an independent 501c3 organization to serve as a fundraising resource, and eventually as the operational arm, for the Montgomery County workforce development system. WIB, Inc. has a separate governing board that includes among its members the chair and vice chair of the WIB. As WIB, Inc. evolves, it will serve local workforce development activities and carry out the "one system" approach called for in this report. WIB business members have already begun contributing funds to WIB, Inc. and the organization currently serves as fiscal agent for a program grant from the ACE grant, which is part of the Workforce Innovation Fund (WIF) funded by the U.S. Department of Labor.

## **Strategic Plan 2014-2017**

The WIB recently completed revisions to its 2010 strategic plan to reflect progress made over the last four years and set strategic objectives through 2017. Under the revised plan, the WIB will continue to focus foremost on the needs of local businesses to accomplish the following strategic priorities:

- ▶ Develop and sustain a quality and innovative workforce in the County.
- ▶ Increase business satisfaction and trust through efficient, effective, and accountable workforce services.
- ▶ Continue to build strategic partnerships and alliances with industries with high growth *and* high demand *or* high wages to meet businesses' workforce needs.
- ▶ Position the WIB as the infrastructure that brings coherence and consistency to the County's workforce development system.
- ▶ Ensure quality by certifying organizational and service capacity.

In pursuit of the above priorities, the WIB intends to:

- ▶ Expand its industry sector approach.
- ▶ Grow and strengthen the board's other business services.
- ▶ Develop career maps to help individuals understand the progression of work, education, and training.
- ▶ Expand the board's reach by working more closely with community organizations involved in workforce development.
- ▶ Develop enhanced quality standards for local organizations that deliver workforce development services.

An excerpt from the WIB's Strategic Plan can be found in Appendix C.

## Section II: *Key Drivers Of A High Performing Workforce Development System*

### OVERVIEW

The organizations that deliver and benefit from workforce services in Montgomery County—from government entities like the Department of Economic Development (DED) and the WIB, to community-based organizations and businesses—each have their own vision and priorities for their customers and for workforce development in the County. To foster a “one system” approach, County leadership must promote a compelling overall vision that galvanizes these organizations around a common purpose. Key components of that vision include helping businesses succeed through talent development and helping those seeking work gain the skills, education, and credentials they need to obtain and maintain family sustaining wages. Additionally, that vision should support local economic development and link education and training to certifications and credentials that provide value in the labor market.

Within the context of that vision, the Council is seeking to identify and create a structure that can lead, align, and continuously improve a system of workforce development. This system will ensure a steady pipeline of qualified candidates to businesses and help sustain a vibrant economy that serves businesses and jobseekers alike. The structure that is created should ensure that businesses and jobseekers can easily navigate the County’s workforce development system and access the full array of information and services available throughout the system.

#### ***What businesses and employers need:***

- ▶ Easy entry points to communicate current and future labor market needs in real time to the entire system of local programs and services without having to “touch” each program.
- ▶ Access to qualified job candidates through a standardized system without having to discern how to work within different institutions’ methods for providing job candidates.

#### ***What individuals and jobseekers need:***

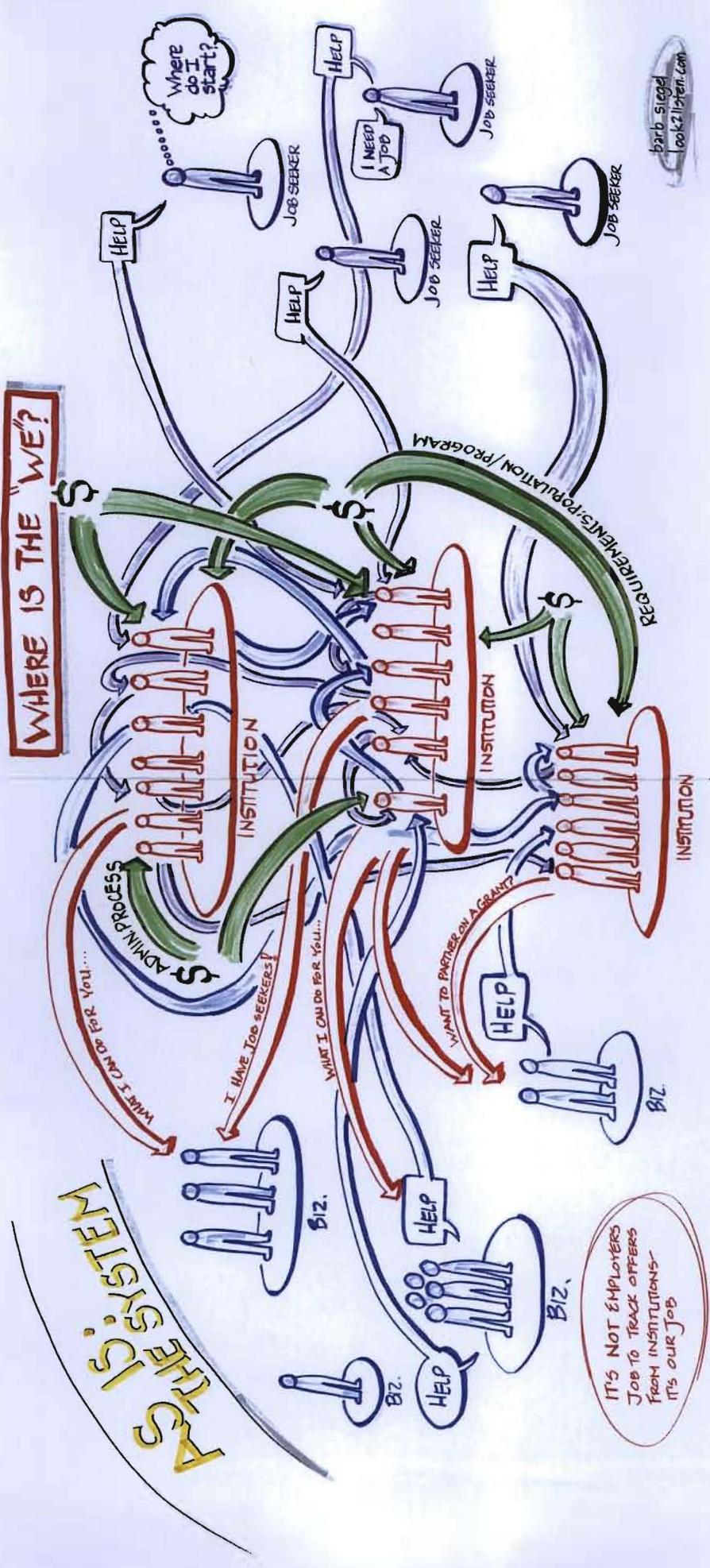
- ▶ Comprehensive information on services available throughout the County that can help them learn needed skills and ultimately obtain employment.
- ▶ Up-to-date information on the requirements for entry into different workforce development programs so they are empowered to make the right choices among programs.
- ▶ Quality labor market information on job openings and career pathways in high growth and high wage industries.

### WHAT IT TAKES

Development of a high performing workforce development system should be viewed from two perspectives: consideration of the key programmatic elements that ensure a quality delivery system and consideration of the organizational capacities required to link those elements together across multiple programs to create a “one system” interface that provides a quality customer experience.

**Key Programmatic Elements.** The programmatic elements required for developing a high performing workforce development system were most recently summarized in *Ready to Work: Job-Driven Training and American Opportunity*.<sup>3</sup>

<sup>3</sup> *Ready to Work: Job-Driven Training and American Opportunity*. The White House. Issued by: Vice President Joe Biden, July 2014.



**As Is: The System**  
 The current workforce development system in Montgomery County is disjointed, with various individual organizations doing great work but delivering varying levels of services system-wide that often confuse customers and create unnecessary redundancies.

This report drew on evidence-based practices drawn from 30 years of research. The programmatic elements, as described in the report, include:

- ▶ Employer engagement
- ▶ Resource leverage
- ▶ Data informed decision-making
- ▶ Work-based training opportunities
- ▶ Career pathways
- ▶ Outcomes measurement and continuous improvement
- ▶ Elimination of barriers to employment

**Organizational Capacity.** Adequate organizational capacity will ensure the ability to integrate program elements and services into a unified customer experience. Integration is a key principle for reducing service fragmentation and creating a single, one-stop delivery system. Currently, the full potential of program and systems integration through the one-stop system and associated centers is not being realized for businesses and job seekers. The WIB has spent the last five years creating the organizational and systems capacity to meet this challenge. The WIB is committed to a continuous quality improvement process that:

- ▶ Identifies areas for improvement.
- ▶ Develops approaches for improvement.
- ▶ Deploys the right strategies and methods.
- ▶ Measures the impact of those activities.

**Strengthened Connections.** Successfully integrated workforce development strengthens the connection between responding to industry and employer needs and training and providing qualified job seekers. In Montgomery County, successful integration of services will help meet the customer expectation that access to jobs and qualified applicants will be comprehensive, convenient, and user friendly. A fully integrated system is one that:

- ▶ Breaks down silos to provide access to information and services across agency and organizational lines.
- ▶ Marshals all the available workforce development resources in a community.
- ▶ Holds all stakeholders to common quality standards.

**Transformational Change.** The Montgomery County workforce development system faces several significant challenges, including keeping pace with a changing economy, creating a seamless education and training system, and meeting employers' needs. To meet those challenges requires vision, resources, enhanced skills among staff and leaders, and committed action that leads to *transformational change*.

Forging a "one system" approach will require common consensus that the County needs to transform its current workforce development system. Key stakeholders need to be able to face the "brutal facts"<sup>4</sup> about how the current system works, including what works well and what must be improved. A common understanding of systemic problems and potential solutions must be developed through the hard work of systems investigation, open dialogue, implementation of best practices, and evaluation of new strategies and activities.

Changes in the global economy are challenging policymakers and service providers to develop new ideas and approaches to improve workforce development. Over the next 20 years, Montgomery County and communities across the country must address an aging labor force, meet the need for highly trained workers who can compete in the global marketplace, and assist increasing numbers of low-income, working families struggling to climb the economic ladder.

In response, many states and local areas are taking an aggressive approach to utilizing economic development incentives and strengthening their capacity to creatively meet workforce investment and economic development

<sup>4</sup> Jim Collins. *Good to Great: Why Some Companies Make the Leap...And Others Don't*. New York: Harper Collins, 2001.

objectives. Strengthening Montgomery County's workforce development programs will help to ensure the County has the right economic development tools in place to grow and maintain a robust local economy.

This report calls for transformational change. To accomplish this requires consensus that transformational change is what is needed to be competitive and to provide a high quality of life for the County's citizens. It will require the compelling vision mentioned previously, transformational leadership, and new ways of thinking and doing by the system's key players.

**Capabilities and Priorities.** Specifically, transformational change in pursuit of a "one system" approach for the County's workforce development services will require the following organizational capabilities and priorities:

- ▶ **Commitment to making change happen** by elected leadership and other stakeholders.
- ▶ **Constancy of purpose** toward the change effort.
- ▶ **Consensus around a common and compelling vision** that links services and programs to common outcomes.
- ▶ **Adoption of standards** designed to ensure that all parts of the system operate at a level of quality that meets and exceeds customer expectations.
- ▶ **Implementation of technology systems** that link programs and services with key customer information to ensure customers experience seamless transitions from one service to another.
- ▶ **Hiring and training of highly professional staff** members who have the right combination of business skills and political acumen.
- ▶ **Specified outcomes with metrics** to fully measure the results of investment in workforce development activities.
- ▶ **Adoption and sharing of management practices** that can easily translate across institutions.

## ***Creating One System Led by the WIB***

Below is a brief summary of what might occur within several significant capability and priority areas identified above to create a "one system" approach that provides a common customer interface led by one entity and that ensures that all parts of the system are aligned to a compelling vision that moves those parts to deliver the right the tools and service strategies to meet and exceed customer needs.

### **1. Focus on Transformational Change**

Workforce development programs and services are often embedded in various types of institutions (e.g., economic development agencies, education agencies, and community-based organizations). These institutions all embrace differing cultures and systems. For the Montgomery County workforce development system to be truly aligned, various programs and services must commit to adapting to a "one system" approach through a change management process. This process needs to focus on cultural and organizational changes and activities needed to enable system-wide integration, including: 1) facilitating an integrated vision and mission; 2) coordinating system-wide organizational development activities; and 3) building consensus among stakeholders throughout the region.

### **2. Create Constancy of Purpose**

In every change effort there are champions and early adopters. Champions stay the course, even when efforts to derail or discredit innovations threaten to become overwhelming. The Council and the County Executive need to become a *team of champions* that leverages the WIB to oversee and commit to a "new way of doing business." Champions are also needed throughout the workforce development community, the business community, and among other local elected officials. Growing a network of champions who step forward to embrace new program concepts will create a foundation for systems change.

To achieve scale and sustainability, adoption of practices that serve businesses and help develop the skills of workers and job seekers must reach a certain depth within the system—a tipping point—before the change can spread and ownership of innovative strategies can shift beyond initial enthusiasts.<sup>5</sup> The challenge becomes moving beyond the initial group of champions to “early adopters” and then to the “early majority” of institutions who sign on to change.<sup>6</sup> Champions and early adopters can be thought of as the revolutionaries and visionaries for systems change, while the early majorities are pragmatists who require more evidence that innovative strategies deliver reliable results.<sup>7</sup>

### **3. Create and Promote a Common and Compelling Vision for the System**

As mentioned above, the County Council and stakeholders across the workforce development system need to commit to a compelling vision for a “one system” approach for serving customers. Additionally, the programs operating to fulfill that vision must be easily identifiable by the customer. The Montgomery County workforce development system must forge a common identity to which organizations and other stakeholders across the county commit. This will require a common name, a common look, and a common “feel.” Of course, the system will feature various of programs and services delivered by various agencies; however, a key element that links those programs and services for the customer is a common brand that identifies each as part of the whole.

Adapting the social and technical systems of multiple agencies into a common approach will require shared leadership and vision among partners in the effort. This leadership will result in the common identity mentioned above, as well as a common set of organizing principles (e.g., continuous quality improvement) and common values (i.e., shared beliefs).

### **4. Develop and Adhere to a Set of Standards that Defines a High Performing Workforce Development System and Each Organization Operating within the System**

Agencies and organizations that deliver workforce development services must also commit to a common set of standards to ensure a high quality service experience for all customers. Organizations—and the system as a whole—should be judged against those standards, with the WIB providing oversight and leadership to benefit organizations seeking to meet and exceed those standards. Standards should be developed in the following areas:

- ▶ Leadership
- ▶ Strategic Planning
- ▶ Customer and Market Focus
- ▶ Information and Analysis
- ▶ Human Resource Development and Management
- ▶ Process Management
- ▶ Business Results (Organizational and System-wide)

One good resource for developing those standards is the Baldrige Performance Excellence criteria. Appendix D includes a common set of quality standards and indicators under consideration for use by the WIB and based on the Baldrige criteria.

### **5. Invest in Integrated Technology**

The right technology should be adopted by organizations and system-wide to enhance the use and efficacy of common strategies. Technological integration will assist in connectivity between programs, as well as improve communication, information access, and customer flow. The effective use of technology is a key factor that drives the customer experience. A system with outdated technology, or one that makes use of different technologies that do not provide or rely on a common set of information, cannot provide a seamless customer experience across various

<sup>5</sup> The Shifting Gears Initiative. The Joyce Foundation, 2012. See: <http://www.joycefdn.org/shifting-gears>.

<sup>6</sup> This terms referenced (“innovators,” “early adopters,” and the “early majority”) are adapted from research on the diffusion of new technologies, (i.e., “the technology (innovation) adoption lifecycle.”) See: Everett M. Rogers. *Diffusion of Innovations. Fifth Edition.* New York: Simon and Schuster, 2003.

<sup>7</sup> Geoffrey A. Moore. *Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers.* New York: Harper Collins, 2003.

programs and services. Currently, legacy systems developed years ago and used across the County do not have the capacity to share information or provide access to all programs. The technological capacity of the system must be enhanced to:

- ▶ Provide online access to information about all programs to all customers, as appropriate.
- ▶ Allow online registration and application processing when appropriate that can be shared across programs.
- ▶ Enable information about customers to move between programs to ensure that each step the customer takes—either within one organization or across multiple organizations—adds value to the overall experience.
- ▶ Provide for common tracking and reporting of various outcomes aligned to system performance measures.

## 6. Develop Common Operations Management Practices

The local workforce development system and its component organizations should agree on and administer a common set of operations management practices to ensure the highest level of efficiency possible across the system. Different from the common standards outlined in item 3, the practices utilize a sector strategy approach to implement a common set of protocols and services that customers can rely on to meet their needs.

Sector strategies are used by many local workforce development systems across the country to focus on the needs of specific industries within local and regional economies. These strategies share four common elements:

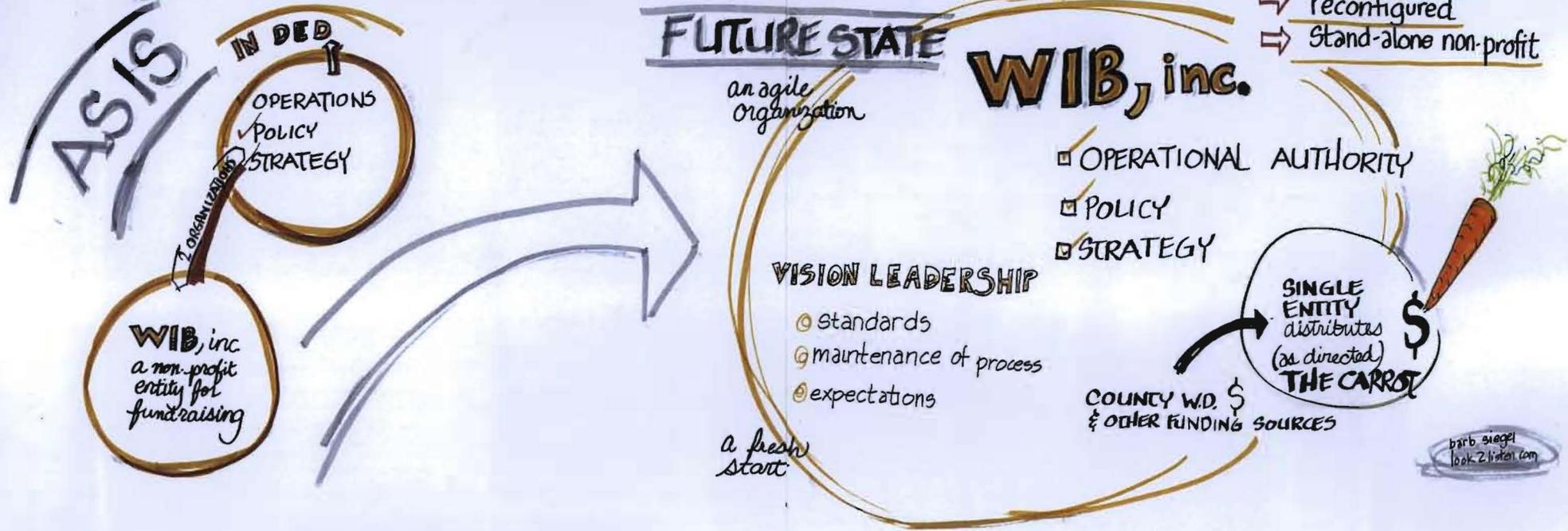
- ▶ They target specific industries, customizing solutions for multiple employers in those industries across the region.
- ▶ They are led by a strategic partner with deep industry knowledge that coordinates workforce development solutions on behalf of the industry.
- ▶ They provide training and career pathways to benefit low-income individuals (including low-wage, incumbent workers).
- ▶ They achieve win-win solutions that benefit employers, job seekers, workers, and the regional economy.

Common practices that should be implemented across the Montgomery County workforce development system include the following:

- ▶ **Adoption of Common intake, assessment, eligibility, and referral approaches, practices and protocols** that maximize the use of information to meet customer needs. Information should be shared using the appropriate technology as the customer moves from service to service (with appropriate confidentiality protocols in place).
- ▶ **Development of mutually agreed on process maps for career pathways** that are linked to industry sectors and are used by all organizations within the system. Process maps should guide job-seeking customers through the appropriate training, education, and employment processes to help them gain the skills they need for employment and ultimately move up the career ladder.
- ▶ **Development of work-based learning opportunities**, including common protocols for engaging with businesses, a common language regarding the various methods businesses can use to provide learning opportunities (e.g., internships, job shadowing, apprenticeship), and common metrics to measure effectiveness across work-based learning programs within the system.
- ▶ **Promotion of a single “point of contact” system for businesses and other customers** that allows those customers to take advantage of an integrated set of services. The system should provide services and solutions that customers value and deliver them easily and efficiently. The system should be focused on leveraging the intersection of economic development, local talent, and education in the region.

# WIB

a federal statutory authority...  
...a different organization



### Single Entity Future State

To accomplish system integration through the "one system" approach, the WIB must evolve from a federal statutory authority to an agile organization designed to meet the shifting needs of customers in a changing economy.

## Section II: Recommendations

The recommendations below detail specific actions that are required to carry out the strategies called for in Section II.

The recommendations address the following areas:

- ▶ Visionary Leadership
- ▶ Data, Outcomes and Accountability
- ▶ Technology
- ▶ Investment

### VISIONARY LEADERSHIP

#### **Recommendation 1: Reconfigure the WIB as the Entity that Delivers a “One System” Interface for Customers**

There is growing consensus in Montgomery County around the creation of a coordinating entity for workforce development planning and implementation. Recently, the WIB signed on to recommendations presented by the Montgomery Moving Forward initiative. Those recommendations included a call for a single, readily identifiable structure to lead, elevate, and coordinate a comprehensive system of workforce development for the County. One entity is required to coordinate countywide workforce development efforts and ensure that all organizations that deliver workforce services galvanize around a common vision for the system.

Empowering one entity to coordinate and lead the system does not mean such an entity should deliver all the services. There are agencies and organizations across the County doing great work. The coordinating entity should organize that work under a common set of core processes that connects the County’s many assets to deliver services that effectively meet the needs of workforce development customers and facilitate future demand and growth. Without such accountability, the current “system” will continue as a fragmented set of services that do not align to most effectively serve customers and facilitate economic development across the County.

- ▶ **How:** The WIB should act as convener of the stakeholders who will come together to carry out many of the recommendations set forth in this report. As that process advances, the WIB should evolve as the single entity that ensures a coordinated system and holds organizations accountable. The WIB has developed over the past five years from an organization that primarily carried out federal mandates under the Workforce Investment Act (WIOA), to an organization with a vision and strategic approach for facilitating a system that links local economic development, workforce development, and education efforts to focus on long term growth and skills development across the County. There is more work to be done to transform the WIB so that it is positioned to take on this role. However, given recent federal mandates under the Workforce Innovation and Opportunity Act, we believe that the “new” WIB is the right entity for coordinating a “one system” approach.
- ▶ **How:** For County funding purposes, the WIB should serve a role similar to the Montgomery Coalition for Adult Education Literacy (MCAEL).<sup>8</sup>
- ▶ **How:** The Council should enact legislation that codifies the role of the “new” WIB.
- ▶ **How:** Under guidelines established in the WIOA, WIB membership may be reconfigured. As the board’s membership evolves, leadership should ensure that board members possess the highest level of business acumen and organizational leadership skills and provide the governance and accountability the system needs to carry out the scalable metrics, processes, and practices called for in this report.

<sup>8</sup> MCAEL is a community coalition for literacy. Together, coalition members work toward a common goal of strengthening the broader community. MCAEL’s activities directly support a network of more than 70 adult ESOL and literacy service provider programs. More than 5,000 adult learners are served annually through programs funded directly by MCAEL. MCAEL draws on diverse funding sources from across the region to carry out its work.

- ▶ **How:** The WIB's federally mandated functions should be shifted out of the Department of Economic Development (DED) and into WIB, Inc. As previously mentioned, the WIB, as an appointed advisory body, has created an independent 501c3 organization (currently called WIB, Inc.) to serve as a fundraising and operational arm for workforce development efforts in the County. The benefits of an independent organization that operates outside of the County government structure offers the following benefits in carrying out the "one system" approach:
  - ▶ The organization can be more flexible and nimble.
  - ▶ The organization will be more appealing to business and industry, as it is not perceived as "being part of government."
  - ▶ The organization can diversify its funding sources by seeking donations from individuals and companies, as well as soliciting grants from foundations and corporations that do not provide funding to governments.

## **Recommendation 2: Work Together as a Team of Champions**

As stated in Section II of this report, County leadership must galvanize as a *team of champions* around the "one system" approach. A change management process—led by the County Executive and the County Council—should be established to align programs and services across multiple organizations and agencies. This process needs to focus on cultural and organizational changes needed to galvanize varied stakeholders around a common goal. The work of this process should include: 1) facilitating an integrated vision and mission; 2) coordinating system-wide organizational development activities; and 3) building consensus around the "one system" approach among stakeholders across the region.

- ▶ **How:** Leadership should set a clear strategic direction with relevant regional resources aligned to move the system in that direction. Such resources include various regional workforce, education, community development, welfare, and economic development programs and initiatives. While much of the current discussion surrounds the *structure* for workforce development, a coherent system cannot be established without a *vision* for what such a system can accomplish. A common vision for workforce development in Montgomery County will be developed by:
  - ▶ Building on the successes of current County efforts, such as Montgomery Moving Forward.
  - ▶ Developing clear outcomes based on customer expectations, including what they define as efficient and effective service delivery, and the outcomes they expect from the services delivered.
  - ▶ Continuing to facilitate community and stakeholder forums to refine outcomes and metrics and translate stated needs into services and programs. In recent years, communities like Portland, Oregon and Silicon Valley in California have developed a community-wide vision for workforce development supported by active metrics. In those communities, metrics play a role in every funding opportunity and are integrated into performance measurement for the community and its leaders. Additionally, a city/county-wide report card is delivered to citizens annually regarding those metrics.
  - ▶ Holding forums with elected officials to include the County Council and officials from area cities and towns. The elected officials, along with other community leaders, will serve as the champions of change called for above.

## **DATA, OUTCOMES, AND ACCOUNTABILITY**

### **Recommendation 3: Develop a System that Ensures Ease of Access for all Customers**

It should be easy for customers, both businesses and jobseekers, to find the services they need, understand the different programs and services that are available, and choose the ones that are right for them. They should be able to transfer from one program or service to another with ease. Services should build on one another until the necessary outcome for the customer (not the program alone) is achieved.

- ▶ **How:** The WIB should develop a website on behalf of the system that is easy to navigate and includes a customer “calculator” that helps customers understand both if they meet eligibility requirements for certain services and which services might best meet the workforce needs they identify.
- ▶ **How:** Organizations should adopt an agreed upon methodology to collect and share information so that when customers work across the system they do not encounter redundant information collection processes and documentation issues. This methodology should ensure confidentiality and could be modeled on recent efforts in the health care industry to develop a universal electronic records system.

#### **Recommendation 4: Implement a System-Wide Industry Sector Based Business Services Plan**

The coordinating entity should implement a plan to provide workforce solutions to businesses based on the WIB’s industry sector approach that ensures continuous outreach to employers, active identification of employment opportunities, and the posting of those opportunities through the state-wide system. The plan should be adaptable for a changing economy and address industries that may not yet meet the criteria of high growth, high demand, and high wage but have a current workforce need.

- ▶ **How:** The necessary resources should be identified and committed to invest in the development of skills and career progression ladders and process maps for the region’s targeted industries, based on high growth, high demand, and high wages criteria.
- ▶ **How:** The WIB should use real time labor market tools to continuously analyze the regional labor market, using the most current available data to effectively guide policy and investments.

#### **Recommendation 5: Develop Common Processes by Bringing Stakeholders Together**

Common processes and practices will ensure the highest level of service efficiency and effectiveness across the system. The WIB and other local workforce development organizations should develop common processes that galvanize stakeholders around the “one system” approach.

- ▶ **How:** The WIB should work with stakeholders to define *common core competencies* to ensure well-trained staff. Staff throughout various workforce organizations should be able to identify the right of services across programs and systems and assist individuals and companies in easily accessing those services.
- ▶ **How:** The WIB should develop definitions for a *common language* to refer to the same concepts across the system. Various funding sources and legislative requirements define typically obvious terms differently. For example, the term “training” may be defined differently among customers and between agencies.
- ▶ **How:** The programs and services that comprise the system should develop and adopt *common outcomes* to hold everyone accountable.
- ▶ **How:** The WIB should develop a set of *common data elements* that provides relevant information that can help improve programs and services via a continuous quality improvement process.

## **TECHNOLOGY**

#### **Recommendation 6: Catalyze the Development and Use of Technology**

While the effective use of technology alone does not solve the problem of misaligned processes and systems, without technology the ability to communicate across the system, collect and use common cross-agency data, and ultimately hold the parts of the system accountable for common outcomes is severely limited. The WIB should catalyze the development and adoption of appropriate technologies to help bridge gaps between agencies and organizations.

- ▶ **How:** The WIB should conduct a technology audit to determine the technologies and systems used by various organizations. The audit will inform exploration of what needs to be done to allow systems to “talk to each other.” The syncing of various technologies will allow:

- ▶ Online access to information about all programs by customers.
  - ▶ Online registration and application processing that can be shared among all programs when appropriate (e.g., through a system-wide website or through use of smart card technology).
  - ▶ Information about customers to move between programs to ensure that each step a customer takes adds value to their overall experience.
  - ▶ Common tracking and reporting of various outcomes aligned to system performance outcomes.
- ▶ **How:** The WIB should purchase and implement a common customer contact management system in order to develop joint business solutions across the workforce development system.

## **INVESTMENT**

### **Recommendation 7: Provide Financial and Human Resources to Carry Out These Recommendations**

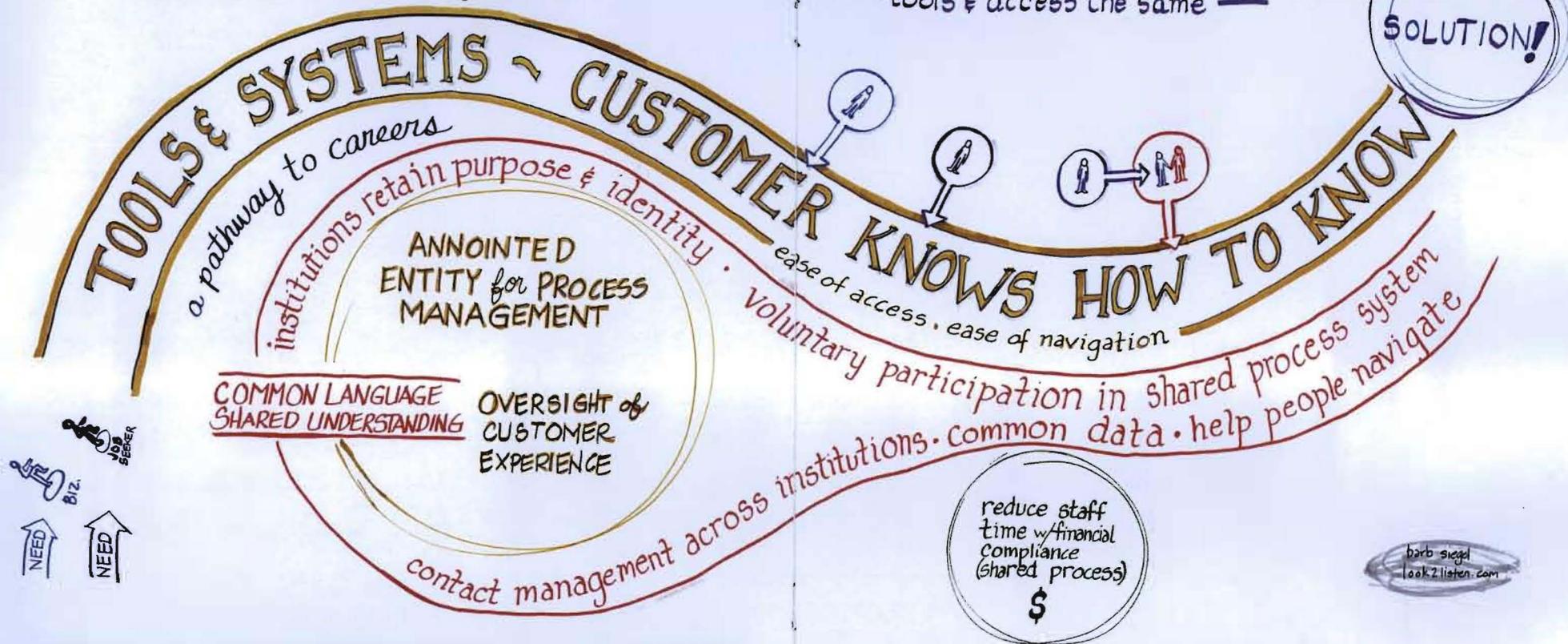
In order to capitalize on current momentum and implement the full breadth of activities called for by a “one system” approach, the WIB must expand its financial and human resources by leveraging multiple public and private funding sources. This effort should include growth of the recently established WIB, Inc., an independent 501 c3 organization established to benefit local workforce development efforts and carry out the “one system” approach for workforce development in Montgomery County.

To fully carry out these recommendations requires both human and financial resources to:

- ▶ Build the organizational capacity of the WIB through the continued evolution of WIB, Inc.
- ▶ Examine technology issues and build capacity around integrative technologies.
- ▶ Increase the innovation, creativity, and flexibility necessary to meet and exceed customer expectations.
- ▶ Apply new approaches to work process design, staff development, and intra-organizational mobility.

# FUTURE STATE

- We can do more together -



• MEET CUSTOMER'S NEEDS & EXPECTATIONS.

- wherever client enters system tools & access the same -

**Future State of the Workforce Development System**

The successful implementation and alignment of the recommendations in this report will result in a "one system" approach for workforce development in Montgomery County. The seamless flow of information and activities across organizations will allow system-wide ease of access and ease of navigation for all customers.

# APPENDIX A: *Montgomery County Workforce Investment Board Member List 2014*

**O. Abiola Afolayan, Esq.**

Executive Director-AFT, Maryland

**Uma Ahluwalia**

Director, Montgomery County Department of Health and Human Services

**Catherine Carroll**

Vice President, Public Policy, Discovery Communications, Inc.

**Barbara Ebel**

Labor Exchange Administrator, Maryland Department of Labor, Licensing & Regulation

**Gordon Ellis**

Senior Director, Human Resources, Sodexo

**David N. Gamse**

Chief Executive Officer, Jewish Council for the Aging

**Steve Greenfield**

Dean of Business, Information Technology and Safety, Montgomery College Workforce Development and Continuing Education

**C. Marie Henderson**

Director, The Community Foundation for Montgomery County

**Jill Hoyt**

Executive Director, Human Resources & Administration Novavax, Inc.

**Elyse Kaplan**

Consultant, Organization Effectiveness Associates

**Stephen Kornblatt**

Performance Excellence Partners

**Ayana T. Lambert**

Deputy General Counsel, Percontee Incorporated

**Erick Lang**

Associate Superintendent, Office of Curriculum and Instructional Programs  
Montgomery County Public Schools

**Mary C. Lang**

Chief Strategy Officer/Chief of Staff, Office of the Executive Director  
University of Shady Grove (USG)

**Beth Lash**

Regional Director, Maryland Division of Rehabilitation Services (DORS)

**Susan Leggett-Johnson, Vice Chair**

Associate Medical Director of Human Resources, Mid-Atlantic Permanente Medical Group  
Kaiser Permanente

**Deborah Murphy**

Ernest Maier, Inc.

**Marta Brito Perez**

**Senior VP/Chief Human Resources Officer, Adventist HealthCare**

**Andrew S. Platou,**

Senior Manager, Cordia Partners

**Debra Schwartz**

Chief Human Resources Officer, New Signature

**Steve A. Silverman**

Director, Department of Economic Development

**Eugene Spencer**

Assistant Director, Housing Opportunities Commission of

**Michael J. Sullivan, Jr., Chair**

Manager, Compensation & Benefits, Pepco Holdings

**Dawn Weglein, Secretary**

Vice President of Human Resources, Educational Systems Federal Credit Union

## **APPENDIX B: *Industry Alliance Membership***

### ***Health Industry Alliance Members***

- ▶ Kaiser Permanente
- ▶ Adventist Health Care
- ▶ Asbury Methodist Village
- ▶ Montgomery County Public Schools
- ▶ University of Maryland
- ▶ CVS Pharmacy
- ▶ The Village at Rockville
- ▶ Montgomery College

### ***Cybersecurity Industry Alliance Members***

- ▶ Mosaic Data Services
- ▶ Sandy Spring Bank
- ▶ Accenture
- ▶ Montgomery College
- ▶ PEPCO
- ▶ Montgomery County Public Schools
- ▶ Redport Information Assurance
- ▶ University of Maryland, Baltimore County
- ▶ The MITRE Corporation
- ▶ Lockheed Martin
- ▶ Montgomery County Government

## APPENDIX C: Strategic Plan 2014-2017 (Excerpt)

- VISION:** Economic development, education, and the system of talent development are aligned both locally and regionally to sustain a vibrant economy in the County.
- MISSION:** The Montgomery County WIB helps businesses succeed through workforce services.
- VALUE PROPOSITION:** We are consultative in meeting businesses needs and enhancing the customer experience thru innovation, knowledge, quality, professionalism, and being forward looking and anticipatory in meeting businesses' needs.
- CUSTOMERS:** Our **primary external customers** are business and industry.  
Our **secondary external customers** are job seekers (emerging, transitional, and incumbent).  
Our workforce partners, economic development partners, and staff are our **internal customers**.
- ROLE:** The WIB will play several roles in furtherance of our vision and mission:
- ▶ We endeavor to **catalyze change** in the community to build an effective workforce development system.
  - ▶ We will be a **community facilitator and convener** to identify issues and act collectively with partners to address them.
  - ▶ We will act as an **intermediary/broker** between the supply and demand sides of the workforce system about current and future skill needs to ensure mutually beneficial relationships and outcomes.
  - ▶ We will be an **advocate** and take political action on workforce development issues at the local, state and national level.

### ORGANIZATIONAL CORE VALUES

#### **Our Common Values:**

We believe in and are passionate about the following shared principles, beliefs, and priorities:

**Leadership.** We will have the courage to lead from the front and shape the future. We believe in our role as stewards of the public trust and the future of the people we serve.

**Change.** We believe in bringing to bear all relevant talents and resources to provide opportunities for our customers to succeed and thrive, one person and one business at a time.

**Service Excellence.** We will give the best and world-class service and achieve excellence each passing day.

**Integrity.** We believe in living our values every minute of every day. We believe in doing the right thing right the first time for our customers and always honoring our commitments.

## **OPERATING PRINCIPLES**

The following principles define the way the WIB operates with regard to the goals and strategies. The core processes employed by the organization to accomplish the goals will operate in the following fashion:

- ▶ We will continuously ensure that our strategies meet changing needs and expectations of our customers and the marketplace.
- ▶ We will ensure access for all and attend to the diverse needs of our customers in all aspects of our service delivery.
- ▶ We will be regional as well as local in our perspective in problem-solving and decision-making.
- ▶ We will use the principle of data-driven and fact-based decision-making in the operational end of all systems and processes.
- ▶ We will conduct ongoing evaluation to provide data to continuously assess the outcomes and appropriateness of programs and delivery systems for which we will hold ourselves accountable.
- ▶ We will stretch our reach through strategic alliances built within the community on all workforce development initiatives.

## **STRATEGIC PRIORITIES AND GOALS**

### **STRATEGIC PRIORITIES FOR 2014-2017**

- ▶ Develop and sustain a quality and innovative workforce in the County.
- ▶ Increase business satisfaction and trust through efficient, effective, and accountable workforce services.
- ▶ Continue to build strategic partnerships and alliances with industries with high growth and high demand or high wages to meet businesses workforce needs.
- ▶ Position the WIB as the infrastructure that brings coherence and consistency to the County's workforce development system.
- ▶ Ensure quality by certifying organizational and service capacity.

## **STRATEGIC GOALS AND OBJECTIVES**

The following goals and objectives support the WIB in accomplishing the priorities set for the next three years.

**Strategic Goal 1:** Engineer a comprehensive system of talent development matched to the ongoing needs of business and industry in the County.

### **Key Objectives:**

- ▶ Develop and strengthen relationships with businesses through a Business Solutions Team that develops customized services for businesses.
- ▶ Continue to grow the capacity of the WIB's industry sector approach as a means of providing services to business.
- ▶ Facilitate the on ramps to career pathways for jobseekers and develop methods for employers to reach into the pathways to find qualified individuals.
- ▶ Support individual's (youth and adults) skills development through job search assistance, skills assessment, coaching, and skills training that result in obtaining an industry recognized certificate or a credential.
- ▶ Support proven strategies designed to help vulnerable and disconnected youth obtain the credentials they need to find sustainable and meaningful employment.

**Strategic Goal 2:** Develop and implement a system of quality assurances and certification for any organization delivering workforce development services.

**Key Objectives:**

- ▶ Adopt standards and indicators that define organizational standards of quality and assist organizations in meeting them.
- ▶ Create a certification process against the quality standards.
- ▶ Develop policies related to how the WIB will use certification in program service and funding decisions.
- ▶ Ensure the certification process and system is embedded in the WIB's strategic communication and marketing plan.

**Strategic Goal 3:** Support an efficient and effective workforce development system in Montgomery County.

**Key Objectives:**

- ▶ Build and maintain relationships with educational institutions to become the source for useful demand side information for use in instruction, curriculum and career pathway development.
- ▶ Network with existing groups that support workforce development.
- ▶ Provide advice, counsel and consultation on workforce issues to county leadership and elected officials.
- ▶ Work with businesses to analyze their needs and provide workforce related consulting services, as appropriate.
- ▶ Collaborate with all community partners, such as Montgomery Moving Forward and MBDC, to ensure the WIB as the delivery system for all workforce development and related community initiatives.
- ▶ Produce a study on return on investment (ROI) every 2 years.

## **APPENDIX D: *Sample Quality Standards And Indicators***

As mentioned in Section II, one good resource for developing standards and indicators for high quality workforce development service delivery is the Baldrige Performance Excellence criteria. Strumpf Associates has adapted workforce development indicators from those criteria that the WIB can use as it grows the "one system" approach. A list of those indicators, broken down by the seven Baldrige standard areas, is provided below.

### ***Leadership***

- ▶ The leadership of the system is directly involved in creating and sustaining values, organizational directions, performance expectations, and customer focus.
- ▶ The organization is structured, staffed, and funded so that it can carry out its oversight and strategic roles in the local area and key players understand their roles and responsibilities.

### ***Strategic Planning***

- ▶ The organization has a clear strategic direction and has aligned relevant regional resources such as regional workforce, education, community development, welfare, and economic development organizations, programs, and initiatives to that direction.
- ▶ The organization has both a broad-based and a targeted industry sector integrated business services plan. The business services plan ensures continuous outreach to employers, the identification of employment opportunities, and the posting of these opportunities through the state-wide workforce development system.
- ▶ The organization has analyzed the regional labor market using the most current available data and is effectively using this information to guide policy and investments.
- ▶ The organization is investing resources to promote the development of skills and career ladders in the region's targeted industries (i.e., high demand, high growth, and high wage industries).

### ***Customer and Market Focus***

- ▶ The organization determines requirements and expectations of customers, both businesses and jobseekers, and regularly measures their satisfaction.
- ▶ The organization has organized, or actively supported the development of industry partnerships in targeted industry sub-clusters and these partnerships are developing innovative approaches to improving their competitiveness and promoting human resource best practices.
- ▶ The organization is ensuring that its one stop centers provide excellent and fully accessible services to both employers and job seekers.
- ▶ The organization has established a youth strategy aligned with the regional labor market and high priority occupations and has taken action to implement the strategy for youth in the Local Workforce Investment Area.

### ***Information and Analysis***

- ▶ The system and each organization continuously use data and information to evaluate and improve performance.
- ▶ The system has a process to learn from evidence-based practices and to establish benchmarks for assessing local practices.
- ▶ The system and each organization makes effective use of data and information to support key processes and the system's performance management system.

### **Human Resource Development and Management**

- ▶ The system and each organization make efforts to build and maintain an environment conducive to performance excellence, full participation, and personal and organizational growth.

### **Process Management**

- ▶ Key processes are regularly improved to achieve better performance and to ensure shifting organizational needs and priorities are met.
- ▶ Work systems and key processes are designed to deliver customer value based on the system-wide theory of change.
- ▶ Key performance measures or indicators are used to evaluate the effectiveness of the work processes.

### **Business Results (Organizational and System-wide)**

- ▶ The system and each program is in compliance with any state mandated performance management requirements.
- ▶ The organization has developed and understands impact measures that provide information beyond essential compliance measures.
- ▶ Customer satisfaction is measured and sustained at high levels.

## **APPENDIX E: Best Practices In Workforce Development Organization And Programming Resources**

Below are resources regarding best practices in workforce development organization and programming. These resources may be useful to the WIB as it evolves as the operating arm for the “one system” approach to workforce development in Montgomery County.

### **ALIGNMENT**

The WIB will pursue alignment of education, economic development, and workforce development strategies in ways that enhance the overall economic vitality and competitiveness of the region.

**A Practitioner’s Guide for Effective Alignment of Regional Development and Higher Education.** Council on Competitiveness, March 2008:

<http://www.compete.org/images/uploads/File/PDF%20Files/Cooperate%20Final.pdf>

**Revving the Education Engine: Effectively Aligning Education, Workforce, and Economic Development Policy.** Education Commission of the States and KnowledgeWorks Foundation, 2009:

<http://www.ecs.org/docs/RevvingEdEngine.pdf>

**Aligning Workforce Development and Economic Development: Opportunities for Ohio.**

Community Research Partners, January 2007:

<http://www.communityresearchpartners.org/wp-content/uploads/Reports/Workforce/Alignment-Policy-Brief-1-31-07.pdf>

**Under One Roof Volume 2: New Governance Structures for Local Economic and Workforce Development.**

National Center on Education and the Economy, May 2007:

[http://www.ncee.org/wp-content/uploads/2010/04/Under\\_One\\_Roof\\_vol2.pdf](http://www.ncee.org/wp-content/uploads/2010/04/Under_One_Roof_vol2.pdf)

## **SECTOR STRATEGIES**

Sector strategies target workforce development resources toward specific industries that are vital to the regional economy. These industries are typically projected to grow in the near future, provide career advancement opportunities for low-wage and/or low-skill workers, and include employers who are committed to workforce development.

**Job Training That Works: Findings from the Sectoral Employment Impact Study.** Public Private Ventures, May 2009: <http://knowledgecenter.completionbydesign.org/sites/default/files/33%20Maquire%202009.pdf>

**State Sector Strategies Coming of Age: Implications for State Workforce Policymakers.** National Governors Association Center for Best Practices: <http://www.nga.org/files/live/sites/NGA/files/pdf/2013/1301NGASSSReport.pdf>

**Sector Strategy Tool Kit.** Kentucky Workforce Investment Board: <http://www.kysectorstrategies.com/>

**Sector Strategies in Brief.** Aspen Institute Workforce Strategies Initiative, November 2007: <http://www.aspenwsi.org/wordpress/wp-content/uploads/07-014b.pdf>

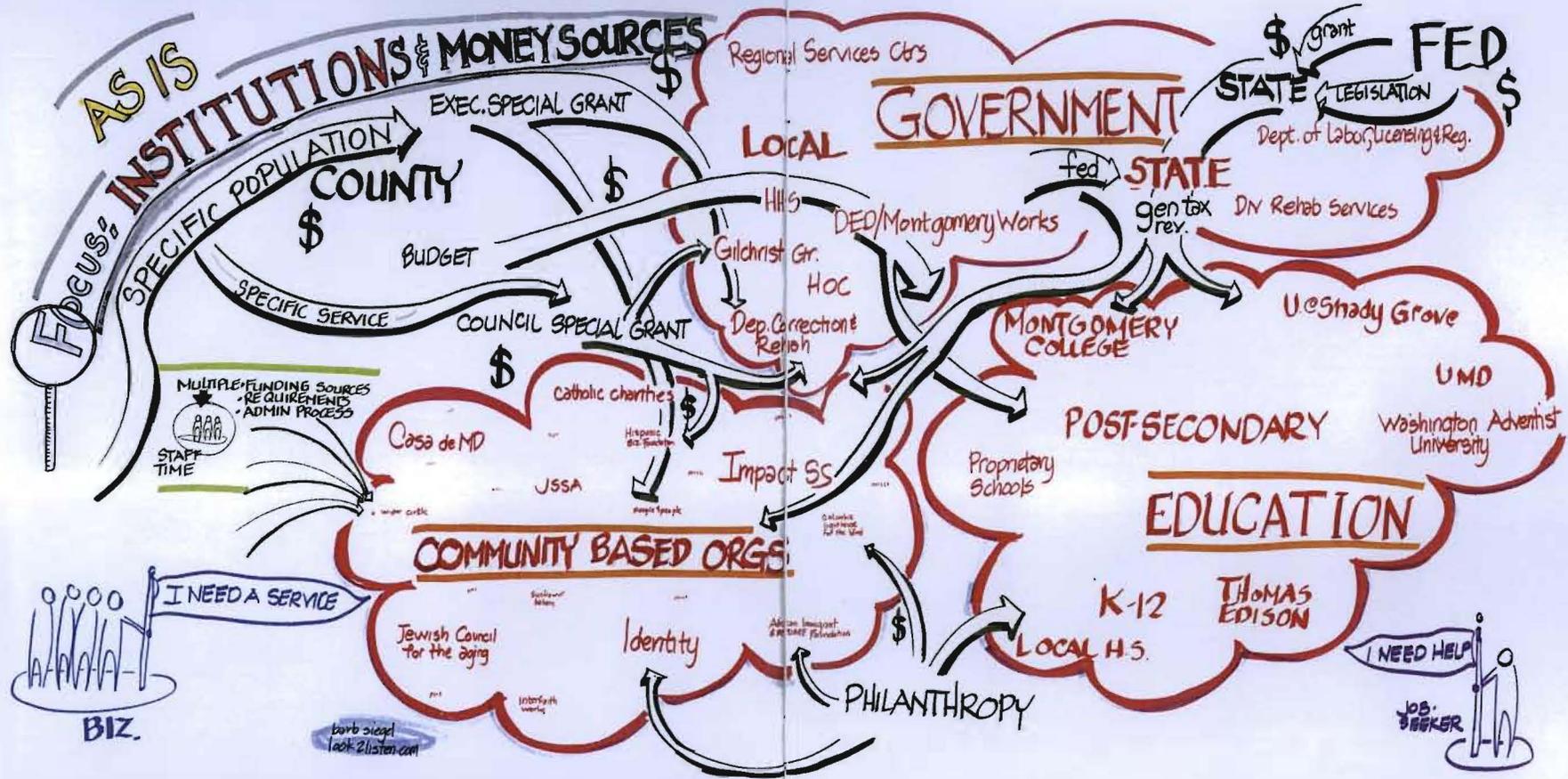
## **PROGRAM STRATEGIES FOR YOUTH AND ADULTS**

The following resources offer evidence-based practices and research in workforce development and training programs. These resources also provide useful information for implementing evidence-based practices as part of the design of training and education programs for youth and adults.

**What Works In Job Training: A Synthesis of the Evidence.** Vice President Joe Biden and the U.S. Department of Labor, U.S. Department of Commerce, U.S. Department of Education, and U.S. Department of Health and Human Services; July 2014: <http://www.dol.gov/asp/evaluation/jdt/jdt.pdf>

**Practical Advice Guides: Smart Strategies to Employ, Educate, and Support Youth in Employability Development Programs.** Brandeis University Center for Youth and Communities, Winter 2013: <http://cyc.brandeis.edu/pdfs/reports/CYC%20Practical%20Advice%20Guide.pdf>

APPENDIX F: The Current State Of Montgomery County's Workforce Development System



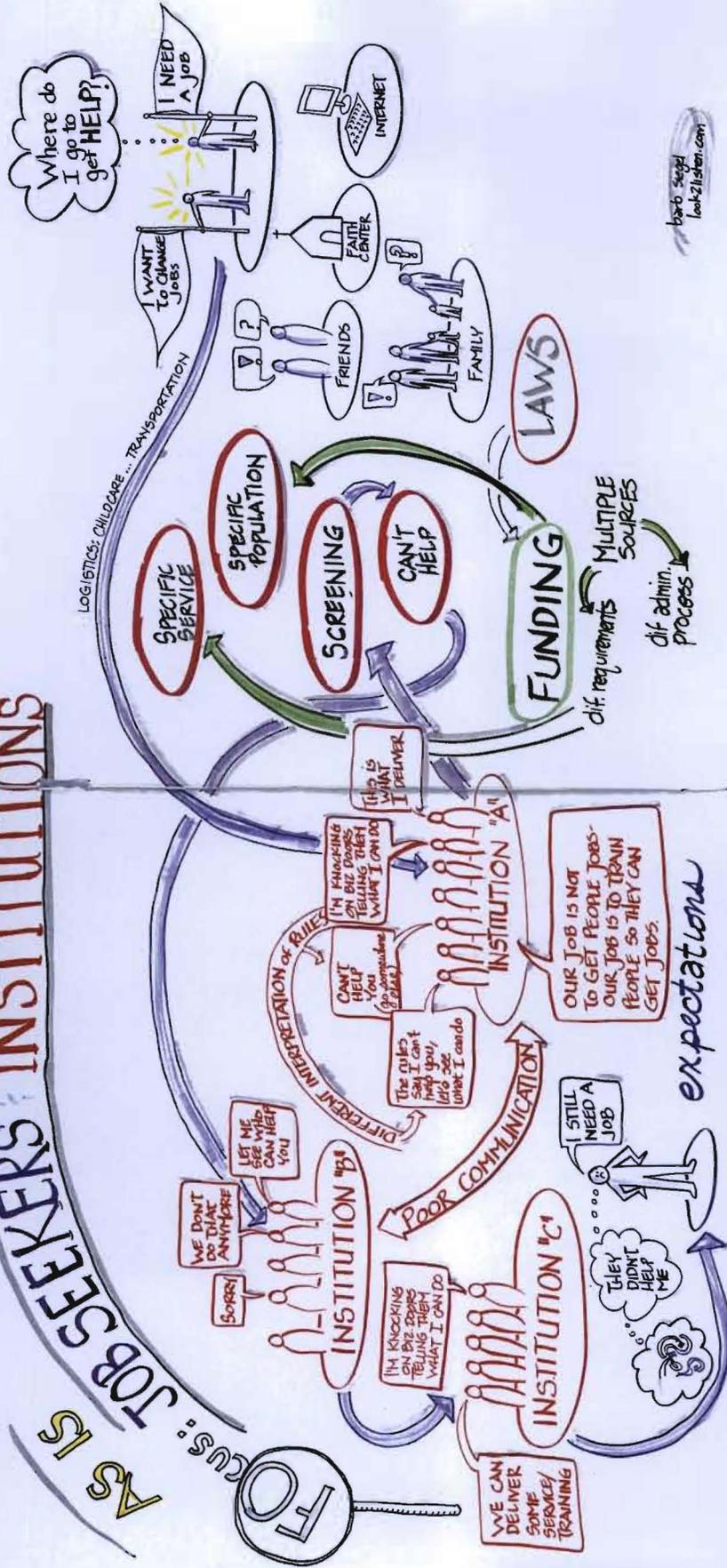
**"As Is" – Focus: Institutions and Money Sources**

Funding and services for workforce development services in Montgomery County comes from many institutions and sources. Understanding how those institutions and sources work can often be a tedious process for customers. The "one system" approach will bring information about funding and services into a single interface that customers can easily access and understand.



APPENDIX F: The Current State Of Montgomery County's Workforce Development System

AS IS JOB SEEKERS INSTITUTIONS



"As-Is" - Focus: Job Seekers & Institutions

Like businesses, job-seeking customers benefit from numerous services and funding sources across institutions and sectors. The single interface called for in this report will help ensure the County's workforce can access and understand the information needed to obtain and maintain meaningful employment and ultimately contribute to local economic growth.

For more information, please contact:  
Montgomery County Department of Economic Development

**Montgomery County Department of  
Economic Development**

Division of Workforce Development  
111 Rockville Pike, Suite 800  
Rockville, Maryland 20850  
240-777-2007

[www.montgomerycountymd.gov](http://www.montgomerycountymd.gov)

## Before the Workforce Investment Act of 1998

- Prior to the Civil War, the focus of most higher education programs was the development of the person rather than the development of the worker. As such, most programs during that time focused on broad principles and methods of reasoning. However, the Morrill Acts of 1862 and 1890 created “land grant universities,” which were to focus on teaching marketable and practical skills in fields such as agriculture, engineering, military science and mining.
- The United States Department of Labor was created in 1913 to “foster, promote and develop” the welfare of workers, improve working conditions, and advance opportunities for future employment.
- The Wagner-Peyser Act was passed in 1933. Wagner-Peyser created unemployment offices and offered grants to states to help match labor supply and demand.
- During the New Deal, a variety of programs were created in order to provide relief to workers, reform the workforce system, and facilitate recovery of the nation’s economy. The Works Progress Administration was perhaps the best-known of these programs. At its peak in 1938, the WPA provided paid jobs to 3 million previously unemployed Americans.
- The Manpower Development and Training Act of 1962 was intended to address structural unemployment by retraining workers dislocated by changes in technology. The focus was job training for economically disadvantaged individuals.
- The Economic Opportunity Act of 1964 established a number of programs such as Job Corps and Head Start as part of a larger program to rebuild community in distressed neighborhoods.
- The Comprehensive Employment and Training Act of 1973 replaced federally sponsored job training programs with block grant programs and some local administration of federally funded workforce programs.
- The Job Training and Partnership Act of 1983 created private industry councils as an alternative to the CETA’s local governance structure. Under the JTPA the first One-Stop shops for workforce services were created.

## The Workforce Investment Act of 1998

From 1998 through 2014, the Workforce Investment Act (WIA) was the federal program through which most federally funded workforce development was supported. Title I of WIA created two of the most recognizable elements of the current workforce development system: the “one stop” system to provide job training and related services to unemployed and underemployed individuals, and the local workforce investment boards with majority private sector representation. The following were the key characteristics of the workforce development under WIA:

- WIA provided local control through the local workforce investment boards.

- WIA created a demand-driven workforce development system in which the needs of employers were considered (and through the composition of the workforce investment boards, a majority of whose members represented private industry).
- WIA required one-stop centers through which an individual could locate and access employment services in one physical location. One-stop locations co-located various program partners, “core” and “intensive” training services, access to labor market information, job placement and job recruitment.
- WIA provided for broad access to the services funded and choices to participants through Individual Training Accounts.
- Placement in employment was the first goal of programs under WIA’s Title I.

## Introduction

In July 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA)—after it passed with virtually unanimous bipartisan support in Congress — the first update to the nation’s core workforce training programs in the 16 years since the passage of the Workforce Investment Act (WIA). A lot has changed since 1998—and our workforce system hasn’t kept up. Low-skilled and low-income workers face more barriers than ever to securing an education and getting a good job.

The new law recognizes the need for a new playbook and reauthorizes the nation’s employment, training, adult education, and vocational rehabilitation programs created under WIA. WIOA improves connections to employment and training opportunities that lead to economic prosperity for workers and their families. It strengthens existing workforce development and adult education programs in four ways that can benefit adults and youth with barriers to economic success. The law:

- I. Increases the focus on serving the most vulnerable workers**—low-income adults and youth who have limited skills, lack work experience, and face other barriers to economic success;
- II. Expands education and training options** to help participants access good jobs and advance in their careers;
- III. Helps disadvantaged and unemployed adults and youth earn while they learn** through support services and effective employment-based activities; and
- IV. Aligns planning and accountability policies across core programs** to support more unified approaches to serving low-income, low-skilled individuals.

These positive policy developments create an opportunity for leaders and advocates in states and local communities to rethink, reshape, and expand workforce systems, policies, and practices that are grounded in research and experience to improve the education and employability of low-income people. To bring these opportunities to fruition, policymakers, advocates, and practitioners must seize the opportunities available through WIOA; the changes won’t happen automatically. WIOA both establishes new activities and requirements and codifies federal guidance and regulations that already exist. Taken together, these changes create an opportunity to leverage systemic change across the currently disconnected education and training systems. WIOA better enables states and local communities to seed and propel cross-systems approaches to tackle unemployment, low literacy, and low educational attainment among disconnected youth and low-skilled, low-income adults and parents.

This summary of key provisions focuses on opportunities to improve services in select WIOA core programs<sup>1</sup>: Title I, the primary source of federal workforce development funding to prepare low-income adults, youth, and dislocated workers for employment and to help them continue to build skills once they are employed; and Title II, the main source of federal adult education and literacy funding, including English language services. Though they are critical components of the workforce development system, this summary does not address reforms to Title I – General Workforce Provisions (including Jobs Corps and National Programs), Title III – Wagner-Peyser, or Title IV – Vocational Rehabilitation. (References to specific provisions under each title that achieve the above goals can be found in the Appendix.)

# KEY WIOA PROVISIONS THAT CREATE OPPORTUNITIES FOR SUCCESS FOR LOW INCOME WORKERS

**Increases the focus on serving the most vulnerable workers—low-income adults and youth who have limited skills, lack work experience, and face other barriers to economic success**

**Prioritizes services to out-of-school youth and vulnerable low-income adults**

Clarifies that the existing Priority of Service requirement in the Title I adult program applies regardless of how much or how little state or local funding is available; it is not contingent upon limited funds.

Requires states and Workforce Investment Boards to report the number of individuals with barriers to employment served by each core program, with specific breakdowns by subpopulation.

Requires that at least 75 percent of available statewide funds and 75 percent of funds available to local areas be spent on workforce investment services for out-of-school youth, up from 30 percent under WIA.

Retains the focus of Title II (Adult Education and Family Literacy) on the provision of basic skills and English language services for adults with low basic skills. Encourages education providers to provide services to individuals with the lowest skill levels.

**Provides new and expanded definitions to improve service delivery to low-income individuals and those that have “barriers to employment”**

Includes a new definition for individuals with a barrier to employment.

Amends the low-income criterion by adding receipt of or eligibility for free or reduced price lunch; clarifies eligibility for individuals with disabilities who meet income thresholds.

Amends the definition of homeless individual throughout the law to include the expanded definition of homelessness

Includes an expanded basic skills deficient definition.

**Expands and improves eligibility requirements for youth services**

Raises the out-of-school youth eligibility age from 16-21 to 16-24.

Out-of-school youth in high-risk categories do not have to prove low-income status to receive services.

Adds youth “living in a high-poverty area” to the low-income criterion for youth activities funding and services.

Expands the in-school youth eligibility to include low-income individuals ages 14 to 21 who are English language learners and those who have a disability.

**Expands education and training options to help participants access good jobs and advance in their careers.**

**Increases the focus on training across core programs**

Formally eliminates the sequence of service provision in the Title I adult program and clarifies that participants are not required to pass through multiple layers of services before starting training.

Clarifies that WIOA training funds can be used for individuals who are unable to obtain Pell grant assistance or who need additional assistance beyond Pell grants.

Provides more flexible training delivery options, including allowing a portion of local Title I funds (up to 10 percent of youth funds) be used for pay-for-performance contracts.

Broadens the focus of adult education, literacy, and English language services to include postsecondary transitions and careers, defines and encourages the use of new models, such as integrated education and training (IET).

**Encourages implementation of career pathway approaches that support postsecondary education and training for youth and adults.**

Makes development of career pathways strategies a function of the state and local workforce boards and a permissible activity under all parts of the Act

In Title I, career pathways are an allowable activity in for the newly reinstated state discretionary funds.

Requires that an individual employment plan identifying “career pathways to attain career objectives” be prepared for all youth, adults and dislocated workers.

Requires local areas to use youth funds to conduct an objective assessment “for the purpose of identifying appropriate services and career pathways for participants.”

In Title II, requires states to use state leadership funds for the alignment of adult education activities with other core programs, including the development of career pathways.

**Helps disadvantaged and unemployed adults and youth earn while they learn through support services and effective employment-based activities.**

Supports increased use of on-the-job training by allowing increased reimbursement rates to participating employers (up to 75 percent of wages, increased from 50 percent under WIA).

Allows local areas to reserve up to 20 percent of Adult and Dislocated Worker funds for incumbent worker training.

Allows up to 10 percent of Adult and Dislocated Worker funds to be used for transitional jobs for individuals with barriers to employment.

Requires that at least 20 percent of Youth formula funds be spent on paid and unpaid work experiences that incorporate academic and occupational education for out-of-school and in-school youth.

Encourages states and the federal government to support activities that promote adult education as an employment based activity.

**Aligns planning and accountability policies across core programs to support more unified approaches for serving low-income, low-skilled individuals.**

**Requires unified planning at the state and local levels.**

Requires the development of a four-year unified state plan for the core programs.

Allows a state to develop a combined plan that includes core programs and one or more additional programs, including, but are not limited to, Career and Technical Education, TANF, Supplemental Nutrition Assistance Program Employment and Training.

Requires state and local plans to include youth and adults with barriers in their analysis of the current workforce and their strategic vision and goals.

Requires local plans to describe how access to services will be expanded, particularly for eligible individuals with barriers, and how the local board will facilitate co-enrollment.

Requires the local workforce board to review applications for Title II funding from local providers of adult education.

**Improves accountability across the core WIOA programs to increase access to employment, education, training, and support services for individuals, particularly those with barriers to employment and economic success.**

Establishes common performance measures for the core programs (with variation for the Title I youth program) to support greater integration of services.

Creates a credential attainment measure that includes recognized postsecondary credentials and secondary school diplomas or their recognized equivalent. Secondary credentials can only be counted for individuals who have obtained or retained employment or who are engaged in education or training leading to a postsecondary credential within one year after program exit.

Creates a new progress ("skill gains") measure that identifies individuals who are making measurable skill gains while in an education and training program.

Requires state and local performance expectations and levels to be adjusted based on economic conditions and participant characteristics.

Establishes financial sanctions for performance failure at the state level. As a step toward shared accountability, states are subject to a reduction in Title I discretionary funding (from 15 percent to 10 percent) for failing to meet performance goals in any of the core programs.

## Why Low-Income Adults and Youth and the National Economy Need an Updated Workforce and Adult Education System

In the last decade, socioeconomic, demographic, and labor market trends have created an urgent need to update our workforce and adult education system.

Education and training can lift families out of poverty. For millions of low-skilled and disadvantaged youth and adults, improved economic opportunity depends on their ability to access education and training that prepares them for college and career success. Research and evaluations of job training programs for adults find that “a postsecondary education, particularly a degree or industry-recognized credential related to jobs in demand, is the most important determinant of differences in workers’ lifetime earnings and incomes.”<sup>ii</sup> Education and training also increases a family’s financial resources and helps parents stay employed and maximize their wages.<sup>iii</sup> In addition, there is evidence that workforce development and adult education programs can pay off not only for today’s participants, but also for the next generation. According to one synthesis of the research, “improving the educational and employment prospects for parents in the workforce today may also do the same for their children as they enter the workforce tomorrow.”<sup>iv</sup> Indeed, there is a well-documented connection between a parent’s level of education and their children’s skills, academic outcomes, and health. Forty percent of children whose mothers have not completed high school do not graduate on time themselves, compared to just 2 percent of children whose mothers have a bachelor’s degree.

Today’s workers need a postsecondary education to be successful in the labor market.<sup>v</sup> Since the enactment of the Workforce Investment Act of 1998 (the predecessor of WIOA), there has been a consistent shift toward a knowledge-based economy that was accelerated by the Great Recession. Employers increasingly require postsecondary credentials when hiring workers for good jobs that provide family-supporting wages and career advancement opportunities. It is estimated that by 2020, two-thirds of jobs will require a postsecondary education. Workers with higher levels of education consistently fare better in the labor market; they experience lower rates and shorter durations of unemployment and earn higher incomes. The economic divide between higher- and lower-educated workers has grown since the onset of the Great Recession and persisted into the recovery. The unemployment rate for adults with less than a high school diploma is 9.1 percent, compared to 5.4 percent among workers with some college and 3.2 percent for workers with a bachelor’s degree.<sup>vi</sup> With good jobs becoming harder to find for people with a high school diploma or less, it is critical to help low-skilled workers transition into postsecondary education.

Too many workers, particularly people of color, have low skills. According to a recent assessment of adult skill levels conducted across 24 developed countries, 36 million adults in the U.S. have low skills, threatening their ability to secure employment and earn a self-sufficient wage. Low levels of literacy are particularly persistent among individuals in communities of color, which will make up a majority of the U.S. population by 2043. These fast-growing segments of our labor force have some of the lowest levels of educational attainment. The rate of low literacy among black adults is two times higher than it is among all adults generally (35 percent v. 18 percent). This gap is even higher among Hispanic adults; 43 percent have low levels of literacy and 56 percent have low numeracy skills.<sup>vii</sup>

Finding work in today's economy is particularly challenging for youth and young adults. The proportion of teenagers and young adults able to find jobs has declined since the 1980s, with the steepest drops occurring in the past decade and among teens. Since 1978, teen employment has fallen from nearly 60 percent to just 25.8 percent today.<sup>viii</sup> Over 6 million youth ages 16 to 24 are not attached to either school or work, and a disproportionately large share are young people of color.<sup>ix</sup> Young people living in high-poverty communities have less access to work, as well as fewer opportunities to gain early work experience and develop the skills needed to advance in school and the workplace. They are more likely to live in communities where secondary schools are under-resourced and where high school graduation rates are far below the national average.

Underprepared students often need financial and other supports to help them succeed. The most promising strategies for serving people with barriers to employment involve a concurrent mix of employment, training, and support services (such as child care, transportation, and financial supports). Integrated strategies and comprehensive approaches require cross-system collaboration involving workforce development agencies, human services agencies, educational institutions, and employment services agencies.<sup>x</sup> While federal financial aid is the biggest source of funding for career-related training, workforce development training dollars are an important source of funds for students ineligible for Pell Grants; this includes students who are in non-credit programs, formerly incarcerated individuals, and youth and adults who are earning secondary credentials and gaining work experience. Workforce development funds can also help students avoid going into debt when they still have significant unmet need after receiving Pell and other grant aid. The workforce development system is a crucial partner to community colleges, four-year colleges, and employers in helping underprepared students, youth, and adults obtain skills that lead to careers.

***Structural barriers across workforce and adult education systems authorized by the Workforce Investment Act of 1998 previously limited their effectiveness in helping people with barriers to employment get the education, training, and supports they need to access good jobs and advance in their careers.***

- Under the previous WIA Title I Adult and Dislocated Worker program, opportunities for combining work and learning were limited. In addition, only a small share of low-income adults was able to access training and other services they needed to gain marketable skills. Further, a heavy reliance on Individual Training Accounts tilted the field toward existing programs that could be procured and made it more difficult to utilize integrated programming and other comprehensive strategies to improve the skills and employability of low-income, low-skilled adults.
- The previous Title I Youth Program severely underserved youth in high-risk categories, such as high school dropouts, young offenders, and foster care youth. The eligibility process was overly burdensome, stigmatizing, and repetitive, which impeded access for at-risk youth.
- A historical emphasis on preparation for high school equivalency assessments in the former Title II did not encourage rigorous, intensive programming designed to help students transition to higher levels of education or training.