

MEMORANDUM

April 25, 2016

TO: Planning, Housing, and Economic Development Committee
FROM: Jacob Sesker, Senior Legislative Analyst 
SUBJECT: FY17 Operating Budget: WorkSource Montgomery NDA

The following persons are expected to attend this worksession: Donna Copper, Chair of WorkSource Montgomery Board; Mike Sullivan, Chair of Workforce Development Board; Ellie Giles, CEO (WorkSource Montgomery); Lily Qi (Assistant Chief Administrative Officer); Pofen Salem (OMB).

The relevant page from the FY17 Recommended Operating Budget is attached at © 1.

Staff Recommendation: Concur with Recommended Budget for the WorkSource Montgomery NDA

Overview

The County Executive requests \$982,344 for this NDA. This is the first year for this NDA. That amount includes a shift of \$728,206 from the DED budget and \$79,138 from estimated savings in the Lease NDA. The County Executive's recommended budget for this NDA includes an additional \$175,000 to enhance programs and services.

<i>Change</i>	<i>Expenditure</i>	<i>FTEs</i>
FY16 Approved Budget	\$0	0.00
Shift Personnel Cost from DED	+\$400,126	0.00
Shift Operating Expenses from DED	+\$135,080	0.00
Shift Proportional Lease Cost Savings from Lease NDA	+\$79,138	0.00
Shift Rx 4 Employability	+\$193,000	0.00
Additional Funding Recommended by CE	+\$175,000	0.00
FY17 Recommended Budget	\$982,344	0.00

FY17 will be the first full year of operations for WorkSource Montgomery. Ms. Giles started in her position as CEO in March. The Board has not yet approved a work program and budget for FY17. A presentation describing the organization (see © 2-12) describes its roles in the workforce and economic development ecosystem, goals and objectives, and commitment to accountability. Attached at © 14-15 are slides illustrating the integrated focus of WorkSource Montgomery and the Workforce Development Board, as well as the division of functions between the two organizations. Attached at © 16 is a status report describing the start-up activities of WorkSource Montgomery for its first few months.

Future reviews of the WorkSource Montgomery budget are likely to involve a more detailed presentation (similar to the Conference and Visitors Bureau presentation of its annual budget and work program). **Council staff recommends a fall update on the FY17 (first year) work programs and budgets of both WorkSource Montgomery and Montgomery County Economic Development Corporation.**

- Attachments: © 1 Recommended FY17 Operating Budget: WSM NDA
© 2 WorkSource Montgomery PHED Presentation
© 13 FY16 One Stop Fact Sheet
© 14 WorkSource Montgomery Integrated Focus
© 15 WorkSource Montgomery/Workforce Development Board Functions
© 16 WorkSource Montgomery Start-up Status Report

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County Code. This provision was enacted in 1949 and provides a payment to the City for protective services for the County residents of the City of Takoma Park. The payment is based on a formula, which uses \$0.048 per \$100 of assessable base tax rate with "full value assessment" levied on real property.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	945,540	0.00
Increase Cost: Payment Based on Formula	40,800	0.00
FY17 Recommended	986,340	0.00

Telecommunications

This NDA provides the operating expenses appropriations for telecommunication charges incurred by departments, including land-line charges and PBX maintenance and support charges. Prior to FY17, the Department of Technology Services charged individual departments and funds for expenses incurred; beginning in FY17, funds are specifically provided for in this NDA.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	0	0.00
Shift: Telecommunication Costs from Departments	5,786,382	0.00
FY17 Recommended	5,786,382	0.00

Working Families Income Supplement

This NDA provides funds to supplement the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	21,097,300	0.00
Increase Cost: Revised Baseline Cost Estimate at 95% Match	1,963,475	0.00
Increase Cost: Increase Match from 95% to 100% of State Earned Income Tax Credit as Required by Bill 8-13	1,213,725	0.00
FY17 Recommended	24,274,500	0.00

WorkSource Montgomery NDA

This is the private non-profit corporation authorized by Council Resolution 18-295 as the County's designated workforce development corporation. WorkSource Montgomery, Inc. has been designated to implement the County's workforce development policies established by the Workforce Development Board to promote job growth and talent attraction.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	0	0.00
Shift: Workforce Operating Support from Department of Economic Development	982,344	0.00
FY17 Recommended	982,344	0.00

Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	441,034	1,552,591	530,519	1,593,773	2.7 %

WorkSource Montgomery

Montgomery County Council

PHED Committee Update

April 27, 2016

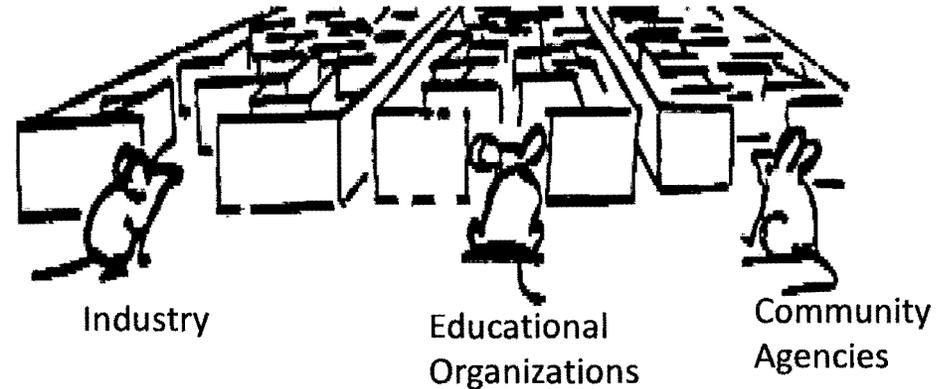


Workforce Development Defined

Workforce development is the coordination of public and private-sector policies and programs that provides *individuals* with the opportunity for a sustainable livelihood and helps *organizations* achieve exemplary goals, consistent with the *societal* context.

- The *societal perspective* focus is future economic stability and growth
- The *organizational perspective* provides coordinated and relevant talent development to stay globally competitive.
- An *individual perspective* centers on training and education

WSM will convene key stakeholders to create the ecosystem for an effective one system approach for workforce development.



WorkSource Montgomery

Mission:

- To meet the talent attraction, development, and retention needs of strategic industries
- To meet the needs of the underemployed and unemployed
- To develop career pathways that lead to sustainable wage jobs and support a thriving mission



WorkSource Montgomery Roles

WSM will play several roles in furtherance of our 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**
on workforce development issues at the local, state, and national level.



To meet the talent attraction, development, and retention needs of strategic industries

- Partner with MCEDC's business retention and expansion efforts
- Provide rapid response to business, industry and employer needs – access to deep and diverse talent pipelines
- Collaborate with industry to align future talent needs with training entities
- Provide current labor data and industry growth projections
- Individualized Business Services Include:
 - Strategic Recruitment
 - Training for new and incumbent workers
 - Provide industry specific labor market data
 - Establish strategic relationships and partnerships

To meet the needs of the underemployed and unemployed

One system approach with effective customer service

- Collaboration with community agencies addressing barriers to employment
- Provide stackable credentials
 - National Career Readiness Certification – Work Readiness
 - National Customer Service Certification (National Retail Federation)
- Individualized Career Counseling
- Employment opportunities –Maryland Work Exchange system
- Collaborate with education organizations to provide degree and industry recognized certifications

To develop career pathways that lead to sustainable wage jobs and support a thriving mission

Expand Industry-led Alliances

- Cyber Security (STEM boot camp)
- Hospitality
- Health Care (Rx for Employability, MCPS Counselor externships)
- Construction

Apprenticeship and on-the job training programs

Engage existing business incubators and accelerators



Economic Impact of Rx for Employability (July 2014- December 2015)

State grant funding - \$105,000.

County Funding - \$192,000

Leverage resources - \$250,000

Economic Impact is the sum of money generated into our County economy based on current wages of the Rx4E participants.

Cohort group	Number employed	Average Wages Prior to Rx4E	Average Annual Salary for full time employment post Rx4E	Total Economic Impact *	
				Additional Wage Created **	Improved Employability
Unemployed: Pharmacy Tech	4	0	\$26,000 (\$13.00/hr.)	\$104,000	New career pathway
Unemployed: IT Technician	10	0	\$44,000 (\$22.00/hr.)	\$440,000	New career pathway
Underemployed: Instrument Sterile Processors	15	\$12.50/hr.	\$34,000 (\$16.35/hr.)	\$135,000	New career pathway
Incumbent: Medical Coder Bridge	491 (retained employment)	\$25.00/hr.	\$50,000 (\$25.00/hr.)	0	Additional training to address mandated credentialing requirements.
Total	520			\$679,000	

**Not factored into economic impact is the reduced reliance and costs of participant utilization of County services and resources.*

Accountability – Critical Measures for Success

Customer

- Increase and sustain employer and jobseeker customer satisfaction
- Increase the number of employers engaged with MCEDC that report using WSM services
- Increase number of individuals employed at sustainable wage
- Increase number of job placement in targeted industries for which they were trained

Operations

- Establish WSM as the gold standard of talent development
- Increase visibility through strong messaging and communication strategies
- Utilization of data dashboards
- Diversify funding

Workforce Development Board

Mike Sullivan –Chair
Edward Rose-Treasurer
Anne Balcer
Uma Ahluwalia
James Boney
Gordon Ellis
Bridgette Gray
Michelle Graham Hicks
Kathllen McKirchy
Ben OuYang
Neil Stablow
Jim Sweet
Diego Uriburu
Dawn Weglein

Deborah Murphy- Vice chair
Jill Hoyt-Secretary
Ayana Lambert
Steve Bjornson
Barbara Ebel
Wyatt Genser
Jeff Guido
Beth Lash
Donald Moragne
Harold Redden
Richard Stanley
C. Marie Taylor
Leslie Ford Weber



WorkSource Montgomery Inc. Board

Donna Cooper, Chair

Larry Bowers

David Gamse

Jim Kinkead

Gerard Murphy

Kevin Sexton

Katy Strei

Ben Edson

Ellie Giles, CEO

Stew Edelstein

Steve Greenfield

Susan Leggett-Johnson

Lily Qi

Michael Sullivan

Paul Tchori



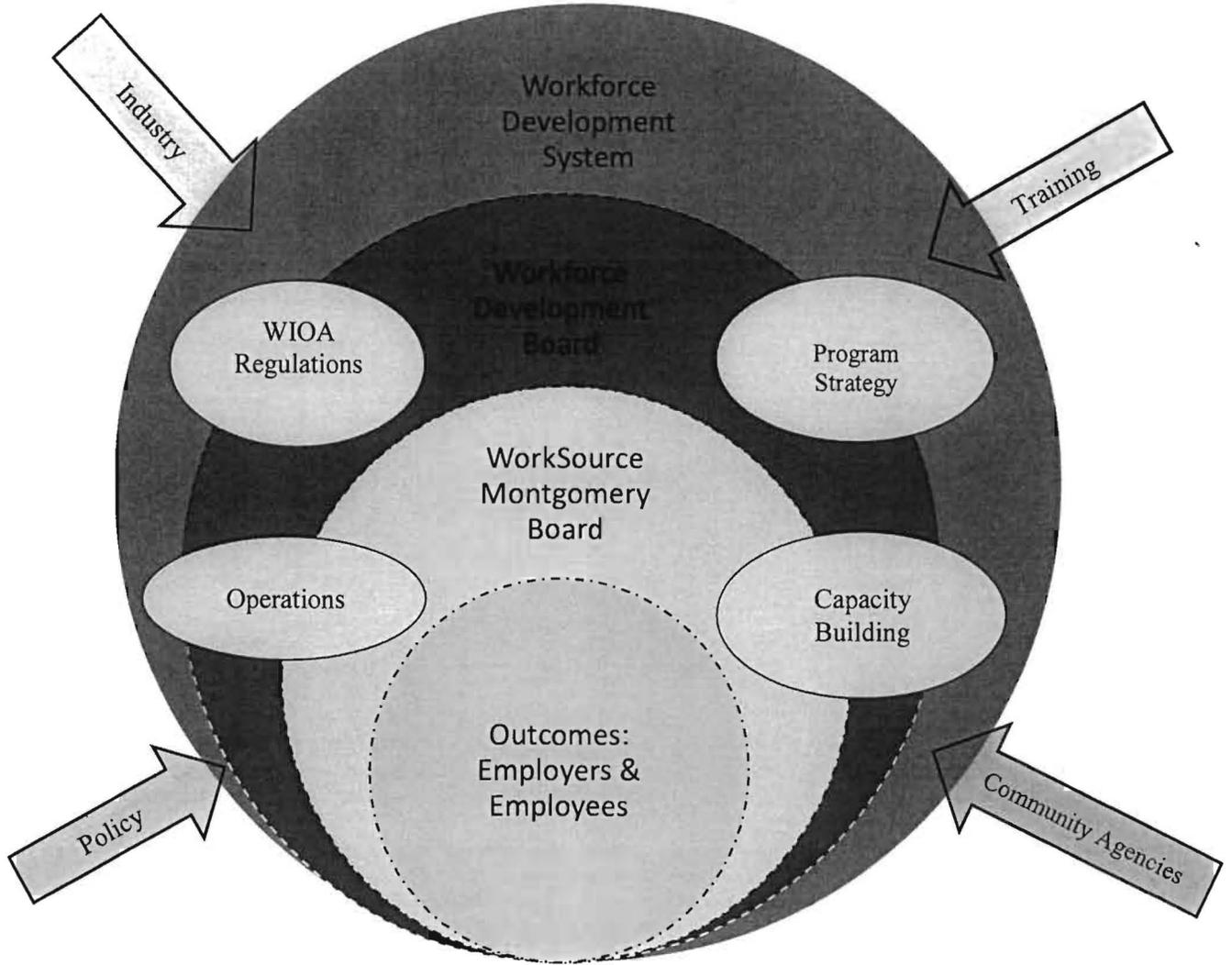
FY 2016 (July 1, 2015 – June 30, 2016)

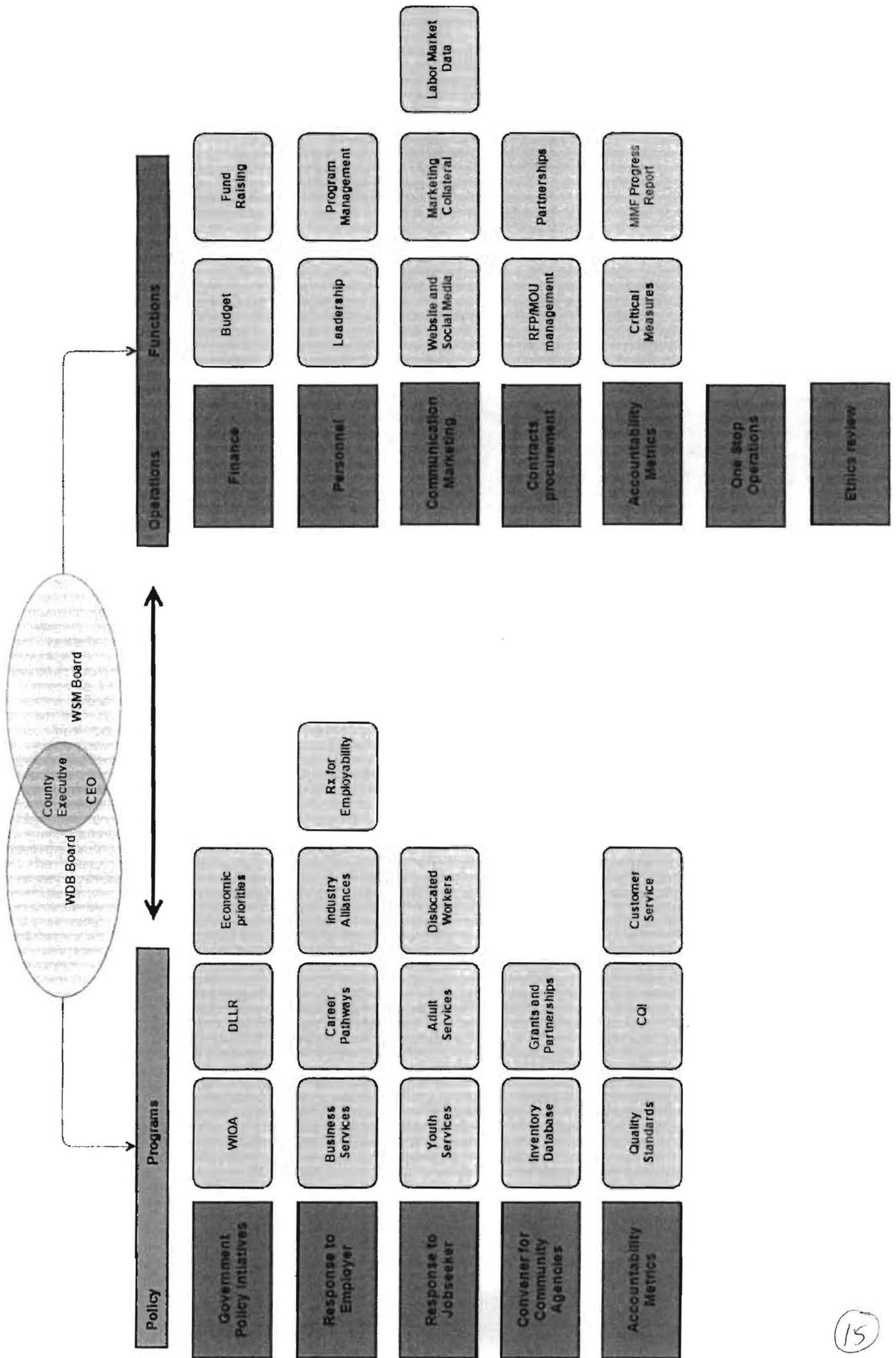
<i>FY 2016 Highlights</i>	
Total number of unique job seekers visiting one stops	9,024 (as of 12/31/2015)
Total number of visits to the one-stops	29,184 (as of 3/31/2016)
Total number of job obtained	4,597 (as of 12/31/2015)
Total number of new businesses served	316 (as of 3/31/2016)
<i>Business Services</i>	
Employer Recruitments	52 (as of 4/29/2016)
Number of new businesses served	316
Job Fairs	3
Total number attending job fairs	2,084
<i>WIOA Career Services</i>	
Total number of unique job seekers visiting one stops	9,024
Total number of customers enrolled into WIOA services	998 (as of 3/31/2016)
Total number of training programs attended by customers	202 (as of 3/31/2016)
Total attendance at in-house workshops	2,550 (as of 3/31/2016)
<i>WIOA Youth Services (as of 12/31/2015)</i>	
Total number of youth enrolled into WIOA services	282
Total number youth in summer employment	195
Number of youth served in diploma or GED services	94
Number of youth served in job placement/post-secondary services	96
<i>Federal/State Performance</i>	
Met or exceeded all federal/state performance for 18 straight quarters (4.5 years)	

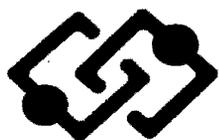
Data Sources: DLLR Quarterly Report, Maryland Workforce Exchange, Monthly Activity Reports

Note: FY 2016 3rd Qtr. DLLR Quarterly Report will be released on 5/15/2016.

WorkSource Montgomery Integrated Focus







WorkSource

MONTGOMERY

Connecting Employers & Job Seekers

At a Glance

Where we were:

- Workforce Steering Committee Chartered at the end of February 2015
- Recommendations produced at the end of May 2015
- WIB, Inc already in place as a fundraising arm without much infrastructure as an operating arm for over 15 months at that time and selected to be the 'new, single entity that would elevate workforce in the county'.

Once the legislation was approved by the County Council early in the summer of 2015, the following tasks have been started and are being managed and/or executed. Operationally we have:

- Created a committee structure
- Written and revised By-Laws
- Submit documents for name change
- Work with Economic Development Consultants to ensure the talent section of the comprehensive plan incorporated the work of the Steering Committee. Draft Talent Section.
- Continue to move the vision forward.
- Have a staff point of contact to answer questions about WSM.
- Created fiscal and procurement policies
- Managed over \$450,000 in grants received directly to WSM
- Managed pledges received and managed annual pledges
- Filled 'new seats' on the board. Nominating Comm did most of the work, but it was staffed with the development of an on-boarding package, and each time new member added, bio created and new board list maintained (by staff – not the committee)
- Meetings with County officials in fiscal and others to take steps to transition management from County to WSM
- Draft scope of work between county and WSM to receive funds. Meetings with county atty conducted to finalize.
- Meetings with MBDC to transition RX for Employability; discussions with their Board Chair; meetings with County Atty.
- Begin to discuss location and space with Chair of Economic Development Corp.
- Created a new service delivery design structure for services to business, youth and adults.
- New law (WIOA) is being transitioned into place as a platform from which to operate:
 - New board (WDB) seated in November 2015
 - Request to state (with much back and forth that had to be managed) for WSM to become the fiscal agent
 - With the new approach to service delivery created an RFP process (in development)
 - To get RFPs out we have to/will have to:

- Write them
 - Publicize them
 - Have an appeals process in place
 - Review them
 - Select
 - Award
- All of which requires formal written procedures and processes
- Conduct Executive Search (and all the steps that has taken)
 - Meet with county re benefits package/identify how to create a benefits package
- Develop metrics for dashboard
- Meet with a variety of people to keep them up to date on progress, including MMF staff/consultant, county staff, and various stakeholders.
- Lots and lots of scheduling, staffing of the board meetings, material development, communication, followup with all the tasks above, working with multiple players to move things across the finish line, etc....