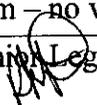


Subject: Introduction – Expedited Bill 19-19, Economic Development – Workforce Development - Amendments	
Purpose: To introduce agenda item – no vote expected	
Analyst: Robert H. Drummer, Senior Legislative Attorney	
Keywords: # MoCoWorkforceDevelopment Other search terms: economic development, public educational institutions, careers and jobs	

EXPECTED ATTENDEES

None.

DESCRIPTION/ISSUE

Worksource Montgomery is currently designated as the County’s Workforce Development Corporation. Bill 19-19 would authorize the Council to designate either a nonprofit corporation or a public educational institution, or both, as the County’s Workforce Development Organization.

This report contains:

Detailed Staff Report

1

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MEMORANDUM

June 14, 2019

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: Expedited Bill 19-19, Economic Development – Workforce Development - Amendments

PURPOSE: Introduction – no Council votes required

Expedited Bill 19-19, Economic Development – Workforce Development - Amendments, sponsored by Lead Sponsor Council President Navarro and Co-Sponsor Councilmember Jawando, is scheduled to be introduced on June 18, 2019. A public hearing is tentatively scheduled for July 16, 2019 at 1:30 p.m.¹

Background

Expedited Bill 40-15, Economic Development – Workforce Development – Amendments, enacted by the Council on October 13, 2015 and signed into law on October 18, 2015, required the Council to designate a nonprofit corporation as the County’s Workforce Development Corporation. Worksource Montgomery is currently designated as the County’s Workforce Development Corporation. Bill 19-19 would authorize the Council to designate either a nonprofit corporation or a public educational institution, or both, as the County’s Workforce Development Organization.

This packet contains:	<u>Circle #</u>
Expedited Bill 19-19	1
Legislative Request Report	9

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¹#MoCoWorkforceDevelopment

Other search terms: economic development, public educational institutions, careers and jobs

Expedited Bill No. 19-19
Concerning: Economic Development -
Workforce Development -
Amendments
Revised: June 11, 2019 Draft No. 2
Introduced: June 18, 2019
Expires: December 18, 2020
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Navarro
Co-Sponsor: Councilmember Jawando

AN EXPEDITED ACT to:

- (1) authorize the Council to designate a nonprofit corporation or a public educational institution, or both, as the County's Workforce Development Organization;
- (2) modify the requirements for an organization designated by the Council as the County's Workforce Development Organization; and
- (3) generally amend the laws governing workforce development.

By amending

Montgomery County Code
Chapter 15A, Economic Development
Sections 15A-8, 15A-9, 15A-10, 15A-11, 15A-12, 15A-13, and 15A-14

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Sections 15A-8, 15A-9, 15A-10, 15A-11, 15A-12, 15A-13, and 15A-**
2 **14 are amended as follows:**

3 **15A-8. Policy objectives.**

4 (a) The success of Montgomery County's economic development goals is
5 dependent upon a comprehensive and demand-driven system of
6 workforce development that:

- 7 (1) meets the talent attraction, development, and retention needs of
8 strategic industries;
9 (2) meets the needs of the underemployed and unemployed; and
10 (3) develops career pathways that lead to sustainable wage jobs to
11 support a thriving economy.

12 (b) To achieve these goals, the County Government may designate a
13 nonprofit corporation or a public educational institution, or both, as the
14 County's Workforce Development [Corporation] Organization to
15 implement the County's workforce development policies established by
16 the Workforce Development Board.

17 **15A-9. Designation.**

18 (a) The Council must designate, by resolution approved by the Executive, a
19 single nonprofit corporation or a public educational institution, or both,
20 which complies with all requirements of this Article as the County's
21 Workforce Development [Corporation] Organization. If the Executive
22 disapproves the resolution within 10 days after receiving it, the Council
23 may readopt the resolution with at least 6 affirmative votes.

24 (b) To continue to qualify as the County's Workforce Development
25 [Corporation] Organization, [the] a nonprofit Corporation's articles of
26 incorporation and bylaws must comply with all requirements of this
27 Article.

- 28 (c) Any designation under this Section expires at the end of the fifth full
 29 fiscal year after the resolution is adopted unless the Council extends the
 30 designation by adopting another resolution under this Section.
- 31 (d) The Council at any time may suspend or revoke the designation of a
 32 corporation or a public educational institution, or both, as the County's
 33 Workforce Development [Corporation] Organization by resolution,
 34 adopted after at least 15 days public notice that is approved by the
 35 Executive, or, if the Executive disapproves the resolution within 10 days
 36 after receiving it, is readopted by a vote of at least 6 Councilmembers.

37 **15A-10. Board of Directors or Board of Trustees.**

- 38 (a) The [president] chief executive officer of the Workforce Development
 39 [Corporation] Organization must serve as the executive director of the
 40 County's Workforce Development Board and the staff of the Workforce
 41 Development [Corporation] Organization must also staff the County's
 42 Workforce Development Board.
- 43 (b) Each voting member of the Board of Directors of a nonprofit corporation
 44 designated as the County's Workforce Development Organization must
 45 be either a resident of the County or a senior manager in a for-profit or
 46 nonprofit entity that has a significant presence in the County.
- 47 (c) A member must not be paid for service on the Board of Directors of a
 48 nonprofit corporation designated as the County's Workforce
 49 Development Organization [,] but may be reimbursed for necessary travel
 50 expenses.
- 51 (d) A member of the Board of Directors of a nonprofit corporation is not
 52 subject to Chapter 19A because of serving on the Board. The Workforce
 53 Development [Corporation's] Organization's bylaws or other governing
 54 laws must protect against any conflict of interest or similar impropriety

55 by members of the Board of Directors or the Executive Director or any
56 other employees. The bylaws or other governing laws must include:

- 57 (1) a prohibition against self-dealing and collusive practices;
58 (2) a provision for the disclosure of a financial or similar interest of
59 any person in any matter before the corporation that would create
60 a conflict of interest;
61 (3) a provision establishing conditions under which a person is
62 disqualified from participating in decisions or other actions in
63 which there is a conflict between the person's official duties and
64 private interests;
65 (4) appropriate remedies for a violation of the bylaws, including
66 removal or termination; and
67 (5) a policy to protect whistleblowers.

68 (e) Notwithstanding any inconsistent provision of County Code Section
69 19A-21, a member of the Board of Directors or a staff member of the
70 Workforce Development [Corporation] Organization who engages in
71 legislative, administrative, or executive advocacy as part of that person's
72 duties is not required to register as a lobbyist under Article V of Chapter
73 19A because of that advocacy.

74 (f) The Board of Directors of a nonprofit corporation or the governing body
75 of a public educational institution must direct the program, management,
76 and finances of the Workforce Development [Corporation] Organization.

77 **15A-11. Status; incorporation; bylaws.**

78 (a) To qualify as the County's Workforce Development [Corporation]
79 Organization, [the] a nonprofit Corporation's articles of incorporation
80 must provide that the Corporation is:

- 81 (1) a Maryland nonprofit, non-stock corporation, the purposes and
 82 activities of which are limited to those that are permitted to be
 83 promoted or performed by a corporation that is recognized as
 84 exempt from federal income tax under 26 U.S.C. § 501, as
 85 amended;
- 86 (2) not an instrumentality of the County;
- 87 (3) incorporated for the purpose of serving as the County's Workforce
 88 Development [Corporation] Organization and implementing the
 89 County's workforce development policies, as established by the
 90 Workforce Development Board;
- 91 (4) organized and operated under the laws of the State of Maryland;
 92 and
- 93 (5) headquartered in the County.
- 94 (b) [The] The bylaws of a nonprofit corporation designated as the County's
 95 Workforce Development [Corporation's] Organization [bylaws] may
 96 contain any provision necessary to govern and manage the Corporation
 97 that does not conflict with this Article. The Corporation may exercise all
 98 powers and is subject to all requirements which apply to non-stock
 99 corporations under the Corporations and Associations Article of the
 100 Maryland Code.
- 101 (c) A public educational institution designated as the County's Workforce
 102 Development Organization must be created under the laws of Maryland
 103 and headquartered in the County.

104 **15A-12. Workforce development program.**

- 105 (a) The Workforce Development [Corporation's] Organization [Board of
 106 Directors] must recommend workforce development programs and
 107 associated performance measures to the Executive, Council, and

108 Workforce Development Board each year to advance the policy
109 objectives listed in Section 30B-8.

110 (b) The Workforce Development [Corporation's] Organization's workforce
111 development programs may include a plan for sponsorship of private
112 investment, marketing, and advocacy initiatives.

113 (c) The Workforce Development [Corporation] Organization should make
114 every effort to include in its workforce development programs a pre-
115 apprenticeship job training program that:

116 (1) is designed to prepare individuals to enter and succeed in an
117 apprenticeship program registered by the Maryland
118 Apprenticeship and Training Council; and

119 (2) includes:

120 (A) training and curriculum that prepares participants with the
121 skills and competencies to enter one or more of the
122 Maryland-registered apprenticeship programs that prepare
123 workers for careers in the clean energy and environment
124 industry, including jobs related to:

125 (i) renewable energy;

126 (ii) energy efficiency;

127 (iii) energy storage;

128 (iv) resource conservation;

129 (v) environmental protection; and

130 (vi) advanced transportation;

131 (B) a documented strategy for increasing apprenticeship
132 opportunities for underemployed and unemployed
133 individuals; and

134 (C) rigorous performance and evaluation methods to ensure
135 program efficacy and continuous improvement.

136 (d) The Workforce Development [Corporation's] Organization's [Board]
137 governing body and staff must meet with the Executive, the Council, and
138 the Workforce Development Board at least annually regarding the
139 Workforce Development [Corporation's] Organization's activities and
140 finances.

141 **15A-13. Staff; support from County Government.**

142 (a) The Office of Management and Budget, the Department of Finance, and
143 other departments of County government and County-funded agencies, if
144 the Workforce Development [Corporation's] Organization's Board of
145 Directors or governing body requests, should provide relevant economic
146 data to the [Corporation] Organization. The research division of the
147 County Planning Board must provide research support to the
148 [Corporation] Organization to the extent approved by the Council as part
149 of the Planning Board's work program.

150 (b) The Workforce Development [Corporation] Organization may raise
151 public and private funds and may accept services from any source
152 consistent with its purposes.

153 (c) The Workforce Development [Corporation] Organization must:

154 (1) make public data sets available on the web to:

155 (A) improve public knowledge of the [Corporation]
156 Organization and its operations;

157 (B) further its mission; or

158 (C) increase its accountability and responsiveness; and

159 (2) provide the Executive, the Council, and the Workforce
160 Development Board, upon request, all non-confidential data

161 produced and received by the Corporation, including research,
 162 economic data, and minutes of Board meetings.

163 **15A-14. Report.**

164 The Workforce Development [Corporation's] Organization's Board of
 165 Directors or governing body must report annually on the activities and finances of the
 166 [Corporation] Organization and provide an audited financial statement of the
 167 [Corporation] Organization to the Executive, the Council, and the Workforce
 168 Development Board by November 1 of each year. The report must also include the
 169 [Corporation's] Organization's plan to solicit and receive additional public and private
 170 funding for its operations.

171 **Sec. 2. Expedited Effective Date.**

172 The Council declares that this legislation is necessary for the immediate
 173 protection of the public interest. This Act takes effect on the date on which it becomes
 174 law.

175 *Approved:*

176

Nancy Navarro, President, County Council

Date

177 *Approved:*

178

Marc Elrich, County Executive

Date

179 *This is a correct copy of Council action.*

180

Megan Davey Limarzi, Esq.
 Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 19-19

Economic Development – Workforce Development – Amendments

DESCRIPTION: Expedited Bill 40-15, Economic Development – Workforce Development – Amendments, enacted by the Council on October 13, 2015 and signed into law on October 18, 2015, required the Council to designate a nonprofit corporation as the County’s Workforce Development Corporation. Worksource Montgomery is currently designated as the County’s Workforce Development Corporation. Bill 19-19 would authorize the Council to designate either a nonprofit corporation or a public educational institution, or both, as the County’s Workforce Development Organization.

PROBLEM: Current law does not permit the Council to designate a public educational institution as its Workforce Development Organization.

GOALS AND OBJECTIVES: The goal is to open additional potential organizations to be designated as the County’s Workforce Development Organization.

COORDINATION: CAO, Finance, MCEDC

FISCAL IMPACT: OMB

ECONOMIC IMPACT: Finance

EVALUATION: To be done.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A