



**Committee:** ECON  
**Committee Review:** Completed  
**Staff:** Essie McGuire, Senior Legislative Analyst  
**Purpose:** To make preliminary decisions – straw vote expected  
**Keywords:** #WorkSource Montgomery

AGENDA ITEM #18  
 May 12, 2023  
**Worksession**

## SUBJECT

WorkSource Montgomery (WSM) Non-Departmental Account (NDA) FY24 Operating Budget

## EXPECTED ATTENDEES

Anthony Featherstone, Executive Director, WSM  
 John Hattery, Deputy Director, Workforce Services, WSM  
 Naté Gordon, Deputy Director, Administrative Services, WSM  
 Jewru Bandeh, Director, Eastern Regional Office  
 Julie Knight, Fiscal and Policy Analyst, Office of Management and Budget

## FY24 COUNTY EXECUTIVE RECOMMENDATION

### Summary of FY24 Recommended Changes, WorkSource Montgomery NDA

WorkSource Montgomery Non-Departmental Account	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
<b>Total Expenditures (General Fund)</b>	<b>\$2,172,594</b>	<b>\$2,235,873</b>	<b>2.9%</b>
Personnel Costs	\$0 0.00 FTEs	\$0 0.00 FTEs	0.0% 0.00 FTEs
Operating Costs	\$2,172,594	\$2,235,873	2.9%
<b>Total Expenditures (All Funds)</b>	<b>\$2,172,594</b> <b>0.00 FTEs</b>	<b>\$2,235,873</b> <b>0.00 FTEs</b>	<b>2.9%</b> <b>0.0%</b>

- The Executive recommends an additional \$63,279 for the WSM NDA to support an “increase in back office operations and healthcare benefit rates”.

## COMMITTEE RECOMMENDATIONS

- The ECON Committee placed the Executive’s recommended increase of \$63,279 on the reconciliation list as High Priority; this increase is needed to continue core operations of the County’s workforce development entity.
- The Committee took a reduction of \$158,000 to reflect unspent carryover appropriation from FY23 funding for the Coding Our Way Home program.

## SUMMARY OF KEY ISSUES

- This NDA was created in FY17 to fund the County’s designated workforce development corporation. This organization implements the County’s workforce development policies to promote job growth and talent attraction. The NDA funding supports overall operating expenses; re-entry program; training for immigrants; and Summer RISE.
- Most of the organization’s funding is supported through the Federal grants for the Workforce Opportunity and Innovation Act (WIOA).
- WSM also receives County funds through the Department of Health and Human Services (DHHS) and the Department of Correction and Rehabilitation (DOCR) to provide services directly with those departments.
- The FY24 budget recommendation is largely for same services in terms of County funds. For FY23, WorkSource Montgomery received a 50% increase in County funding through the NDA, largely to support two new initiatives and additional funds for stipends for the Summer RISE program. The total increase was \$727,000 in FY23.
- At the ECON Committee worksession, WorkSource Montgomery described the implementation of the two new FY23 initiatives: employment and training services for new immigrants; and Coding Our Way Home, a new program as part of the work with DOCR. WSM anticipates spending approximately half of the \$317,000 allocated for this initiative in FY23, due to time spent resolving start up logistics. The Committee recommended a reduction of \$158,000 in FY24 funding to reflect the carryover of unspent FY23 funds; the anticipated carryover together with the new appropriation is intended to support full year implementation of this program in FY24.

### **This report contains:**

Staff Report

Pages 1-5

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**MEMORANDUM**

April 18, 2023

TO: Economic Development Committee

FROM: Essie McGuire, Senior Legislative Analyst

SUBJECT: **FY24 Operating Budget – WorkSource Montgomery (WSM) Non-Departmental Account (NDA)**

PURPOSE: Make recommendations for Council consideration

**Expected Participants:**

Anthony Featherstone, Executive Director, WSM  
John Hattery, Deputy Director, Workforce Services, WSM  
Naté Gordon, Deputy Director, Administrative Services, WSM  
Jewru Bandeh, Director, Eastern Regional Office  
Julie Knight, Fiscal and Policy Analyst, Office of Management and Budget

**Summary of FY24 Recommended Budget – WSM NDA**

	<b>FY23 Approved</b>	<b>FY24 CE Recommended</b>	<b>Change from FY23 Approved</b>
<b>General Fund</b>	<b>\$2,172,594</b>	<b>\$2,235,873</b>	<b>2.9%</b>
Personnel Costs	\$0 0.00 FTEs	\$0 0.00 FTEs	0.0% 0.00 FTEs
Operating Costs	\$2,172,594	\$2,235,873	50.3%
<b>Total Expenditures (All Funds)</b>	<b>\$2,172,594</b> <b>0.00 FTEs</b>	<b>\$2,235,873</b> <b>0.00 FTEs</b>	<b>2.9%</b> <b>0.0%</b>

- The Executive recommends an additional \$63,279 for the WSM NDA to support “increase in back office operations and healthcare benefit rates”.
- Council staff concurs with the Executive’s recommended appropriation for the WSM NDA.

- Under the Council President’s guidance, the increase would need to go onto the reconciliation list; Council staff recommends that it be placed on as a high priority as it is to continue core operations of the County’s workforce development entity.

## I. Budget Overview

The Executive’s recommendation for the WorkSource Montgomery NDA is attached on ©15. This NDA was created in FY17 to fund the County’s designated workforce development corporation. This organization implements the County’s workforce development policies to promote job growth and talent attraction.

The FY24 budget recommendation is largely for same services in terms of County funds. For FY23, WorkSource Montgomery received a 50% increase in County funding through the NDA, largely to support two new initiatives and additional funds for stipends for the Summer RISE program. The total increase was \$727,000 in FY23. WorkSource Montgomery provided updates on the new initiatives, which will be highlighted later in this memorandum.

## II. Organization Review

WSM’s mission is *to meet the talent attraction, development, and retention needs of strategic industries; to meet the needs of the underemployed and unemployed; and to develop career pathways that lead to sustainable wage jobs and support a thriving mission.* It advances the County’s economic development goals by identifying issues in the current workforce delivery system and partnering with businesses and government to address those issues. **An effective workforce delivery system is important because it ensures that talent development meets the needs of current and future businesses in the County.** In addition, an effective workforce delivery system provides crucial pathways to connect underemployed and unemployed residents to the workforce.

### A. FY24 Revenues

WorkSource Montgomery provided a detailed breakdown of the proposed FY24 budget revenues and expenditures (circle 16). WSM receives funding from multiple sources, of which the County is one; WSM receives County funding through other County departments as well in addition to the NDA. Council staff highlights the following summary elements:

- The NDA funding supports overall operating expenses; re-entry program; training for immigrants; and Summer RISE.
- Most of the organization’s funding is supported through the Federal grants for the Workforce Opportunity and Innovation Act (WIOA). Circle 16 indicates this is approximately \$6 million in FY24.
- In May 2022 the Council appropriated \$3 million of American Rescue Plan Act (ARPA) funding for WorkSource Montgomery with the following purpose: “Provides for the enhancement of existing COVID-19 recovery programs, including Upskill MoCo, Workforce Recovery Network, Grant Relief for Onboarding Workers, and youth

employment programs.” As of January 2023, all of these funds have been either spent or encumbered.

- Circle 16 identifies \$8.5 million in FY24 funding associated with the Blueprint for Maryland’s Future legislation. Council staff understands that these funds are within the FY24 State funding for Montgomery County Public Schools (MCPS); that this information is newly released following the legislative session; and that MCPS and WSM are currently working out the details of that funding and the associated work for the upcoming year. ***Council staff suggests that the Economic Development and Education and Culture Committees may want to receive a fuller briefing on this collaboration following budget, when more information is available.***
- WSM also receives County funds through the Department of Health and Human Services (DHHS) and the Department of Correction and Rehabilitation (DOCR) to provide services directly with those departments.

## B. FY24 Expenditures

The Council does not approve a line-item budget for WSM, but the County does execute a contract with the organization. **The Executive negotiates the contract, which details disbursement conditions and performance expectations, including reporting, for the County’s funding provided to the organization.** The Council may also choose to identify specific programs, expenditures, and/or reporting requirements through the Council’s budget resolution. Attached on ©38-46 is the set of deliverables and metrics reported to the County for the WSM contract through the first two quarters of FY23 (June-December 2022). Both WSM and Executive staff report that the deliverables for the FY24 contract are likely to remain the same. Executive staff will be available to discuss any questions that the committee may have about contracting with WSM for FY24.

## FY24 Program Areas

WSM implements numerous programs, including WIOA, to aid residents looking for a job or looking for a job with more sustainable wages. Council staff requested and WSM provided details about its FY23 efforts related to 1) talent attraction/retention of the County’s strategic industries; 2) job seekers; 3) operations of the AJC; 4) operations of the job center with the Department of Corrections and Rehabilitation (DOCR); 5) Summer RISE; and 6) WSM’s efforts generally. See ©1-13 for details about WSM’s responses. Below is a summary.

1. Talent attraction/retention of the County’s strategic industries. WSM provides both general services (e.g., access to State and WSM job board, hiring event coordination, etc.) and intensive services (e.g., paid work experience, on-the-job training, etc.) to businesses looking to hire. **WSM highlights the following metrics FY23 to date:**

FY23 New Employers Registered and Served	349
FY23 Total Employers Served	833
FY23 Total Business Services Offered	12,833

FY23 Total Resources Deployed to Business Community	\$1.478 million
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WSM also created and implemented the Grant Assistance for Onboarding Workers (GROW) in FY22 to assist businesses with grants equal to 50-75% of a new hire’s wages for the first twelve weeks of employment. This program has benefitted local businesses and unemployed or underemployed residents displaced by the pandemic.

2. Job seekers. WSM provides both general services (access to technology for job searching, professional development, etc.) and intensive services (e.g., wrap-around case management, job placement assistance) to job seekers. **Metrics on circles 38-39 indicate that WSM is meeting or exceeding goals related to placement of clients in jobs and 6 month retention for placements.** WSM also opened the Financial Empowerment Center in the Wheaton AJC to provide financial counseling and coaching for additional wrap around services for residents looking for a job. WSM also worked with local partners to provide sector-based trainings in 1) green pre-apprenticeship; 2) auto mechanic training; 3) Education Partnership for IT Careers; and 4) bio bootcamp with Montgomery College.

For FY24 WSM plans to deploy a new website with enhanced features and add paid certification programs to the SkillUp Montgomery platform to subsidize the cost of exams in certain certification areas.

3. American Job Centers and WIOA. The AJCs is a core function for WSM. WSM receives Federal funding through the State to support the operation and programs of these centers, and the County’s funding provides additional support. WSM assumed operational responsibility for the AJCs in July 2022.

WSM still contracts for the required WIOA youth services. WSM notes that it onboarded three service providers (Latin American Youth Center, Eckerd Youth Alternatives, and Identity, Inc.) to provide these services in the County in FY22. **WSM will be responsible for monitoring these contracts to meet the WIOA guidelines for youth services.**

4. Department of Corrections and Rehabilitation (DOCR) Job Center. The County supports a job center in DOCR’s Correctional Facility, including staff support outside of the facility. WSM partners with the County to administer these programs. The program includes 2.5 FTEs inside the Correctional Facility to provide direct services inside the facility and 2.0 FTEs outside for community-based efforts outside of the facility.
5. Reentry: Coding Our Way Home. WSM also implemented a new program in FY23, Coding Our Way Home, as part of its services with DOCR. A total of \$317,000 was added in FY23 for WSM to implement this new program. This program adds a training component of WSM’s efforts with the DOCR Job Center and includes community-based services offered at the AJC. WSM provided information about the new program on 8-9, and indicated that due to start up timelines, only a portion of the FY23 funding was expended; however, WSM anticipates full implementation and expenditure in FY24.

6. Summer RISE Program. Program administration was shifted to the Montgomery County Public Schools (MCPS) in FY20 for this program. WSM continues to partner with MCPS and the County Government to provide programmatic support and funding for the student stipends. The program was limited in FY21 due to the pandemic, but it operated in FY22 (i.e., Summer 2021). Additional funds were added in FY23 to expand the participation in Summer 2022. The Summer RISE 2022 Report is attached on circles . **WSM reports that 1,300 students registered to participate, and 644 students successfully completed the program in FY23.** For FY24, WSM will provide a \$500 stipend to each student through the County’s annual appropriation in this NDA.
  
7. Employment and training services for immigrants. In FY23 \$350,000 was added to the NDA for WSM to implement this new program. WSM provided more details on ©6. The program is designed to offer employment and training services directly to immigrant and refugee residents in the County. WSM reports that three partners were selected to provide the services: El Poder De Ser Mujer; ASM Education Center,; and Identity Inc. Over 100 individuals are currently being served through these partners.

**Council staff concurs with the Executive’s recommended appropriation for the WSM NDA** and recommends that it be placed on the reconciliation list as a high priority as it is to continue core operations of the County’s workforce development entity.

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