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GOVERNOR'S WORKFORCE INVESTMENT BOARD

REPORT TO THE GENERAL ASSEMBLY
HOUSE BILL 757

TASKFORCE ON DEVELOPMENT OF EDUCATIONAL PROGRAMS TO AID
UNEMPLOYED STATE RESIDENTS

SUBMITTED
BY THE
GOVERNOR'S WORKFORCE INVESTMENT BOARD

June 2015

Task Force Overview

Charge

Established by Chapter 359 of the 2011 Laws of Maryland, the Task Force on Development of Education Programs to Aid Unemployed State Residents (HB 757) provides that a task force shall make recommendations regarding an individual educational training account pilot program and a pathway for academic career and employment program to provide grants to community colleges for the development of projects. This will be achieved by identifying the workforce needs and the education and training requirements of employment fields with available or growing opportunities; identifying the workforce and education and training needs of regions of the State that have high levels of unemployment; and examining the use of individual educational training accounts by other states that assist state residents in paying for education and training programs.

Structure

The Task Force on Development of Educational Programs to Aid Unemployed State Residents is composed of 13 members, as outlined by the legislation, representing the General Assembly, State businesses, labor organizations, and State government. The Governor's Workforce Investment Board (GWIB) staffs the Task Force.

Task Force Members

▪ Delegate Keiffer Mitchell, Jr. State of Maryland	▪ Tina Bjarekull President Maryland Independent Colleges & Universities Association
▪ Alexander M. Sanchez Secretary, Department of Labor, Licensing and Regulation	▪ Fred Mason, Jr. President, Maryland State and District of Columbia AFL-CIO
▪ Angela Thornton Office of Strategic Initiatives Department of Business & Economic Development	▪ Ed Gillespie President Maryland Association of Private Colleges & Career Schools
▪ Ben Passmore Assistant Vice Chancellor for Administration & Finance University System of Maryland	▪ Frank Chaney Chairman of the Board Chaney Enterprises
▪ Marlene Lieb Associate Vice President for Continuing Education & Training Harford Community College	▪ Kathleen Weiss Executive Director Biotech Institute of Maryland, Inc.
▪ Andrew Larson National Project Coordinator International Union of Painters & Allied Trades	▪ Dean Kendall Associate Director for Workforce Development Maryland Higher Education Commission
▪ Trudy Chara Special Assistant Division of Workforce Development & Adult Learning	▪ Lynn Reed Executive Director Governor's Workforce Investment Board

BACKGROUND ON INDIVIDUAL TRAINING ACCOUNTS (ITAs)

WORKFORCE INVESTMENT ACT OF 1998

The purpose of the Workforce Investment Act of 1998 (WIA) is to provide workforce development services, through statewide and local workforce investment systems, which increase the employment, retention and earnings of participants, increase occupational skill attainment by participants, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the State of Maryland.

WHAT ARE INDIVIDUAL TRAINING ACCOUNTS?

An Individual Training Account (ITA) is a training account established on behalf of a participant in a One-Stop Career Center essentially a voucher given to customers who need occupational skills training to become gainfully employed or re-employed. Under Title I of WIA, adults and dislocated workers purchase training services from eligible providers they select in consultation with the career counselor. The ITA represents a cornerstone of self-selection established by the WIA.

The WIA was an important shift for the workforce system, away from contract-based training and in favor of individual training accounts. This shift was intended to give customers greater flexibility and control over their training decisions. While WIA required that local workforce agencies use ITAs for most training, it also granted these agencies flexibility in how to structure and manage these individual accounts.

Customers use their ITAs to purchase training slots in any program on an eligible program/provider list, with the assistance of career counselors. They can select only from programs on the statewide program/provider list. If a program is not on the list, WIA cannot pay the cost of attendance. The WIA requires that programs, not providers, be approved for ITAs. Prospective training providers must submit an application for each program of study to the Maryland Higher Education Commission. WIA requires an annual re-determination of ITA program eligibility.

Local Workforce Investment Boards (LWIBs) may establish monetary and time limits for an ITA, and generally, the monetary limit is several thousand dollars. LWIBs also analyze the local industry needs and labor market demand, in order to provide targeted training for customers. The ITA must be approved by whomever the LWIB designates (career counselor, a committee, a representative of the local board), striking a balance between accountability for training funds and effective customer service.

ELIGIBLE TRAINING PROVIDERS

The WIA designates some providers and their programs as automatically eligible for certification on the eligible program/provider list. These include universities, colleges, community colleges, technical institutes, some proprietary schools and apprenticeship programs. Those who may apply for inclusion on the list are vocational-technical schools, community-based organizations, private training companies, labor organizations, employer organizations, private individuals, and local boards who have met certain conditions. Others are post-secondary educational institutions wishing to receive training funds for a program, which does not lead to an associate or baccalaureate degree of certificate or are not funded under Title IV of the higher Education Act of 1965; and apprenticeship programs not registered with the Federal Bureau of Apprenticeship Training. Providers must submit information with their application addressing each program they would like included on the statewide eligible provider list because U. S. Department of Labor Employment & Training Administration requires that programs, not providers, be certified. The Maryland list may be viewed at the Maryland Higher Education Commission website, under career training.

The market-driven nature of the ITA system allows eligible programs to compete to attract customers; however, there is no guarantee a customer will ever select a particular provider, and thus training programs in demand occupations with successful results may attract more customers.

BOARD/STAFF ROLES

ITAs are the responsibility of the Local Workforce Investment Boards (LWIBs). They may establish ITA funding limits, length of time, mechanisms for payment, etc. LWIBs identify local training needs through consultation with area businesses. ITAs are provided based on critical local workforce needs, such as economic development priorities, occupations in demand in the area, expected wage levels, funds available, and performance parameters. ITAs may be limited by dollar amount and/or duration.

One-Stop Career Center counselors aid customers in discovering their interests and skills, determining eligibility for programs, and selecting suitable training programs. Counselors provide guidance on selection, but the customers make the ultimate decision, choosing from the State approved list.

ITA USAGE IN MARYLAND

Maryland has a longstanding and successful history of ITA use in all 12 LWIBs. The Maryland Higher Education Commission (MHEC) approves programs submitted for consideration by the LWIBs and the list appears on its website, under "Career Education;" yet, these changes annually, as all programs must be re-approved. Approved programs for use with ITAs are found in every community college in Maryland.

Examples from within the State of Maryland:

Anne Arundel County
- The ITAs apply to the costs of tuition, required books and necessary fees
- The LWIB has approved a per-individual training ITA limit of $5,000 over a period of three years
- Customers must first apply for Pell grants

Baltimore City
- Customers approved for training have ONE opportunity to begin training
- Customers who are referred to an ITA must have received a WIA Core and Intensive service
- ITA applications are limited to two courses, and these courses must be ones that increase the customer's ability to obtain a job that leads to self-sufficiency and provide a certificate of completion

Baltimore County
- ITA system makes funds available to County residents and non-residents who are either employed by a County business or have been laid off by a County business
- Provides the State list of providers, as well as information on how well these providers performed
- Customers are limited to training that can be completed in twenty-four months or less
- The training limit is $3,000 for each ITA

Mid-Maryland
- ITA limits on duration and value are based on individual needs and circumstances
- Currently, the ITA limit for dislocated workers is $8,000 and $4,000 for adults
- Mid-Maryland supports training that includes career pathways

The following chart highlights outcomes on the success of ITAs in Maryland for Program Years 2012, 2013 and 2014 (not an entire year; June is not included). In PY14, a total of 629 individuals, which includes adults, dislocated workers and youth, received training through the use of ITAs. Of those 629, 86 have completed their training and exited the system. For the 11 months of PY13 provided here, 752 are receiving training through the use of ITAs, and 141 have exited. 38 have been placed in jobs.

ITA USE IN MARYLAND										
Program Year	Dates	Adult	Percent	Displaced Worker	Percent	Youth	Percent	Total (Unduplicated)	Exited	Of Those Who Have Exited, Number Placed in either 1, 2 or 3rd Qtr After Exit
PY10	7-1-10 to 6-30-11	570	62%	458	50%	7	1%	913	604	417
PY11	7-1-11 to 5-31-12	453	58%	372	48%	0	0%	779	64	15
PY12	7-1-12 to 3-31-13	401	48%	371	44%	0	0%	843	223	110
PY13	7-1-13 To 6-30-14	426	57%	389	52%	0	0%	752	141	38
PY14 Qtr. 3	7-1-14 To 3-31-15	409	65%	259	41%	0	0%	629	86	34
Source: DLLR, 5/2015										

EMPLOYMENT FIELDS WITH AVAILABLE OR GROWING OPPORTUNITIES

Maryland is divided into 12 workforce investment areas encompassing single counties or groups of counties.
These are:

- Anne Arundel County
- Baltimore City
- Baltimore County
- Frederick County
- Lower Shore (Somerset, Wicomico and Worcester Counties)
- Mid-Maryland (Howard and Carroll Counties)
- Montgomery County
- Prince George's County
- Southern Maryland (Calvert, Charles and St. Mary's Counties)
- Susquehanna Region (Cecil and Harford Counties)
- Upper Shore (Caroline, Dorchester, Kent, Queen Anne's, and Talbot Counties)
- Western Maryland (Allegany, Garrett and Washington Counties)

The following chart, "Top Ten Fastest Growing Occupations by Region" demonstrates the projected fastest-growing occupations in each of the 12 regions. The numbers appearing in the chart are the rankings between one and 10 given each occupation within each region, with the higher rankings indicating more need. The occupations are weighted by both their rankings in each region, and by how many regions in which they appear. The top occupation is the number one occupation in many regions, and each one under that appears in fewer regions and/or has a lower ranking.

The educational level needed for each occupation is given. Please note that the four of the first eight occupations involved computing skills, and also require a Bachelor's Degree or higher. However, entry to the computing skills group of occupations may be gained by shorter-term certification training, available in community colleges, private post-secondary schools and most high schools.

Six health-related occupations are included on the list. Again, some (such as Physical Therapist) require a high level of education, but entry to the field may be gained by much shorter training in certain areas. Certified Nurse Assistant or Medical Billing and Coding training are examples of entry-level positions requiring just several months of training.

Career ladders exist for these two groups of occupations and others that can lead those in entry-level positions to higher, and better paying, jobs.

Occupations that appeared in only one region are not included on the chart. Some of those are: radiation technician, market representative, massage therapist, management analyst, respiratory therapist, substance abuse counselor, interviewer, customer service representative, paralegal, computer and information system analyst, home health aide, real estate agent, medical secretary, medical and public health social worker, licensed practical nurse, landscaping worker and bill and account collector.

TOP TEN FASTEST GROWING OCCUPATIONS BY REGION (2008-2018)

Occupation	Education Level	AA County	Balto. City	Balto. County	Fred. County	Lower Shore	Mid-MD	Montg. County	Prince George's	So. MD	Susque. Region	Upper Shore	Western MD
Network Systems & Data Comm. Analysts	Bachelor's Degree or Higher	1	9	1	1		1	1	1	1		1	
Network & Computer Systems Administrator	Bachelor's Degree or Higher	4	1	9	5		9		7	4			
Pharmacy Technician	Vocational/Technical Training		3					5	6	8	8	3	1
Computer Software Engineer, Applications	Bachelor's Degree or Higher	5	7	6	4		4		3	3			
Fitness Trainer	Vocational/Technical Training	9	2			3					6	2	8
Personal & Home Care Aide	High School or Less		4	8		8		3				10	3
Registered Nurse	Vocational/Technical Training	6			8	10	8	10		10			
Computer Software Engineer, Systems Software	Bachelor's Degree or Higher	7			2		10		5	2			
Accountant	Bachelor's Degree or Higher				9	7						8	5

Dental Assistant	High School or Less	3									7	9	10
Medical Assistant	High School or Less	2	5								5		
Personal Financial Advisor	Bachelor's Degree or Higher			2				7				7	
Preschool Teacher	Vocational/Technical Training				3			6			9		
HVAC Mechanic	Vocational/Technical Training			3					10				6
Physical Therapist	Bachelor's Degree or Higher					2		4					
Tellers	High School or Less			4							2		
Loan Officer	High School or Less			7							1		
Compliance Officer	High School or Less							2					7
Computer Systems Analyst	Bachelor's Degree or Higher				6					5			
Instructional Coordinator	Bachelor's Degree or Higher								4			5	
Social & Human Services Assistant	High School or Less										3		9

Compensation, Benefits & Job Analysis Specialist	Bachelor's Degree or Higher		5			9					
Special Education Teachers, Pre-school, Elementary	Bachelor's Degree or Higher						9			6	
Civil Engineer	Bachelor's Degree or Higher		10					6			
Training & Development Specialists	Bachelor's Degree or Higher	10			7						
Bus Drivers	High School or Less	8							10		
Source: DLLR, 5/2015											

This data was collected prior to the full impact of BRAC on the Susquehanna region of the State. According to studies done by the regional WIB, the top five areas of growth now are:
- computer software engineer, applications
- computer software engineer, systems software
- network systems and data communications administrators
- network and computer systems administrators
- logistics and contracting administrators

TOP DEMAND OCCUPATIONS BY EDUCATION LEVELS

One mandate of the legislation is to identify the education and training requirements in growing employment fields. The following chart is a list of top demand occupations arranged by education level, and illustrates the occupations with greatest openings over 2008-2018. This chart also provides the median wage for someone working in each occupation. Clearly, those occupations requiring the highest level of training also returns the highest level of earnings. Again, five of the 12 listed in the first group are computer-related, and these occupations have career ladders that begin with certifications that can be obtained through providers on the State approved list.

TOP DEMAND OCCUPATIONS BY EDUCATION LEVELS		
Occupation	2008-2018 Total Openings	Median Wage
Bachelor's Degree or Higher		
General & Operations Manager	15,815	$97,250
Accountant & Auditor	10,910	$55,375
Elementary School Teacher, Except Special Education	10,760	$64,675
Secondary School Teacher, Except Special & Vocational Education	9,125	$58,200
Management Analyst	7,590	$80,675
Network Systems & Communications Analyst	6,325	$82,500
Middle School Teacher, Except Special & Vocational Education	5,890	$61,050
Computer Systems Analyst	5,425	$79,650
Computer Software Engineer, Systems Software	4,955	$98,950
Computer Software Engineer, Applications	4,360	$93,500
Network & Computer Systems Administrator	4,265	$82,725
Medical & Health Services Manager	2,380	$93,800
Vocational/Technical Training or Associate's Degree		
Registered Nurse	20,415	$73,925
Nursing Aide, Orderly & Attendant	8,730	$27,375
Licensed Practical Nurse	5,535	$48,375
Computer Support Specialist	5,110	$47,650
Hairdresser, Hairstylist, & Cosmetologist	3,980	$28,050
Fitness Trainer & Aerobics Instructor	3,490	$19,500

Automotive Service Technician & Mechanic	3,320	$42,925
Insurance Sales Agent	2,865	$38,575
Preschool Teacher, Except Special Education	2,605	$25,550
Real Estate Sales Agent	2,410	$63,925
Heating, Air Conditioning & Refrigeration Mechanic & Installer	2,245	$29,900
Welder, Cutter, Solderer, & Brazier	1,180	$31,575
High School or Less		
Retail Salesperson	67,455	$20,500
Cashier	35,610	$18,725
Waiter & Waitress	27,530	$17,325
Customer Service Representative	16,975	$33,775
Office Clerk, General	16,330	$29,000
Combined Food Preparation & Serving Worker, Including Fast Food	16,300	$17,975
Janitor & Cleaner, Except Maid and Housekeeping Cleaners	13,555	$23,500
Counter Attendant, Cafeteria, Food Concession & Coffee Shop	12,135	$16,200
Laborer & Freight, Stock, & Material Mover	11,870	$25,050
Stock Clerk & Order Filler	10,745	$22,500
Security Guard	8,895	$28,550
First-Line Supervisor/Manager of Retail Sales	8,530	$42,125
Source: DLLR, 5/2015		

The source for the educational levels needed in certain occupations is the Department of Labor, Licensing and Regulations' Office of Workforce Information and Performance. The Task Force agrees that some of these levels do not accurately reflect current conditions. They support the *Skills to Compete* initiative promoting middle skills and some post-secondary education for all Marylanders.

UNEMPLOYMENT BY REGION

The intent of H.B. 757 is to aid those individuals who are unemployed to gain the skills they need to find employment through the use of ITAs. The following chart illustrates the regions in the State that have the highest unemployment rate. The chart gives that rate from highest to lowest going down the page, so the Lower Shore Region has the highest rate for the first four months of 2014, although Baltimore City's rate was highest in 2010. It now holds second place, followed by the Upper Shore. Montgomery County has had the lowest rate over the past three and a half years.

UNEMPLOYMENT RATE BY REGION			
Region	2014	2013	2012
Anne Arundel County	5.2	5.8	6.1
Baltimore City	8.7	9.9	10.3
Baltimore County	6.2	7.0	7.4
Frederick County	5.1	5.8	6.1
Lower Shore (Somerset, Wicomico, Worcester Counties)	8.9	10.0	10.5
Mid-Maryland (Howard, Carroll Counties)	4.6	5.1	5.4
Montgomery County	4.4	5.0	5.2
Prince George's County	5.9	6.7	7.1
Southern Maryland (Calvert, Charles, St. Mary's Counties)	5.5	6.2	6.4
Susquehanna Region (Cecil, Harford Counties)	6.0	6.9	7.4
Upper Shore (Caroline, Dorchester, Kent, Queen Anne's, Talbot Counties)	6.2	7.1	7.8
Western Maryland (Allegany, Garrett, Washington Counties)	6.8	7.7	8.1
Maryland	5.8	6.6	7.0
U.S.	6.2	7.4	8.1
Source: DLLR, 5/2015			

ITA USAGE IN OTHER STATES

All states use ITAs to provide training. Most aspects of their use are described in the WIA, but states or local boards may impose limits on ITAs, such as limitations on the dollar amount and/or duration. Limits on ITAs may be in place that prohibits an individual's participation based on the identified needs in the individual employment plan, or a range of amounts and/or a maximum amount for all ITAs may be established. The following are examples of ITA usage in other states:

Georgia
- The State determines the training programs allowed for clients using ITAs after the training provider's program is evaluated and approved by a local WIB
- The decision ultimately rests with the customer
- LWIBs will identify local training needs
- A LWIB may choose not to pay for an Eligible Provider List-approved training program with WIA ITA funds based on its locally determined need for that training, labor market information, cost and performance limits, etc.

Massachusetts
- Client can use any One-Stop in the Commonwealth
- The cost of books, fees, equipment, and other training support services are included in ITAs
- State List of Eligible Providers must be available to all customers
- Local boards are responsible for establishing ITA limitations on amount, duration and number allowable per customer
- LWIBs determine the training programs allowed for clients using ITAs

New Mexico
- Training can be no more than 104 weeks within a five-year period and may not exceed $7000
- Training may be longer or require more funding, however, the difference must be made up by individual or through other funding sources

New York
- The local staff performing the comprehensive assessment and identifying the training program with the client is authorized to develop and submit the ITA for funding approval
- The State identifies demand occupations and associated training programs
- The State bases supplemental funding decisions on a local area's ability to expend funding for training and withhold future supplemental funds from a local area that does not fulfill the requirements of the ITA policy
- The State prioritizes demand occupations and associated training programs for use of supplemental funding

RECOMMENDATIONS

The Task Force recommends the continued use of the ITA program in Maryland, with the integration of the Career Pathways model. This model is a systems approach to providing integrated education, occupational training, and employment opportunities to adults. The model is based on articulated strategies that include the public workforce system, educational institutions, human service agencies, community-based organizations and employers. Successful programs make extensive use of wrap-around services, including subsidies for transportation, childcare, income supports and other needs-related payments.

The GWIB continues to promote the Career Pathways Local Implementation Planning Grant administered by the Department of Labor, Licensing and Regulation – Division of Workforce Development and Adult Learning (DLLR-DWDAL), in partnership with the Upper Shore Workforce Investment Board and Chesapeake College. The purpose of the grant is to design a plan and implement a pilot program that will enable individuals to secure jobs or advance in a demand industry or occupation.

The pilot project focuses on recruitment of English Language Learners into a Certified Nursing Assistant (CNA) Program. The Upper Shore WIB, in close coordination with Chesapeake College, completed the implementation plan in 2011, which included the following key components:

- Development of an enhanced partnership between adult education, workforce and the community college to fully address all issues related to implementation of the Career Pathways Implementation Planning Grant;
- Use of labor shed information to identify industry needs and career pathway options and ensure a real pathway out of poverty;
- Engagement of key industry leaders in the design of programs of study, identification of industry certifications, and assistance in work experience placement, work study, and/or placement into employment;
- Infusion of career development and financial literacy into the existing curriculum.

The Task Force recommends:

- The inclusion of the Career Pathways model in any plan to move the unemployed through training and into jobs;

- The need for DLLR to work with MHEC in revisiting the method in which potential programs are approved for the training list; these programs require qualification and ongoing certification based on tracking successful completers of the educational activities, courses or programs. This has proven to be a considerable burden on programs and the number of programs on the approval list has been declining;

- The Maryland Longitudinal Data System (MLDS) has the potential to effectively address this barrier to tracking. The MLDS will considerably enhance the ability of state organizations to track students from educational programs into the workforce. The centralization of follow-up tracking of students passing through these workforce training programs with the MLDS Center could allow the State to perform this task at a fraction of the current cost, relieve the education providers of a burden, and eliminate the barrier to the inclusion of critical education programs in the WIA and ITA programs.