MARYLAND

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 2013

SUMMARY

The Task Force on Development of Education Programs to Aid Unemployed State Residents came into being with the passage of HB 757 during the 2011 Legislative Session. The legislation requires that the Task Force report annually on the use of individual educational training accounts in the Maryland workforce system. The first report was issued by the Task Force in June, 2012, and this is the second annual report. All data presented here is current and accurate, while the original template remained the same.

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) provided 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. The initial goals of the Task Force were to identify the workforce needs and the education and training requirements of employment fields with available or growing opportunities; identify the workforce and education and training needs of regions of the State that have high levels of unemployment; and examine 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 Task Force is staffed by the Governor's Workforce Investment Board (GWIB).

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 (Former)	▫ 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
▫ Dean Kendall Associate Director for Workforce Development Maryland Higher Education Commission	▫ Kathleen Weiss Executive Director Biotech Institute of Maryland, Inc.
▫ Andrew Larson National Project Coordinator International Union of Painters & Allied Trades	▫ Lynn Reed Executive Director Governor's Workforce Investment Board
▫ Zoann Parker Associate Vice President for Continuing Education & Training Harford Community College	

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 an account established on behalf of a participant in a One-Stop Career Center; essentially, it is 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 individual choice established by the WIA.

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

Customers use 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, the WIA funding 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 (MHEC). The WIA requires an annual re-determination of ITA program eligibility.

Local Workforce Investment Boards (LWIBs) may establish monetary and time limits for an ITA. 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 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 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 and 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 on the MHEC website, under "Career Training" (http://www.mhec.maryland.gov/career/index.asp).

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 LWIBs. They may establish criteria for ITA funding limits, length of time, mechanisms for payment, etc. LWIBs identify local training needs through consultation with area businesses, and 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 also 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 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 Local Workforce Investment Areas. MHEC approves programs submitted for consideration by the LWIBs, and the list appears on its website, under "Career Training". This list 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:

Baltimore County
- ITA system makes funds available to County residents and non-residents who are either employed or have been laid off by a County business;
- Provides the State list of providers, as well as information on how well these providers perform;
- Customers are limited to training that can be completed in 24 months or less; and
- 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; and
- Mid-Maryland supports training that includes career pathways.

Frederick County
- Provides training for dislocated workers and those currently unemployed;
- Training provided has included programs such as Nursing Assistant, truck driving, project management and Six Sigma; and

□   Have agreements with several local schools, but training program sites are not limited to the County nor to Maryland.

Lower Shore

□   Training focuses on high-demand industry sectors in Somerset, Wicomico and Worcester Counties;
□   Applicants research current local labor market demands for their occupational interest and contact local employers to obtain information on hiring practices and conditions;
□   One-time training only;
□   Cannot exceed two years; and
□   Cost cannot exceed $8,900.

The following chart reflects successful outcomes from the ITAs in Maryland for Program Years 2010, 2011, and 2012 (not an entire year; April, May and June are not included). In PY11, a total of 914 individuals, which includes adults, dislocated workers and youth, received training through the use of ITAs. Of those 914, 173 have completed their training and exited the system. More than 67% of those who exited (117) were placed in jobs within nine months of their completion. For the nine months of PY12 provided here, 843 are receiving training through the use of ITAs, and 223 have exited. Of those, 110 have been placed in jobs, however, that number will increase as the first, second and third quarters since their exits pass.

				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 6-30-12	509	56%	424	46%	0	0%	914	173	15
PY12	7-1-12 to 3-31-13	401	48%	371	44%	0	0%	843	223	110

Source: DLLR, 5/2013

EMPLOYMENT FIELDS WITH AVAILABLE OR GROWING OPPORTUNITIES

Maryland is divided into the following 12 local workforce investment areas encompassing single counties or groups of counties:

- 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 10 Fastest Growing Occupations by Region" demonstrates the fastest-growing occupations in each of the 12 regions. The numbers appearing in the chart are the rankings between one and 10 given to each occupation within each region, with the lower numbers 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. It should be noted that five of the 16 occupations involve computing skills, and eight 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.

Only two health-related occupations are included on the list. Again, one (Physical Therapist) requires a high level of education, but entry to the field may be gained by much shorter training as a Physical Therapist Aide. Registered Nurse requires at least an Associate Degree, but 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 working in entry-level positions to higher, and better-paying, jobs.

Occupations that appeared in only one region are not included on the chart, including: accountant, computer systems analyst, waiter/waitress, post-secondary teacher, photographer, computer and information research scientist, speech-language pathologist, occupational therapy assistant, and healthcare practitioner.

TOP 10 FASTEST GROWING OCCUPATIONS BY REGION (2010-2020)

Occupation	Education Level	Anne Arundel	Balti. City	Balti. County	Fred. County	Lower Shore	Mid-MD	Montg. County	Prince George's	South. MD	Susque. Region	Upper Shore	Western MD
Registered Nurse	Vocational/Technical Training	8	1	1	3	2		2	1	1	6	1	7
Software Developer, Systems Software	Bachelor's Degree or Higher	1					1		9	8	1		
Truck Driver, Heavy Equip. & Tractor-Trailer	Vocational/Technical Training		2		1		8				3		1
Retail Salesperson	High School or Less	3		2	2	1	7	4	2	3	2	7	2
Computer Programmer	Bachelor's Degree or Higher	4	3	5	8		2	1	10		4		
Physical Therapist	Bachelor's Degree or Higher	6	5	4	9	4	10	5	4	2	8	2	3
Network & Computer Systems Administrator	Bachelor's Degree or Higher	2					4			9			
Occupational Therapist	Bachelor's Degree or Higher		9	7		3		3		4		9	
First Line Supervisor/Retail Sales	High School or Less	9		6	10	8		10	3	5	10	6	6
Customer Service Representative	High School or Less	10	4	3	5	5	6		8			10	4

8

TOP 10 FASTEST GROWING OCCUPATIONS BY REGION (2010-2012)													
Occupation	Education Level	Anne Arundel	Balti. City	Balti. County	Fred. County	Lower Shore	Mid-MD	Montg. County	Prince George's	So. MD	Susque. Region	Upper Shore	Western MD
First Line Supervisor/Food Prep. & Serving	Vocational/Technical Training			9	7	6			5	6		3	10
General & Operations Manager	Bachelor's Degree or Higher		8			7		9	6	7	7	4	8
Computer Systems Engineer	Bachelor's Degree or Higher	7					5				5		
Food Prep. & Serving Workers	High School or Less			10	6				7		9	5	9
Executive Secretary & Admin. Assistant	Vocational/Technical Training		6					8					
Software Developer, Applications	Bachelor's Degree or Higher	5					3						
Sales Manager	Bachelor's Degree or Higher		7			9							
Source: DLLR, 5/2012													

TOP IN-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 in-demand occupations arranged by education level, and illustrates the occupations with greatest openings over 2010-2020. This chart also provides the median wage for someone working in each occupation. Clearly, those occupations requiring the highest level of training also return the highest level of earnings. Again, five of the 13 listed in the first group are computer-related, with these occupations having career ladders that begin with certifications that can be obtained through providers on the State approved list.

TOP DEMAND OCCUPATIONS BY EDUCATION LEVELS		
Occupation	2010-2020 Total Openings	Median Wage
Bachelor's Degree or Higher		
General & Operations Manager	10,685	$111,774
Physical Scientist	5,265	$105,673
Software Developer, Systems Software	6,470	$105,550
Lawyer	4,020	$101,771
Information Security Analyst	4,235	$96,854
Computer Software Engineer, Applications	4,340	$96,682
Management Analyst	10,700	$90,393
Network & Computer Systems Architects & Admin.	4,285	$83,160
Computer Systems Analyst	5,495	$82,383
Accountant & Auditor	8,305	$68,689
Middle School Teacher	5,770	$64,111
Market Research Analyst & Marketing Specialist	4,175	$59,656
Media & Communication Worker	5,365	$37,840
Vocational/Technical Training or Associate's Degree		
Registered Nurse	22,020	$70,608
Computer Support Specialist	6,885	$50,312
Nursing Aide, Orderly, & Attendant	11,875	$27,448
Hairdresser, Hairstylist & Cosmetologist	5,535	$24,170
Nursing, Psychiatric, & Home Health Aide	20,515	$22,924
High School or Less		
First Line Supervisor/Manager of Construction Trades	4,820	$63,689
Executive Secretary and Administrative Assistant	4,765	$54,905

Carpenters	4,980	$42,349
First Line Supervisor/Manager of Food Prep. & Serving	4,590	$35,250
Truck Driver, Light or Delivery Services	4,785	$34,710
Landscaping & Groundskeeping Worker	9,165	$34,354
Cook, Restaurant	4,275	$24,191
Counter Attendant, Cafeteria, Food Concession	11,185	$18,682
Bartender	4,510	$18,494
Amusement & Recreation Attendant	4,215	$18,149
Source: DLLR, 5/2012		

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 labor market conditions. Additionally, they support the *Skills 2 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 gain the skills needed to find employment through the use of ITAs. The following chart illustrates regions in the State that have the highest unemployment rate. The Lower Shore Region has the highest rate for the first four months of 2013, although Baltimore City's rate was highest in 2012. It now holds second place, followed by Western Maryland. Montgomery County has had the lowest rate over the past three years.

UNEMPLOYMENT PERCENTAGE BY REGION			
Region	2013	2012	2011
Anne Arundel County	6.0	6.1	6.6
Baltimore City	9.9	10.2	10.5
Baltimore County	7.3	7.2	7.7
Frederick County	6.0	5.9	6.3
Lower Shore (Somerset, Wicomico, Worcester Counties)	11.5	9.7	10.5
Mid-Maryland (Howard, Carroll Counties)	5.4	5.4	5.8
Montgomery County	5.0	5.1	5.3
Prince George's County	6.7	6.8	7.2
Southern Maryland (Calvert, Charles, St. Mary's Counties)	5.9	5.9	6.2
Susquehanna Region (Cecil, Harford Counties)	7.8	7.3	7.9
Upper Shore (Caroline, Dorchester, Kent, Queen Anne's, Talbot Counties)	8.2	7.8	8.5
Western Maryland (Allegany, Garrett, Washington Counties)	8.8	8.3	9.2
Maryland	6.0	6.1	6.6
U.S.	7.7	8.1	8.9
Sources: DLLR, 5/2013, BLS, 5/2013			

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 prohibit an individual's participation based on the identified needs in the individual employment plan, or a range of amounts and/or a maximum amount established for all ITAs. The following are examples of ITA usage in other states:

New York
- Local staff performing the comprehensive assessment and identifying the training program with the client are 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 local areas that do not fulfill the requirements of the ITA policy; and
- The State prioritizes demand occupations and associated training programs for use of supplemental funding.

Delaware
- Income alone is not the only determinant of eligibility for ITA; experience, education, skills, and current employment are also considered;
- Eligibility does not guarantee a grant award or the amount of the grant;
- Processing for an ITA may take 4-6 weeks, sometimes longer depending on caseloads and funding;
- Potential students must visit at least two schools in order to make an informed decision; and
- After training, a 90 day follow up period occurs; if no employment is found, another 90 day period may follow.

Virginia
- Training must be in an occupation for which there is demand, an individual must have the qualifications to succeed in the program, and the case manager must have determined that occupational skills training through the ITA system is necessary for the client to secure fulltime employment;
- Virginia supports a "work first" philosophy, so that those who cannot find employment through Core and Intensive services will be those guided toward useing the ITA system; and
- The system is also designed to support incumbent worker training, so clients have the opportunity to develop enhanced work skills that are in demand by local employers.

West Virginia
- The potential ITA customer must be unable to obtain employment after receiving both Core and Intensive Services, and must have of score of 9 grade equivalent on the Reading and Total Math sections of the TABE 9 & 10 Survey Level D;
- Only one ITA per customer may be awarded in any three-year period;
- A maximum of $6,000 for 12 months of training will be given; this funding may be used for tuition, fees, books, supplies, tools and other training related expenses; and
- Each eligible participant will be required to enter into a Memorandum of Understanding with the LWIB.

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 Career Pathways local implementations. The Division of Workforce Development and Adult Learning (DLLR-DWDAL) invited local area teams of Adult Education, Continuing Education and Workforce Investment Board partnerships to attend a Career Pathways Institute for training. The purpose was to provide instruction on designing a plan and implementing a pilot program that will enable individuals to secure jobs or advance in a demand industry or occupations.

The teams must focus on industry sectors that will provide entry level employment opportunities for the participants. Planning grants were issued to eight local teams to continue the following work begun at the Institute:

- Development of enhanced partnerships among 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; and
- Infusion of career development and financial literacy into the existing curriculum.

The Task Force further recommends:

- 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 o f critical education programs in the WIA and ITA programs.