

**AGENDA ITEM 8**  
**July 16, 2019**  
**Public Hearing**

<b>Subject:</b> Public Hearing – Expedited Bill 19-19, Economic Development – Workforce Development - Amendments
<b>Purpose:</b> Public Hearing – no vote expected
<b>Analyst:</b> Robert H. Drummer, Senior Legislative Attorney <b>Committee:</b> PHED/E&C
<b>Keywords:</b> # MoCoWorkforceDevelopment Other search terms: economic development, public educational institutions, careers and jobs

**EXPECTED ATTENDEES**

None.

**DESCRIPTION/ISSUE**

Current law requires the Council to designate a nonprofit corporation as the County's Workforce Development Organization. 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**

July 11, 2019

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

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

PURPOSE: Public Hearing – no Council votes required

Expedited Bill 19-19, Economic Development – Workforce Development - Amendments, sponsored by Lead Sponsor Council President Navarro and Co-Sponsors Councilmembers Jawando, Riemer, Albornoz, Rice, and Vice President Katz, was introduced on June 18, 2019. A joint Planning, Housing and Economic Development/Education and Culture Committee worksession is tentatively scheduled for September 12.<sup>1</sup>

**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.

The Bill is an enabling act that does not change the current designation of Worksource Montgomery. Under existing law and under Bill 19-19 the Council designates the County’s Workforce Development Organization by resolution.

This packet contains:	Circle #
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<sup>1</sup>#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 24, 2019 Draft No. 3  
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

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Lead Sponsor: Council President Navarro  
Co-Sponsor: Councilmember Jawando, Riemer, Albornoz, Rice and Katz

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**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**

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

\* \* \*

*Heading or defined term.*

*Added to existing law by original bill.*

*Deleted from existing law by original bill.*

*Added by amendment.*

*Deleted from existing law or the bill by amendment.*

*Existing law unaffected by bill.*

*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.

**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 \_\_\_\_\_ Date  
 Nancy Navarro, President, County Council

177 *Approved:*

178 \_\_\_\_\_ Date  
 Marc Elrich, County Executive

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

180 \_\_\_\_\_ Date  
 Megan Davey Limarzi, Esq.  
 Clerk of the Council

## 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