



Montgomery  
County Council

**Committee:** PHED/EC  
**Committee Review:** Completed  
**Staff:** Robert H. Drummer, Senior Legislative Attorney *RHD*  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #LocalBusinesses, #MoCo4Growth

AGENDA ITEM #1  
October 1, 2019  
**Action**

## SUBJECT

Expedited Bill 19-19, Economic Development – Workforce Development – Amendments  
Lead Sponsor: Council President Navarro  
Co-Sponsors: Councilmembers Jawando, Riemer, Albornoz, Rice, and Council Vice President Katz

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

The Joint Committee recommends (5-0) enactment of the Bill as introduced.

## DESCRIPTION/ISSUE

Current law requires 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 increase the Council’s flexibility by authorizing the Council to designate either a nonprofit corporation or a public educational institution, or both, as the County’s Workforce Development Organization.

## SUMMARY OF KEY DISCUSSION POINTS

The Bill would not change the designation of Worksource Montgomery as the County’s Workforce Development Corporation.

### This report contains:


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Fiscal and Economic Impact statement	©10
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**MEMORANDUM**

September 26, 2019

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

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

PURPOSE: Action – Roll call vote required

**Planning, Housing and Economic Development/Education and Culture  
Committee recommendation (5-0): approve Bill as introduced**

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 Council Vice President Katz, was introduced on June 18, 2019. Three speakers testified at the public hearing on July 16. A joint Planning, Housing and Economic Development/Education and Culture Committee worksession was held on 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.

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<sup>1</sup>#MoCoWorkforceDevelopment

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

## **Public Hearing**

Kevin Beverly, Co-Chair of Montgomery Moving Forward supported the Bill because it would provide the County with additional tools to enhance workforce development in the County (©15-16). Ted Rose, Chair of the WorkSource Montgomery United Board, opposed the Bill (©17-18). Mr. Rose argued that his organization has accomplished much in the 3 years of its existence and changes in workforce development at this time would be counter-productive. Finally, Gordie Brenne, representing the Montgomery County Taxpayers League raised several questions about the Bill but did not state a formal position either supporting or opposing the Bill (©19). Mr. Brenne questioned how the Bill would align with the County's economic development priorities and why the Bill limited the designation of a workforce development organization to a public educational institution based in the County.

## **Joint PHED/EC Committee Worksession**

Assistant CAO Jerome Fletcher and Senior Legislative Attorney Robert Drummer participated in the discussion. The Committee discussed the need to make some changes in how the County handles workforce development and that this Bill would increase the Council's flexibility to do so. Mr. Fletcher answered questions from Committee members concerning the Executive's vision for workforce development and the Executive's recent meeting with the WorkSource Montgomery Board. The Committee also discussed the need to increase the focus on the underserved population while continuing to serve all layers of the population. The Committee recommended (5-0) approval of the Bill as introduced.

## **Issues**

### **1. What is the fiscal and economic impact of the Bill?**

OMB estimated that the Bill would have no fiscal impact because it is only an enabling act. Finance estimated that the Bill would have a positive impact on the County's economy because the addition of a public educational institution would come with ready-made classes for workforce development. However, Finance did not quantify the estimated positive impact. See the FEIS at ©10-14.

### **2. What is the purpose of the Bill?**

The Bill would increase the Council's flexibility to designate one or more organizations to serve as the County's workforce development organization. The Bill would not change the duties assigned to the designee; it would change some of the qualifications for being designated. In addition to a nonprofit corporation, such as the current designee WorkSource Montgomery, the Bill would permit the Council to designate a public educational institution headquartered in the County. The Bill would also permit the Council to designate more than one organization to share the responsibility. Montgomery College, the Universities at Shady Grove, and Montgomery County Public Schools may be eligible under the Bill. **The Bill would not end the Council's designation of WorkSource Montgomery and would not require the Council to end this**

**designation in the future.** The Bill would open new options for selecting a workforce development leader in the County. **Committee recommendation (5-0):** approve the Bill as introduced.

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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: Councilmembers Jawando, Riemer, Alborno, Rice and Council Vice President 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

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<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]] Organization,  
162 including research, economic data, and minutes of Board  
163 meetings.

164 **15A-14. Report.**

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

172 **Sec. 2. Expedited Effective Date.**

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

176 *Approved:*

177

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Nancy Navarro, President, County Council

Date

178 *Approved:*

179

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Marc Elrich, County Executive

Date

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

181

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Mary Anne Paradise, Acting 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



OFFICE OF MANAGEMENT AND BUDGET

Marc Elrich  
County Executive

Richard S. Madaleno  
Director

MEMORANDUM

July 12, 2019

TO: Nancy Navarro, President, County Council

FROM: Richard S. Madaleno, Director, Office of Management and Budget *[Signature]*  
Michael Coveyou, Acting Director, Department of Finance *[Signature]*

SUBJECT: FEIS for Bill 19-19, Economic Development – Workforce Development - Amendments

Please find attached the Fiscal and Economic Impact Statements for the above-referenced legislation.

RSM:cm

cc: Andrew Kleine, Chief Administrative Officer  
Fariba Kassiri, Deputy Chief Administrative Officer  
Debbie Spielberg, Special Assistant to the County Executive  
Dale Tibbitts, Special Assistant to the County Executive  
Lisa Austin, Office of the County Executive  
Barry Hudson, Director, Public Information Office  
David Platt, Department of Finance  
Dennis Hetman, Department of Finance  
Monika Coble, Office of Management and Budget  
Chrissy Mireles, Office of Management and Budget  
Pofen Salem, Office of Management and Budget

Office of the Director

101 Monroe Street, 14th Floor • Rockville, Maryland 20850 • 240-777-2800  
[www.montgomerycountymd.gov/omb](http://www.montgomerycountymd.gov/omb)

**Fiscal Impact Statement**  
**Expedited Bill 19-19 & Economic Development – Workforce Development - Amendments**

**1. Legislative Summary**

This legislation would authorize the County Council to designate either a nonprofit corporation or a public educational institution, or both, as the County's Workforce Development Organization (WDO). Currently, WorkSource Montgomery is designated as the County's sole WDO.

**2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

Expedited Bill 19-19 does not impact revenues and would have minimal impact on expenditures related to updating publications and materials to reflect the proposed changes. These costs can be absorbed within current appropriation.

**3. Revenue and expenditure estimates covering at least the next 6 fiscal years.**

Not applicable.

**4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

Not applicable.

**5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

Not applicable.

**6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Not applicable.

**7. An estimate of the staff time needed to implement the bill.**

Staff time required will be minimal and can be accommodated by current staff.

**8. An explanation of how the addition of new staff responsibilities would affect other duties.**

Not applicable.

**9. An estimate of costs when an additional appropriation is needed.**

Not applicable.

**10. A description of any variable that could affect revenue and cost estimates.**

Not applicable.

**11. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not applicable.

**12. If a bill is likely to have no fiscal impact, why that is the case.**

Expedited Bill 19-19 would establish other options for the County to select another workforce provider. The current costs would just transfer to another entity if enacted.

**13. Other fiscal impacts or comments.**

Not applicable.

**14. The following contributed to and concurred with this analysis:**

Jerome Fletcher, Office of the County Executive

Pofen Salem, Office of Department Management and Budget

  
\_\_\_\_\_  
Richard S. Madaleno, Director  
Office of Management and Budget

  
\_\_\_\_\_  
Date



**Economic Impact Statement**  
**Expedited Bill 19-19, Economic Development – Workforce Development -**  
**Amendments**

**Background:**

This legislation would authorize the County Council (Council) to designate either a nonprofit corporation or a public educational institution, or both, as the County's Workforce Development Organization (WDO). Currently, WorkSource Montgomery is designated as the County's WDO. The purpose of Expedited Bill 19-19 is to allow the designation of additional organizations as the County's WDO.

**1. The sources of information, assumptions, and methodologies used.**

There were no sources of information or methodologies used by the Department of Finance (Finance) in the preparation of the economic impact statement. Finance assumes that the County's Workforce Development Organization would be a joint organization consisting of Workforce Montgomery and either an educational institution or non-profit institution, or both. Finance also assumes that the purpose of the legislation is to create and provide more effective workforce development services and initiatives.

**2. A description of any variable that could affect the economic impact estimates.**

By adding an educational institution or non-profit institution or both to the County's Workforce Development Corporation would have a positive economic impact on employment. Such an addition to the Workforce Development Corporation also would impact the County's economy by providing trainers and training opportunities available to respond to the immediate demands of the County's employers. An educational institution would currently have curricula available and established degree and certificate programs that would be available to meet industry demand. Such an enhancement to the current County's Workforce Development Corporation would add flexibility in providing services to both job seekers and employers thereby expediting filling jobs.

**3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.**

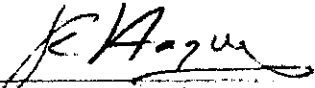
The addition of a non-profit and/or an education institution to the Workforce Development Corporation would have positive effect on the County's employment by providing additional expertise to jobseekers and employers thereby allowing employers to fill jobs more quickly and providing jobseekers with more targeted job training opportunities to prepare them for locally available jobs.

**Economic Impact Statement**  
**Expedited Bill 19-19, Economic Development – Workforce Development -**  
**Amendments**

**4. If a Bill is likely to have no economic impact, why is that the case?**

Expedited Bill 19-19 would have a positive economic impact. Please see paragraphs 2 and 3.

**5. The following contributed to or concurred with this analysis: David Platt, Laurie Boyer, and Rob Hagedoorn, Finance;**



*FOR*  
\_\_\_\_\_  
Michael Coveyou, Acting Director  
Department of Finance

7/11/19  
Date

# montgomery moving forward

mobilizing leaders to solve our biggest problems together  
nonprofits business philanthropy government education community

## Testimony of Kevin Beverly, MMF Co-Chair

In support of Council Bill 19-19 Economic Development - Workforce Development -  
Amendments

Tuesday, July 16, 2019

Good afternoon Ms. Navarro and Members of the Council.

Thank you for the opportunity to speak in support of Council Bill 19-19. I am Kevin Beverly, President and CEO of Social & Scientific Systems, Inc., a Co-Chair of Montgomery Moving Forward, and a member of the Montgomery County Economic Development Corporation.

As many of you know, MMF is an initiative of Nonprofit Montgomery that brings together a cross-section of 40 county leaders—from Jack Smith of MCPS to Dusty Rood of Rodgers Consulting—to address complex community challenges. The collective impact model guides our deliberations—because we are better together—to offer strategies to bring economic opportunity to all—to, simply put, move Montgomery forward.

In 2014 MMF issued a Call to Action—steeped in research and with input from hundreds of stakeholders resulting from a deliberative community engagement effort—that articulated a path forward to enhance workforce development—the criteria and action steps to advance a successful workforce development system.

That Call to Action emphasized the importance of creating a county where:

- every resident looking for a job is employed and on a career path towards self-sufficiency,
- every employer has access to a pool of well-trained residents; and, new and growing employers choose Montgomery County because of its skilled, ready and willing workforce.

To achieve this vision, our county needs:

- a workforce **system**, a collaborative, multifaceted workforce development system that leverages the strengths, resources, and talents of all the entities engaged in preparing the workforce,
- a single readily-identifiable structure to lead, elevate and coordinate a comprehensive system of workforce development—that again uses a collective impact model and values collaboration to achieve its mission and goals,
- and, a system that strives to provide access to opportunities for residents at all skill levels and readiness to work, **and** a vibrant talent pipeline.

Our county is at a critical crossroad with respect to workforce development given Amazon's move to the region, a school system teeming with talent, and new leadership at the helm. Now is the time to take stock of our efforts to date and acknowledge that after three years, there is still a great deal of work to be done to move Montgomery Forward.

We stand by our Call to Action and suggest the legislation before you will provide the tools necessary to achieve a successful workforce system lead by a single entity that recognizes fulfilling employer needs goes hand in hand with ensuring that residents are ready to take advantage of opportunities.

The future of this County depends on us getting it right—and this legislation can help you do that. We continue to stand ready to work with you to make our workforce system a success.

montgomery moving forward  
is an initiative of nonprofit montgomery





7

Council President Navarro and Councilmembers, thank you for the opportunity to speak today about proposed Bill 19-19.

I am Ted Rose and I am the Chair of the WorkSource Montgomery United Board. I am speaking today in opposition to the bill because I don't believe it is necessary. I want you to know that during WSM's last two presentations to the Council, we were listening. We want to thank you for your feedback, because it has been an important part of our strategic planning and actions as well.

In October 2015, this body approved the establishment of a new workforce development entity to replace what had been – until that time – a function of county government. However, the first CEO of WorkSource Montgomery wasn't hired until March of 2016 and officially transitioned to the role in July 2016.

In just 3 years, this new entity has achieved much, including the following:

- WSM assumed responsibility for convening the Montgomery County Workforce System
- Identified over 75 organizations that provide training, barrier-support or employment services in Montgomery County
- *We have convened an advisory group for the planning and coordination for the first Workforce System Convening scheduled for October 21, 2019, that will bring together workforce development service providers to enhance a systemic approach*
- Developed talent pipeline programs to address current skills gaps through 19 new career pathway programs over a 26-month time period that included work-learn and apprenticeship programs. 350 County residents have participated in these programs resulting in enhanced skills and credentials.
- Increased geographic accessibility by establishing HIRE Centers (Helping Individuals Reach Employment) currently in 8 community libraries or regional centers
- Increased employer engagement, In FY 19, WSM averaged 6-7 hiring events per month with a 97% employer satisfaction rate. In 2015, There was just 1 hiring event per month.
- Enhanced WIOA service delivery, In FY 19, we served 600 Active WIOA participants, 523 achieved sustainable employment at an average wage of \$25/hr. This contrast to 408 active WIOA participants in 2015 – close to a 50% improvement



- Enhanced governance and operational efficiency
- Awarded 13 new grants/initiatives with a total award of \$1.2M increasing our capacity to provide services to hard to serve populations such as young adults, individuals with disabilities, residence of the East County, and low-income older workers

There are other milestones, but I believe those are the most important.

**It is not clear from the language of this bill or the analysis presented so far what problem the bill is attempting to solve.**

In a County as large as this one, it is not surprising that we have a complex system with multiple organizations contributing to the many facets of the Workforce development system. In our role of convener, WorkSource Montgomery is in the process of building new bridges to connect organizations that support Montgomery County's workforce system to help to ensure that everyone can work together in a coherent and efficient way. This requires new ways of thinking and delivering services and it is very definitely a work in progress. We invite this Council to attend our Workforce Summit on October 21, 2019, where many of these organization will gather to share ideas and approaches.

I strongly believe that establishing a new – or even shared – lead agency will set the County back in the progress it has made in the last 3 years. There is a reason that this Council voted to create WSM, I believe we are executing on your vision and in the course of the next year, this will become increasingly clear to the Council.

Furthermore, the major educational entities in MoCo are already an important part of the workforce system in the County, including Montgomery College, the Montgomery County Public Schools, and Universities at Shady Grove.

I believe the prudent approach at this time would be to allow WSM to continue our good work to build and enhance our current partnerships in a systemic approach that focuses on improving economic mobility for all.

I oppose Bill 19-19. Thank you.

Testimony, Bill 19-19, Work Force Development, 7/16/19

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Gordie Brenne, Treasurer, Montgomery County Taxpayers League

The Taxpayers League strongly supports economic development. However, we are concerned that this bill may repeat many of the mistakes in the 2015 work force development law which amended the County's Code for Economic Development. Certainly, it makes sense to provide competition for Work Source Montgomery, but **what are the objectives of this program?**

We have five questions: How does this bill better align with economic development priorities? Are its costs and benefits reasonable? Why must education providers be Maryland corporations, headquartered in the county? Why are we excluding private education providers? and Why is this an expedited bill?

The bill's justification states that economic development success is **"dependent upon a demand-driven system of work force development that meets the needs of strategic industries."** And here again we have questions: Which strategic industries would be better served by including public education institution providers? What is their demand for trained workers that do not exist today? How many additional workers would be trained by public education providers? Does the current Work Source contract (and will any future contracts) include quantified performance objectives to help graduates get good paying jobs, linked to how much the service provider is paid to incentivize performance? How does the bill's requirement that the provider provide training for careers in "clean energy and environment industry" align with our strategic industry needs?

The public deserves to know answers to these questions but the FY 2020 budget does not include any answers, nor does the justification provided with this bill, or the Work Force Plan (9/19/16), or the Council staff report (3/19). Pending bill 10-19 for Economic Impact Statements calls for rigorous economic analysis of proposed legislation. This bill's justification **does not provide an economic impact analysis** or even reference the **experience of other counties** who have work force development programs.

Lastly, there's no justification for **why this is an expedited bill**. What circumstance requires the "immediate protection of the public interest?" How did the current provider, Work Source Montgomery, fail to perform? Did limiting providers to a single non-profit headquartered in the County, and excluding private education providers result in performance issues or limit provider choices? Or is this all about how the job centers are run and reduced demand due low unemployment? Why not transfer the entire program and it's overhead to Montgomery College?

I reiterate, the Taxpayers League strongly supports economic development but let us get this bill right first.