



**DIVISION OF WORKFORCE
DEVELOPMENT AND ADULT
LEARNING**

WIA

**WORKFORCE INVESTMENT
ACT TITLE I-B**

ANNUAL REPORT • PY2013



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MARYLAND ANNUAL REPORT

Workforce Investment Act Title 1-B

Program Year 2013

November 14, 2014

Julie Squire

Assistant Secretary

Department of Labor, Licensing and Regulation
Division of Workforce Development and Adult Learning



Martin O'Malley
Governor



Anthony G. Brown
Lt. Governor

MISSION STATEMENT

The Department of Labor, Licensing and Regulation's mission is to safeguard and protect Marylanders and support the economic stability of the state by providing businesses, workforce, and consumers with high-quality, customer-focused regulatory employment and training services. DLLR oversees and coordinates the state's workforce development programs including the new industry-lead Employment Advancement Right Now or EARN program. DLLR also oversees adult learning initiatives including correctional education; administers the unemployment insurance program; regulates financial institutions; licenses and regulates 24 occupations, professions, and trades; enforces occupational safety and health laws; and regulates the racing industry.



On behalf of Governor Martin O'Malley, I am pleased to present the WIA Title 1-B Program Year 2013 Annual Report. This publication illustrates our successful job training activities for the year and details required financial and performance information for the reporting period of July 1, 2013 through June 30, 2014.

The implementation of the Workforce Investment Act and this Annual Report are the products of the collaborative work and vision of the Department of Labor, Licensing and Regulation's (DLLR) many partners and staff members. It is through the support of our partners that DLLR's Division of Workforce Development and Adult Learning (DWDAL) is able to creatively and effectively coordinate the various initiatives implemented over the past year. DWDAL is focused

on providing adult education and workforce development that further contributes to an increasingly skilled workforce prepared to compete in an ever-changing 21st century economy.

Within the pages of this report, DLLR will highlight the expansion of workforce development opportunities across Maryland. Initiatives such as the Maryland Workforce Exchange Virtual One Stop (MWE-VOS) website have proven to be a powerful online services system that connects job seekers, employers, students, case managers, training providers, workforce professionals and others to local job opportunities, benefits and services. The collaborative process between state and local workforce investment stakeholders has increased the monthly MWE-VOS job postings nearly tenfold to 80,000 per month.

DLLR's Division of Workforce Development serves veterans through the online MWE-VOS and our thirty-four American Jobs Centers located throughout the State. Each Jobs Center is staffed with Local Veterans Employment Representatives (LVERs) and/or Disabled Veteran Outreach Program (DVOPs) staff. In PY2013, more than 12,000 veterans were served at our Jobs Centers. More than 5,300 of the veterans served by the Maryland Workforce Exchange or American Jobs Centers entered employment. Recently, we held a specialized training for all DLLR veterans services staff members to continue to maximize the effectiveness and efficiency of our veterans services delivery.

DLLR is also an active participant in VetStat, sharing best practices with several state agencies, as we review and revise Maryland's programs and policies geared toward improving the lives of Maryland veterans. VetStat facilitates the State's collaborative efforts in assisting Maryland's veterans and ensures we are making progress toward our goal of full Maryland veteran employment.

These are just a few examples of DLLR's successful job initiatives. DLLR is committed to the success of our workforce development system as we continue to establish new partnerships and strengthen existing relationships. We are excited about the continued progress of our various programs as we work to advance opportunities in Maryland. Thank you for reading this report and for your interest in growing Maryland's New Economy.

Sincerely,

A handwritten signature in blue ink that reads "Leonard J. Howie III". The signature is fluid and cursive, written over a white background.

Leonard J. Howie III
Secretary
Maryland Department of Labor, Licensing and Regulation

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OVERVIEW

Division of Workforce Development and Adult Learning (DWDAL)

General Information

The Division of Workforce Development and Adult Learning (DWDAL) coordinates Maryland's workforce programs ensuring businesses have skilled employees needed to be competitive and individuals have access to employment and training resources and services. Adult education, literacy, and correctional education programs, in collaboration with workforce development programs, establish a comprehensive system of workforce creation. The American Job Center System, a partnership among 34 Job Centers and 12 Workforce Investment Boards, is part of Maryland Jobs Now, a proud partner of the American Job Center Network. These high-performing, results-oriented workforce organizations invest in employment and training strategies, services, and initiatives. This workforce system serves also as the primary vehicle for both adults and dislocated workers to access core, intensive, and training services. DWDAL maintains and develops Maryland's dynamic workforce by training, assisting in job searches, reporting needs and demands of the labor market, and connecting businesses with employees. Eligible veterans and spouses are entitled to Priority of Service. Adult Education and Literacy Services (AELS) provide leadership for the establishment of adult education goals, oversight for implementation of the federal Adult Education State Plan, and administration of the statewide GED® testing program with 20 testing sites and 31 Adult Education Programs located throughout Maryland. Correctional Education (CE), working with their partners, provides academic, special education, occupational, English as a Second Language, college, library, and transitional programs for approximately 3,000 students per day. The CE program provides incarcerated individuals with high quality services facilitating successful re-entry into our communities. Marylanders seamlessly access a broad array of educational, job training, and career services, providing enhanced opportunities to become self-sufficient and improve their lives.

The Maryland Workforce Exchange Virtual One Stop (MWE-VOS) is Maryland's virtual workforce services system for jobseekers and businesses. MWE-VOS can be accessed in all local Job Centers, libraries, or from home. The site provides comprehensive job matching, wage data, skill requirements, industry and occupational trends, and information on potential training opportunities and was specifically designed for job seekers, students, case managers, employers, training providers, workforce professionals, and others seeking benefits and services. This user-friendly system provides fast access to a complete set of employment tools in one website.

During PY2013, Maryland's Workforce System placed 79,763 jobseekers into jobs – a 51 percent placement rate. Of those, 27,102 were claiming unemployment insurance benefits. More than 161,843 Marylanders received services at Maryland's 34 American Job Centers, including more than 103,184 who received staff-assisted services. Of the 161,843 participants receiving services, 12,025 were a veteran, eligible person, or transitioning service member. Of all participants employed after program participation, 82 percent have maintained employment for six months with average six-month earnings of \$15,041.

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WORKFORCE

Office of Workforce Development (OWD)

The Office of Workforce Development coordinates the state partnership with the American Job Centers located across Maryland. These thirty-four Centers provide comprehensive services to both job seekers and businesses. A wide range of adult and dislocated worker employment and training services is provided to job seekers through core, intensive, and training assistance. Core services are provided primarily by Wagner-Peyser, federally-funded staff, providing a personal element to the Maryland Workforce Exchange Virtual One Stop (MWE-VOS) and job search in general. Examples of core services include outreach, intake, assessment, orientation, eligibility determination, job placement assistance, career guidance, partner referral, follow-up, labor market information, and information on training provider service and performance.

The American Job Center System is also the primary vehicle by which adults and dislocated workers access intensive and training services. Intensive services are provided to unemployed or underemployed individuals experiencing difficulty securing appropriate employment through core services. Intensive services include but are not limited to the following: comprehensive and specialized evaluation, individual employment plan development, group and individual counseling, career planning, case management, and short-term pre-vocational services. Additional intensive services may include out-of-area job search, relocation assistance, literacy readiness, internships, and work experience.

The Local Workforce Investment Boards in Maryland develop job training programs for implementation in their respective Workforce Investment Areas (WIAs), manage the operation of those programs, and determine which companies, educational institutions, and community organizations receive funding for program operation. The WIA partners work with local employers and governments to create the workforce development programs most beneficial to the region and tailor programs meeting local employment training needs. Maryland's Job Center Operations Manager oversees the monitoring responsibilities of Adult, Youth, and Dislocated Worker programs, including NEG and Trade. This monitoring is conducted annually or more frequently as needed through OWD.



PROGRAMS

Veterans Services

U.S. DOL Funding for Veterans

Through funds from U.S. DOL's non-competitive Jobs for Veterans State Grants Program (JVSG), DLLR's American Job Center staff assist veterans as they seek employment, training, and placement services under qualified job training programs. Veterans are referred on a Priority of Service basis – veterans and eligible spouses are identified at all access and entry points at the Career Centers and receive priority referral to services over non-veterans. Statewide, 14 Local Veterans Employment Representatives (LVERs), 27 Disabled Veterans Outreach Program (DVOP) specialists (and one contractual), and one State Administrator are available providing services to all veterans who Title 38 indicates are eligible for services.

Focus on Veteran Job Seekers and Businesses

For veterans, securing employment can be an even greater challenge because of the complexities that come with the transition from military to civilian life. Job seeking veterans must acknowledge the importance of discussing specific military skills which can translate into civilian skills, such as: discipline, teamwork, problem-solving, and working under pressure. Veterans being taught to avoid military jargon and explain their strengths effectively will make all the difference in an interview.

As a result of DLLR's work for veterans, job seekers have experienced the following benefits:

- In PY2013, Maryland's workforce system has served approximately 12,025 veterans, referred 331 for training, guided 3,013 with employment services, ensured 8,902 veterans received staff-assisted services, and assisted 5,372 veterans in successfully obtaining employment.
- Veteran job seekers are better able to discuss and match skill sets to those for which businesses need – they are able to fully explain their skills and talents on a résumé, have employers understand their experience, and better apply their military skills to a non-military setting

Businesses have experienced the following benefits:

- Cultural differences being addressed
- Veterans and businesses “speaking the same language”
- High caliber, well-qualified and hard-working veteran job seekers fulfilling needs

Through the assistance of the American Job Centers, veterans are enrolled in MWE-VOS. During the registration process, the veteran will be instructed to complete a form identifying any significant barriers to employment he/she may be experiencing. Such barriers may include any of the following:

1. A special disability or disabled veteran, as these terms are defined in 38 U.S.C. 4211 (1) and (3)
 - a. Entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under the laws administered by the Secretary of Veterans Affairs
 - b. Discharged or released from active duty because of service-connected disability

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2. Homeless as defined in Section 103(a) of the Stewart B. McKinney Homeless Assistance Act 42 U.S.C. 11302(a)
3. A recently-separated service member as defined in 38 U.S.C. 4211(b) who at any point in the previous twelve months has been unemployed for twenty-seven or more consecutive weeks
4. An ex-offender, as defined by WIA Section 101(27), who has been released from incarceration within the last twelve months
5. Lacking a high school diploma or equivalent certificate
6. Low-income, as defined by WIA Section 101(25)(B)
7. A veteran age 18-24 who has been designated by the Secretary as an additional population per TEGL 19-13.

If a veteran is identified as having any of the above significant barriers to employment, he/she will be referred immediately to a Disabled Veteran Outreach Program (DVOP) Specialist and offered intensive services and enrolled in Case Management to assist them in overcoming these barriers. Veterans not needing intensive services will then be assisted by other Career Center staff.

All veterans can take advantage of the full array of services available at the American Job Centers, including:

- Job search assistance workshops
- Résumé assistance
- Labor market information
- Career Counseling
- Job referral
- Referrals to training and supportive services
 - Housing
 - Food
 - Mental health

The American Job Center's management team and veteran staff monitor Title 38 U.S.C. veterans and post 9/11 Gold Card job seekers, ensuring they receive priority of services in accordance with applicable laws.

Veterans Full Employment Act

Maryland's Veterans Full Employment Act of 2013 is designed to assist veterans, current service members, and military spouses to obtain occupational and professional licenses. Its core features require state agencies to do the following:

- Give credit for relevant military training, education, and experience
- Expedite licensing procedures for veterans, service members, and military spouses actively licensed and relocated to Maryland

- **Veterans Training Academy (VTA) 2014**

Held at the Sheraton Columbia Town Center Hotel from Wednesday, June 18 – Friday, June 20, 2014, the mission of the VTA was to provide comprehensive leadership, staff development, and technical assistance to veteran services representatives in Maryland’s workforce development system. The VTA focused on promoting quality and excellence and improving the system’s capacity to deliver services to veterans and businesses seeking to hire veterans. Leading the training were staff from the National Veterans Training Institute (NVTI), updating Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOPs) specialists on their mandatory refocused roles per USDOL.

- **Veterans Job Clubs** – Since its inception, the Vets Job Club program has been a great success story. There are no costs to businesses for their participation.

- Local – Monthly Veterans Job Clubs are held to provide information on employment, green jobs, training referral, housing, job fairs, and supportive agencies services. They are open to all military veterans and their qualified dependents. During PY13, seventy-one Job Clubs were conducted at all of the American Job Centers.
- Regional - The first Regional Veterans Job Club “Hiring Event” was held on June 27 from 10:00 AM to 2:00 PM at the Howard County Library Miller Branch, 9421 Frederick Road, Ellicott City. Baltimore City was represented as well as the following counties: Anne Arundel, Baltimore, Carroll, Frederick, Howard, and Montgomery. Two hundred veterans and over twenty employers participated.

Human Resource Managers, Specialists, and Recruiters attended with open positions available to qualified personnel. Examples of companies included TSA, U.S. Treasury Department, Social Security Administration, Verizon, and Best Buy, to name a few. Representatives from state and local support agencies attended as well and spoke to veterans about services their agencies offer at no cost.

- **Veterans Website** – was redesigned to include expanded resources for veterans as well as a new Staffing Portal for veterans to gain direct access to Maryland staffing company websites. The revised site was “live” on DLLR’s website in Spring 2014.

- **Veteran Services Video – Moving Maryland Forward** – finalized and “live” on DLLR’s website as of August 3, 2013, this video focuses on the highly-valued Veterans Services provided through the Job Centers. Lieutenant Governor Anthony Brown is featured and reiterates our goals of recruiting more veterans and helping employers see the unique value of hiring them. Through this video, DWDAL hopes to accomplish the following:

- Raise awareness among veterans about the valuable services available to them (e.g. gap analysis, evaluation of credentials, one-on-one assistance, tools to help them cross walk careers and reconstruct resume);

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- Help veterans see that there is an 80-90% correlation between military and related civilian jobs;
- Assist veterans with their marketability skills - sometimes vets undersell their skills to employers and may not fully realize their eligibility and value to employers;
- Emphasize to veterans that they receive priority for workforce services/hiring;
- Encourage them to meet with other vets if desired to share their experiences; and
- Re-iterate that all military branches are served.

Likewise, for employers, the following objectives should be achieved:

- Help employers see that veterans are more like them than not;
 - Investigate tax credits that may be available to them for hiring veterans. Assistance is available with the paperwork to help make the process easier;
 - Emphasize that veterans can bring exceptional leadership/work ethics through their military training; and
 - Show that assistance is provided, helping employers evaluate veterans' credentials/crosswalk careers.
- **Publications** – available in hard copy and on DLLR website via hyperlinks to PDF versions
Currently, five publications are available on the DLLR website/in the American Job Centers/at all DLLR events and conferences:

Military to Federal Jobs flyer

Veterans Priority of Service flyer

Veterans Priority of Service postcard

Veterans Priority of Service poster

Veterans Full Employment Act flyer

Operation Hire

- **Operation Hire** – taking place from June 1 – September 9, 2014, this 100 Day Veteran Hiring Challenge is designed to enhance current efforts to support veteran hiring in Maryland. In partnership with Maryland Department of Veterans Affairs, American Job Centers have the flyers available in all the Centers, job fairs, outreach events, and on the DLLR website. Information can be obtained on the MWE-VOS as well.
- **Operation Pledge to Veterans Conference** – was held on Thursday, November 21, 2013, at the Hilton Baltimore BWI Airport. DLLR, Anne Arundel Workforce Development Corporation (AAWDC), and Allagash Group, a service-disabled Veteran-owned company, jointly sponsored the conference focusing on educating and training businesses committed to hiring and retaining veterans. Businesses benefited from military-to-civilian translator strategies, tips to locating qualified “job ready” veterans and making job matches, and approaches to becoming a “military-friendly” company. The State Veterans Program Manager presided over the day-long conference. OPVC met desired objectives and validated anticipated outcomes for businesses, i.e., a highly favorable response to a call-to-action for the signing of the Pledge to Hire and Retain Veterans. The

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forty-eight attendees who signed the pledge received the OPV logo for their website from the DLLR Secretary. Additionally, participants were presented an official pledge proclamation from a local veteran or workforce representative. The conference also confirmed the expectation that additional resources should be developed to continue addressing business needs and issues in hiring veterans. Clearly, events and training should be offered to assist companies with ways to help them hire and retain veterans, such as a training webinar series, regional conferences throughout Maryland, face-to-face meetings with veteran representatives, and tips for locating veteran candidates.

Staff Development and Training

During PY2013, conferences and course offerings continued to develop responding to the need for quality employment and training services available to veterans and returning service members. Of interest was the inclusion of the Local Veterans Employment Representatives at Quarterly Business Services Conferences to enhance their knowledge of recruiting and working with businesses and employers to encourage them to hire qualified veterans.

Course offerings for veteran staff continued to expand, as professional development conferences enabled staff to be qualified in the following areas:

- Veterans Benefits
- Global Career Development Facilitators
- Facilitating Veterans Employment
- Intensive Services
- Employer Outreach

Additional conferences and technical assistance trainings will continue to expand in PY2014.

Maryland Re-entry Initiative (MRI)

MRI, in union with Correctional Education, the American Job Centers, and other state and community workforce development programs, provides technical assistance, training, programs, and other resources to deliver a comprehensive, collaborative provider network ensuring Maryland job seekers with criminal backgrounds are afforded equal opportunity to services and information, thus increasing their employability skills and prospects for sustainable employment.

MRI maximizes resources and coordinates services through intra-agency and inter-agency collaborative partnerships achieving statewide goals of increasing employability skills and employment opportunities for individuals with criminal history through occupational skills training, education, workshops on effective completion of online applications and assessments, explaining criminal records, and understanding the employment process. Workshops and information sessions are held at various correctional facilities for those incarcerated citizens who would be returning to local communities and to formerly incarcerated citizens already living in local communities. Workshops and staff training

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are provided to Job Center, community/faith-based, and government agency staff to ensure that those providing re-entry services to Maryland's re-entry returning citizens are providing up-to-date resources and information. In PY2013, staff development for service providers included workshops and/or training in the following:

- National certification as an Offender Workforce Development Specialist (OWDS)
- Offender Employment Specialist (OES)
- 21st Century Employability/Job Readiness Standards
- Federal Bonding Procedures and Process
- Understanding Yourself and Others – Using Personality Typing to Improve Communications with Customers and to Assist in Identifying Appropriate Workplace Settings

Workshops were also provided at the Maryland Association of Adult Community & Continuing Education (MAACCE) Conference, Maryland Library Association Workforce Development Conference, Legislative Black Caucus, Department of Public Safety and Correctional Services (DPSCS), Baltimore County Public Health Conference, Office of Child Support Enforcement, Bureau of Prisons, Office of the Public Defenders and Correctional Education Staff Development.

In PY2013, approximately 3,222 re-entry job seekers were enrolled in MWE-VOS and received employment services, training, and supportive services. Approximately 613 incarcerated individuals received information regarding employability skills, effective job search strategies, employer incentives, community resources, and American Job Center services. In addition, approximately 416 professionals received training and other services that included workforce development best practices, 21st Century Employment Readiness Standards, proven strategies and tools for assisting job seekers, and referrals for obtaining additional information.

Projects and Partnerships

Many projects and partnerships exist between various Maryland counties and agencies as the MRI program strives to maximize resources and coordinate services through intra-agency and inter-agency collaborative partnerships. Some examples are listed below.

- **Federal Bonding** - Federal Bonding program is offered to employers as an incentive to hire qualified job applicants who have a criminal record. Bonds totaling approximately \$90,000.00 were issued for job seekers employed by Residential and Commercial Management Companies, Medical Laboratory, Home Healthcare Services, Hotel/Hospitality, Shipping/Containment, Religious Organizations, Financial Management, and Human Resources.
- **Governor's Office of Crime Control Prevention (GOCCP)** – In the fall of 2013, DLLR received a GOCCP Safe Streets grant to do a multi-county re-entry project. With the grant award, two contractual Re-entry Coordinators were hired for Washington County (Hagerstown) and Wicomico County (Salisbury) and the project is subsidizing the salary of an existing Re-entry Coordinator in Howard County (Howard County Detention Center). The purpose of the project is to demonstrate the impact of providing coordinated wrap-around services through interagency

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collaboration to Maryland citizens with criminal backgrounds including both those released and soon-to-be-released. Two main outcomes to be evaluated are: a) establishment of an interagency collaborative service providers' network; and b) development of a Re-entry Community Service Resource Guide for each of the three areas.

To that end, each area has established an interagency collaborative services network. The Re-entry Coordinator located in Hagerstown has established an active network of twenty service providers resulting in a Job Club for re-entry job seekers, employment workshops being offered in the local detention center, and jail as well as state correctional facilities. Since January 2014, twenty-two job seekers participating in the Job Club who are working directly with the coordinator have been employed in jobs offering from \$7.25 per hour to \$14.75 per hour. Their success is a result of the shared resources and expertise of the network organizations and agencies. In Salisbury, the Re-entry Coordinator has established a network of fourteen agencies and organizations including the Police Department, Goodwill Industries, Mediation, and DLLR Wicomico County Workforce Development One Stop Job Market, DPSCS, and local Division of Corrections (DOC) resulting in workshops developed for the detention center and the pre-release center. Howard County has a network of over thirty-four agencies and an Employer Advisory Board. Howard County also provides a Re-entry Workshop series and was instrumental in establishing the Laurel Regional Workforce Center Re-entry Program. Howard County reported fourteen job seekers employed.

- **Maryland Offender Workforce Development Specialist (OWDS) Partnership** – In collaboration with the National Institute of Corrections (NIC), the Partnership offered the OWDS national certification training September 9, 2013 – December 13, 2013, resulting in twenty-five workforce development, faith-based, public library, and public safety staff graduating.
- **Education and Workforce Training Coordinating Council for Correctional Institutions (EWTCCCI)** – MRI co-chairs the subcommittee on Transition to Workforce and Community Integration (TWCI) which is establishing a series of information and educational videos to be used within the correctional system and at local Community Supervision Offices and eventually at American Job Centers throughout the state. These videos focus on the following: a) Life Under Supervision helping both incarcerated and individuals-under-supervision gain an understanding of how parole-and-probation works; b) Employability Skills, Emphasizing 21st Century Employment Readiness Standards including effective résumé writing, online applications and online assessments; and c) Success Stories with previously incarcerated individuals sharing their experiences.

Staff Development and Training

During PY2013, MRI responded to various requests for information and strategies for working with re-entry job seekers. MRI provided staff development for the Eastpoint Workforce Development Center, Frederick County Workforce Services, Hagerstown One Stop Job Center, Easton Talbot County Career Center, DPSCS South Region, and the Office of Child Support Enforcement. Technical Assistance and staff development was provided also to educators at the MAACCE Conference as well as the Library Association's Workforce Development Conference. The focus of all training is customer service, evidence-based strategies for working with individuals with criminal backgrounds, and other factors

posing a potential hindrance to finding gainful employment. Details regarding how to effectively utilize Employer Incentive Programs such as the Federal Bonding Program are discussed at length as well. Training topic examples are as follows:

- Collaboration as a Model for Getting the Job Done with Scarce Resources
- 21st Century Employability Skills and Job Readiness Standards
- Engaging Resistant Client: Understanding the Impact of Long-term Unemployment on Customers
- Barriers: Recognizing Internal and External Potential Obstacles to Achieving Goals

Dislocated Services Unit (DSU)

Any individual who loses a job or has received notice indicating separation as part of a facility closure or layoff is considered to be a “dislocated worker.” Title I of the Federal Workforce Investment Act extends a wide range of services to dislocated workers.

In Maryland, an extensive network of service providers is in place assisting dislocated workers during their transitions. Maryland’s DSU works closely with this network – including American Job Center state staff partnering with local Workforce Investment Boards in Maryland’s 12 Workforce Investment Areas – and provides early intervention on behalf of the worker. In an ideal situation, service provision is initiated before the employee’s last day of work. Orientation sessions are held on-site or at a local Job Center informing workers of the range of services as well as where, when, and how to access those services.

The DSU is responsible for the oversight and administration of Maryland’s Rapid Response, Trade, and Early Intervention Program activities. Each of these programs is designed to facilitate the efficient re-employment of dislocated workers – existing resources are leveraged and state and local investments are designed to aid individuals and their families through this transition.

Rapid Response Activities

Authorized under the Workforce Investment Act, Rapid Response is an early intervention strategy designed to provide and inform individuals of services supporting them during transition between positions. Rapid Response is designed to shorten or eliminate time between employment opportunities for an individual, reducing or eliminating the time an individual would receive Unemployment Insurance. Services are provided to businesses faced with reducing their workforce regardless of the reason(s) for the reductions.

Led by the Office of Workforce Development, DSU, a Rapid Response team (consisting of a state representative and a local WIA representative) confidentially meets on short notice with companies to assess potential layoffs and closings and work collaboratively planning the most appropriate response meeting workers’ needs. Depending on the needs of the impacted workers, coordination with other partners may be necessary, such as Division of Unemployment Insurance, Veteran Services, and Division of Rehabilitative Services.

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From July 2013 – June 2014, the Rapid Response team supported forty-one Rapid Response events:

- Total number of impacted workers = 3,765
- Total number of impacted workers attending Rapid Response events = 1,690
- Rapid Response events were held in thirteen of twenty-six Maryland counties

Staff Development and Training

- In PY 2013, the Rapid Response team developed a strategy of reviewing the attendance lists from Rapid Response events and cross-referencing with individuals registered in the MWE-VOS to ensure the system reflected individuals had attended a Rapid Response seminar.
- The Rapid Response team is modifying the way business is conducted to better meet the needs of impacted companies and impacted individuals. The approach has been adjusted from a “reactive” to “proactive” stance and has started focusing on what, if anything can be done to prevent the closure or lessen the reduction in the workforce.
- The Rapid Response team developed a method for closely tracking non-Worker Adjustment and Retraining Notification (WARN) events. The same information being collected on WARN events is now being collected for non-WARN events.

As a result of the above efforts, job seekers have experienced the following benefits:

- By collecting and utilizing additional information, the RR team can identify trends among industries. When trends are identified, services can be identified and established to better meet the needs of the individuals who worked in a specific industry. If needed, this information could also establish base line data proving vital for seeking additional funding to serve the impacted population of workers.
- If the RR team can link the business to any services allowing the company to recall workers, to not lay-off any additional workers, or prevent the closure of the facility, individuals could continue to work for the company and hopefully grow within the company, thus earning better wages and becoming more prosperous.

As a result of the above efforts, businesses have experienced the following benefits:

- The shift toward determining whether any steps can be taken to prevent a layoff has not yielded results as of yet. However, the DSU may be able to provide resources to a company to eliminate or reduce the impact of the lay-off or avoid a closure of the facility. With these resources being utilized, a company may continue to conduct business and become financially viable in its current location.

The Trade Adjustment Assistance Program

In order for a layoff to be determined eligible under the Trade Act, a petition must be filed with the U.S. Department of Labor. A petition can be filed by the employer, a Union, three or more impacted workers, or a representative from the State. Members of the DSU are available to provide information and assistance on filing a trade petition.

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The Trade Adjustment Assistance (TAA) program is a Federal program established under the Sunset Provisions of the Amendments to the Trade Act of 1974, enacted by the Trade Adjustment Assistance Extension Act of 2011. TAA provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports.

In order for the U.S. Department of Labor to issue a Certification Regarding Eligibility to Apply for Worker Adjustment Assistance, the following requirements must be met:

- Workers have been totally or partially laid-off
- Sales or productions have declined
- Increased imports have contributed significantly to worker layoffs

Once the U.S. Department of Labor issues a Certification Regarding Eligibility, trade-affected workers may apply for benefits under the TAA program. If an event is deemed trade-eligible, the following additional benefits are available:

- Increased training opportunities
- Greater length of time for retraining or skills upgrades
- Financial assistance with out-of-area job interviews (limits apply)
- Financial assistance with relocating for employment (limits apply)
- Income supplements for older workers who qualify
- Increased timeframes to receive cash benefits

During the most recent year, the DSU has been ready to serve individuals under up to four different sets of Trade Program guidelines.

From July 2013 – June 2014, the Trade Program experienced the following:

- Ten trade petitions filed on behalf of impacted workers in Maryland, seven of which were filed by the State Workforce System
- Petitions located in seven different counties in Maryland
- Potential to impact over 400 workers in Maryland

Of the ten petitions filed, the “status” is as follows:

- Two are under investigation
- Four have been certified
- Three have been denied
- One has been terminated (withdrawn by submitter)

The Trade Program paid out over \$7,000,000 on behalf of 977 training participants. As of March 31, 2014, Trade had 1,567 active participants.

Staff Development and Training

- In January 2014, regulations that governed Trade went through significant changes. The DSU was required to learn new regulations and understand the impact on individuals being served under a Trade petition approved after January 1, 2014.
- The DSU team experienced LEAN Government Training. The LEAN process helps an organization dissect the way in which they conduct business and identify any wasteful practices. Based on this training, the team is reviewing the process used to approve training for participants in the Trade program and the process used to pay for the training.

To improve workforce outcomes, priorities of the Trade Program include the following:

- Staff refining about the Trade Program and providing training to frontline staff allowing them to better guide individuals involved in the Trade program
- Staff consistently using LEAN concepts to continue improving approval of training contracts and payments, ensuring these processes continue to run as efficiently as possible
- Staff applying concepts of LEAN to other areas of the Trade Program, such as job search benefits and relocation assistance, improving processes to ensure these processes are as accurate and timely as possible

As a result of the above efforts, job seekers experienced the following benefits:

- Receiving of clear and concise information; presenters are better able to handle individual questions
- Better understanding of rules and next-steps in the Trade Program process
- Grasping of new regulations for the Trade program – allowing impacted workers to make better decisions about what services they should utilize to help them return to the workforce
- Efficiently and expeditiously receiving contracts and payments; as a result the LEAN training and implementation of some of the changes, contracts and payments have been moving more efficiently, allowing the individuals who are attending training to be assured that the training they are seeking has been established and will be paid for in a timely manner

As a result of the above efforts, businesses have experienced the following benefits:

- Trade impacted businesses are assured individuals who were laid off are being introduced to the many different services that are available to them under the Trade Program
- As a result of streamlining, the training approval companies looking to hire individuals benefit from a bigger pool of qualified candidates for open positions

Migrant Seasonal Farm Workers (MSFW)



Maryland's outreach activities to the agricultural community remain consistent with federal Wagner-Peyser regulations. Wagner-Peyser staff provide information to agricultural employers, distribute print materials, encourage employers and workers to utilize American Job Center services, and host informational sessions in places where MSFWs are known to live or work. During outreach visits, outreach staff provide workers with informational packets containing written material in Spanish and English regarding many DLLR programs complete with contact information for all the American Job Centers throughout the state.

Additionally, Maryland achieved its usual success in outreach to MSFWs in PY13. Maryland reported 654 MSFW outreach contacts, representing a 94% achievement of its planned goal of 700 contacts. That number clearly represents Maryland's historical performance relative to reported population numbers. Last year's goal was anomalous, skewing the percentage to an unusually high number.

The Early Intervention (EI) Program

The Early Intervention Program (EI) in Maryland is a re-employment strategy that assists unemployment insurance (UI) claimants identified as most likely to exhaust benefits before securing employment. They are most in need of services to assist with transition to new employment and participate in reemployment services, such as job search assistance.

The workshop includes topics ranging from finding job openings in today's market to fine-tuning skills, such as interviewing, résumé development, negotiating salaries, and utilizing social media to create a marketing plan for re-employment. Overall during PY2013, the response to this highly interactive workshop has been incredibly positive and enabled some local areas to increase their workshop offerings.

In PY2013:

- 69,643 candidates were invited to workshops
- 18,152 completed workshops
- 62,139 were referred to employment, training and other services

Program participants are provided career guidance on the use of information from the workshops as a foundation upon which employment readiness skills can be built. Information learned coupled with more in-depth services offered at the American Job Centers greatly improves opportunities for employment.

Reemployment and Eligibility Assessment (REA) Program

The REA Program is run by the Division of Workforce Development and Adult Learning (DWDAL), in collaboration with the Division of Unemployment Insurance (DUI). The primary objective of the program is to reduce the number of weeks that UI claimants receive benefits by assisting them in quickly returning to the workforce. The REA program is staffed by Career Coaches who conduct workshops, assess claimant needs, and make appropriate referrals to comprehensive services/training in an effort to assist claimants with their work search. One of the key components of REA is an eligibility review conducted via the claimant's Work Search Log, which helps UI identify claimants that may be out of compliance with basic UI policies.

Currently, the program exists in the following regions: Baltimore City, Baltimore County, Upper Shore, Prince George's County, Montgomery County, and Susquehanna.

Workforce Outcomes

In an effort to improve workforce outcomes, emphasis has been placed on tracking REA claimant use of American Job Centers via weekly reports capturing the number of claimants who receive services and/or enroll in training as a result of REA participation. These reports enable DWDAL staff to capture the number of participants served while also tracking the type of services/training most utilized.

In addition to the emphasis on services/training, a great deal of energy has been devoted to enhancing the REA database. The database has been upgraded in increments, and the final phase was deployed on June 19, 2014. The mechanisms incorporated into the database are designed to reduce errors and allow for a more accurate and comprehensive system of record keeping.

Staff Development & Training

The majority of the staff development and training for the REA staff has been incorporated into the monthly staff meetings. These meetings act as the conduit for ongoing collaboration between REA and UI, as the UI REA Administrator is always present, and UI issues and matters are always addressed in the meeting. In addition, the REA staff have engaged in hands-on training for the aforementioned database enhancements during staff meetings, some of which have been conducted by the REA UI Administrator. The REA staff have engaged in training for MWE-VOS enhancements primarily centered on the implementation of the REA Service Code which "went live" January 1, 2014.

REA Efforts and Claimant Impact

As a result of all of the efforts cited above, REA claimants are the recipients of an array of comprehensive services, training, and information to which they otherwise would not have been exposed, as most claimants state that they are unaware of all that the American Job Centers have to offer.

The access to Labor Market Information and the guidance and direction provided to REA claimants serve as invaluable tools to assist them as they transition back into the workforce.

In PY2013:

- 83% of invited claimants reported for scheduled workshops and 60% took advantage of additional services from the American Job Centers
- 12,000 claimants were scheduled for REA
- 10,000 claimants completed REA
- 6,000 claimants reported to services and/or training

Professional Outplacement Assistance Center (POAC)

The Professional Outplacement Assistance Center is a reemployment service offered by DWDAL and has provided Marylanders, in the professional, executive, technical, management and scientific occupations, reemployment assistance since 1992.

The main entry point for POAC services is the unique Jumpstart program. Jumpstart is a two-day training program for the jobseeker designed for job acquisition in the new millennium.

During PY2013, POAC:

- Served 1,103 professionals enrolled in the JumpStart program
- Provided over 21,557 contact hours of support to those seeking employment
- Using the services of a volunteer professional photographer, provided 307 customers professional “head shots” for social media networking sites
- Provided outplacement services to assist in layoffs statewide involving professional, executive, technical, managerial, and scientific workers; POAC served Legg Mason and Sun Products during downsizing
- “The Résumé Doctors” participated in more than a dozen job fairs across Maryland. The service provides résumé advice in design and editing of basic résumés as well as onsite career advisory service
- Delivered access to the following:
 - LinkedIn Group with over 2,000 active members and a posting service reaching over 10,000 customers
 - Job opportunities, events, and other information helping customers stay current with updated information on workforce issues

Occupational Affinity Groups are POAC-managed and customer-run. These groups use subject matter experts to present topics and trends pertinent to their occupational fields and often access experts as guest speakers.

These groups keep participants connected to their occupations and their vocational vocabulary which tends to decay around the third/fourth month of unemployment. Current groups include:

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- Communications and Public Relations
- Federal Labor
- Human Capital
- Non-Profit
- POAC Engineering and Technical
- I-495 Region

POAC offers access to a variety of other supportive activities such as seminars on:

- Designing a Reemployment Plan
- Applying for Federal Employment
- Using Social Media as an Investigative Tool to Acquire Interviews
- Career Change
- Networking – Face-to-Face and Using Social Media
- How to Make Sure Résumés “Clear”
- Applicant Tracking Systems
- Exploring Entrepreneurship
- Franchising
- Information on the Affordable Care Act
- Protecting Yourself from Identity Theft

Staff Training

DLLR introduced a staff development training program for staff members dealing directly with Maryland’s customers. A statewide series of staff training workshops including understanding and using social media, basic résumé writing, and a program to prepare staff to become Certified Professional Résumé Writers through an internationally recognized third party certification system.

Maryland has more than thirty-eight Certified Professional Résumé Writers working at the various Job Centers around the state and another thirty-six preparing to take the exam. Training services will also be made available to DLLR partner agencies in PY2014.

In combination with the expansion of the POAC, staff are invited to participate in the JumpStart programs on a space-available-basis to experience actual program conditions and begin preparing for delivery of the services at their location.

Business Services

In PY2013, the Business Services program underwent change as DWDAL continued to implement projects under the US DOL Expanding Business Engagement (EBE) grant. Maryland’s DLLR Business Services Team (BST) has been working diligently to change its focus from the jobseeker to the business. This demand-driven model is at the core of Business Services – driving the vision, focus, and direction.

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The BST members are receiving quarterly training regarding better understanding the needs of businesses – determining strategies to approach and assist businesses with growth and talent acquisition in a timely manner. During this change, the BST members are also seeing that working with businesses in a more consultative role allows them to think about retention of existing workers and loss prevention, rather than focusing strictly on recruitment. The greater the service provided to businesses, the more trust and rapport will naturally follow, leading to more job postings, better matching, and reduced unemployment.

Held in June 2013, the Business Services Summit touted over 200 participants from roughly 100 agencies throughout the state. This summit was an effort to coordinate outreach to businesses and reduce “employer fatigue,” as they had indicated frustration with the multitude of representatives calling on them to place candidates. The summit promoted brainstorming and developing of strategies to reduce employer calls through better cooperation, coordination, and data sharing. Since the summit, the BST has been in discussion with other agencies, including Economic Development, to share a contact management database.

In December 2013, DWDAL engaged a business services consultant to assist the program manager with renovating the business services program. The Business Services Program Manager (“Program Manager”) and Business Services Consultant (“Consultant”) have completed a rewrite of the state’s Business Services brochure, established a single point of contact phone number and email for business customers, started the quarterly training for all Business Services staff, and are working with the Governor’s new Employment Advancement Right Now (EARN) program to promote that program and connect businesses to training programs.

Collaborating, the Program Manager and Consultant have facilitated on-line surveys of all state and local government agencies offering business services. The result was an inventory including 207 business services offered by 74 state agencies and 209 business services offered by all 24 county governments. The data will be sorted, categorized, and converted from Excel to an on-line toolkit for use by workforce staff and businesses. Plans were made to equip staff with computer tablets so that they can remotely conduct research on business services.

The Program Manager and Consultant initiated meetings with the Maryland Department of Business and Economic Development (DBED) regarding sharing DBED’s customer relationship management data system, “Salesforce.” Sharing data and coordinating the work of DBED field representatives with DWDAL’s business services team will enable both groups to collectively visit many more companies in more industry sectors and provide far greater services to businesses.

During the spring of 2014, DWDAL conducted meetings with key industry focus groups to discuss layoff aversion strategies. Industries represented included construction and transportation, healthcare, information technology and manufacturing, and retail and hospitality. DWDAL is preparing a report summarizing the recommendations and next steps.

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On May 7, 2014, DWDAL conducted its first Business Services Institute attended by 150 people representing DWDAL's BST, DBED field representatives, Department of Rehabilitation Services staff, community college representatives, public library staff, and five officials from the U.S. Department of Labor's (US DOL's) Enhancing Business Engagement (EBE) team. Attendees were seated according to WIA regions and they were charged with drafting or enhancing the regions' business services plans in response to information presented by experts who delivered remarks during the morning of the Institute. Later in May and early June, each region locally held a second planning day with their regional team to continue drafting business services plans. According to attendee evaluations, the Business Services Institute was a huge success. Eighty-two percent of the audience agreed that the Institute programming exceeded their expectations and one hundred percent agreed that each local area should have a business services plan.

During PY2013, the Statewide Business Services Program Unit has gone through a redirection regarding business engagement and service delivery:

- Moved to a demand-driven, needs-based model for business engagement
- Provided professional development and training for business services staff including Local Veterans Representatives (LVERs)
- Held first Business Services Institute focused on each local area developing or enhancing their Business Services Plan
- Facilitated cross agency collaboration and coordination of services including discussions pertaining to data sharing and contact management system sharing strategies

In PY2013, Maryland's Business Services Team, while actively serving 6,570 businesses, provided 49,246 services while receiving a total of 45,290 job orders, resulting in 99,236 job openings. Staff referred job seekers to a total of 103,376 job openings (14,807 personally-referred, 89,761 internet-referred), resulting in 79,763 confirmed job placements through June 2014.



New Americans Workforce Program (NAWP)

DWDAL, through its various units, provides a wide range of services and programs for New Americans and residents who are Limited English Proficient (LEP). DWDAL collaborates with other agencies to host training and informational sessions, offering resources and valuable information to staff who daily assist New Americans.

Immigrants accounted for nearly all of Maryland's labor force growth (96 percent) during the last decade—among the highest in the country. Maryland's immigrant workers are more likely to have college degrees than their native counterparts (43 versus 36 percent). Twenty-seven (27) percent of scientists, 21 percent of healthcare workers, and 19 percent of computer specialists are foreign-born. In blue collar jobs, immigrants are a third of the State's maintenance workers and approximately a quarter of construction, agricultural, food and healthcare support workers.

Concurrently, 26 percent of high-skilled recent immigrants work in unskilled jobs, and 40 percent of immigrant adults are Limited English Proficient, resulting in lower wages and unutilized skills. Unlocking the tremendous potential of these workers is among Maryland's highest priorities.

These populations, including Migrant Seasonal Farmworkers, are provided with employment resources as well as information regarding complaints filing (with appropriate agencies) and English and heritage proficiency classes. In PY 2013, the American Job Center system provided a variety of core, intensive, and training services to LEP customers. Examples of services provided are as follows:

- Translated DLLR brochures in French and Spanish, enabling LEP workers to understand and navigate the DLLR system for American Job Center locations and job search services, apprenticeship and training programs, and professional licensing; updates and translations of outreach and marketing informational flyers and brochures are on-going
- Regional trainings addressing responsibilities of servicing LEP populations, crossing the language and cultural barriers, and emphasizing the value and utility of New Americans
- DLLR staff persons, many American Job Centers with Spanish speakers on-site, three Job Centers with multilingual staff, and seven Centers offering on-site English classes
- Making contacts with Community-Based Organizations, various immigrant groups, and service centers
- Creating the Bi-Annual DWDAL-New American Thumbnail Report, which communicates information specific to New Americans & LEP immigrants; the report outlines demographic data and serves as an educational tool for local Job Center staff
- Creating the DWDAL-New American's webpage – with a hyperlink under Quick Links leading to web-links for English as a Second Language courses, professional training and jobs, information about workers' rights, and various services offered in the community

- Implementing enhancement to MWE-VOS capturing educational/professional data on foreign born residents

The service impact of the NAWP webpage is evident. The page promotes New Americans' employment rights & protection and answers and deflates false rumors about GED® processes and certification which would otherwise confuse and even stop foreign born residents from pursuing educational opportunities.

Due to frequent outreach and stakeholders' engagement opportunities by staff members, the NAWP has proven effective in assisting New American residents who are looking to open businesses by connecting them with state and municipal entities and resources.

Tax Credit Programs

The tax credit programs are specifically designed to serve as an incentive to employers to hire individuals from targeted groups who historically have barriers to employment. The credits are both federal and State and can be taken concurrently.

The following groups render employers eligible under WOTC:

- Summer Youth (16-17 years of age)
- Designated Community Residents (18-39 years of age)
- Veterans who are members of household receiving SNAP (Food Stamp) benefits
- Veterans with a service-related disability
- Unemployed Veterans
- Welfare-to-Work (Long-Term TANF Recipients)
- Qualified TANF Recipients
- Vocational Rehabilitation Referrals
- Snap (Food Stamp) Recipients (18-39 years of age)
- Ex-Felons
- Supplemental Security Income (SSI) recipients

Each of these twelve groups have differing additional criteria, such as timeframes for having received benefits, living in certain areas, and terms of service.

For most target groups, the WOTC can be as much as \$2,400. It is based on qualified wages paid to the new hire for the first year of employment. Generally, qualified wages are capped at \$6,000. The credit is 25% of qualified first year wages for those employed at least 120 hours, and 40% for those employed 400 hours or more.

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For Disabled Veterans, the WOTC can be as much as \$4,800 with qualified wages capped at \$12,000. For long-term TANF recipients, the tax credit can be as much as \$9,000, with qualified wages capped at \$10,000 for a combined two-year period.

For Summer Youth, the WOTC can be as much as \$750 during the 90-day period of employment, with wages capped at \$3,000.

Some employees that do not qualify for the WOTC are as follows:

- Relatives or Dependents
- Former Employees
- Majority Owners of the Employer

In PY2013, 10,394 individuals qualified for federal tax credits.

In PY2014, Maryland will implement an automated system improving efficiency and responsiveness to businesses applying for tax credits. As the new software system is adopted and familiarity for users increases, Maryland anticipates that assistance to businesses who apply for tax credit services will undergo continuous quality improvement

ADULT LEARNING

Adult Learning Programs – Adult Education and Literacy Services and Correctional Education programs – in conjunction with the workforce development programs ensure a comprehensive and collaborative system of workforce creation better aligning education systems with workforce needs.

PROGRAMS

Adult Education and Literacy Services

The Adult Education and Literacy Services unit oversees instructional and assessment programs designed for Maryland adults wishing to complete a high-school level of education, improve their basic reading, writing and mathematical skills, or acquire English Language skills. GED® testing and the National External Diploma Program (NEDP) offer opportunities for adults and out-of-school youth to complete their high school education.

Adults enrolling in instructional programs may also receive assistance with career exploration, job training, parenting, and various life skill needs.

Instructional programming for adults with less than a high school education is offered throughout Maryland in every jurisdiction by twenty-seven grantee organizations, including community colleges, local public school systems, community-based organizations, public libraries, and the state correctional education programs. Many of the instructional grantees provide programming partnering with agencies

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for career pathways instruction/training, family literacy, and instruction for locally incarcerated individuals. In PY2013, the grantee organizations collectively offered services to 39,584 adults across Maryland.

Adults needing to improve their basic reading, writing, and mathematical skills enroll in classes available in their local communities. Small classes characteristic of this program offer the best opportunity for low-skilled adults to increase their educational functioning levels. Instruction is contextualized within life skills (e.g., Financial, Health, Family Literacy, and Career Exploration), thus offering practical support for everyday situations while engaging the specific learning style of the individual. Adults completing this level of instruction will advance to diploma preparation programs or may qualify for job training or employment.

Adults with high-school level skills are placed in Adult Secondary Education instructional programs. Instruction at this level focuses on the skills necessary to succeed in earning a Maryland High School Diploma via the GED® or NEDP assessments. Similar to the Adult Basic Skills instruction, the lessons are delivered within a context of relevance to the individuals' goals, e.g., employment, post-secondary education, job training, or personal.

Additionally, Maryland offers standards-based English literacy and civics education classes to help prepare Adult Limited English speakers for success in their personal as well as family lives, in the workplace, as members of the community, and in their academic pursuits.

GED® Testing

GED® testing in Maryland is offered only in official testing centers approved by DLLR's GED® Testing Office in accordance with the policies and procedures of the National GED® Testing Service. Historically, all testing has been administered via a paper testing format. While paper testing remained in place through December 2013, computer testing was introduced in March of that year, allowing testers a choice of delivery formats. The National GED® Testing Service issued a new version of the test in January 2014, which is only available via computer delivery.



Throughout 2013, testing in Maryland was administered in the paper and pencil modality in twenty-four testing centers open to the general public, along with State correctional facilities, local detention centers, and other residential institutions. Computer testing was gradually expanded through community college testing centers and other non-profit education entities.

The GED® testing program serves as a nationally recognized high school equivalency program, measuring high school level academic knowledge and skills in major content areas: Language Arts; Mathematics; Science; and Social Studies. The test requires just over seven hours to complete the entire battery and sets a rigorous standard that only 60% of graduating high school seniors would pass on the first attempt. The scoring benchmarks were set using empirical data from a sample of 11,000 recent high school graduates during the summer of 2013.

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As of January 2014, the GED® test measures not only high school equivalency, but also sets a standard for “honors” which is said to be a precursor for a college and career readiness standard that will be identified based on a longitudinal study of the 11,000 graduates in the benchmark sample.

i-Pathways

i-Pathways is a unique online instructional program designed to prepare qualifying students to pass the GED® tests. In order to qualify for enrollment, adults or out-of-school youth must demonstrate academic and computer skills at levels in which success is a reasonable expectation in mastering skills required for the GED® tests. Once enrolled, students participate in a virtually-conducted class interacting regularly with experienced instructors on individual bases. Moving forward, this curriculum is anticipated to offer career and college-readiness level instruction – consistent with changes to the GED® tests.

Career Pathways Programming

Career Pathways programming integrates adult education instruction with career training opportunities. Any of the adult instructional services listed below may be integrated with specific job training/credentialing programs placing the student on a career pathway, or in many cases provide a re-entry to a pathway. This important innovation within adult education services offers opportunities beyond the terminal goal of a high school diploma – widely considered an insufficient credential for success in today’s economy. Career Pathways programs are designed around specific industry needs for trained employees at various levels. For adult education students, focus is on entry-level jobs with future potential as well as the availability of appropriate training opportunities. Maryland has three years of successful implementation of MI-BEST, the state-specific replica of Washington’s highly successful Integrated Basic Education and Skills Training (I-BEST) Initiative. These carefully planned programs involve integration of local Workforce Investment Boards and employers, continuing education/training programs, and Consolidated Adult Education and Family Literacy grantees.

Correctional Education

The Office of Correctional Education (CE) provides academic, library, occupational, and transitional services to incarcerated students in state correctional institutions. The academic program includes Adult Basic Education, GED® Preparation, Special Education, English for Speakers of Other Languages, and college classes. The Library Program provides recreational, informational, and research services. Currently there are twenty-three occupational programs with sixteen nationally recognized certifications. Transitional classes include Employment Readiness, Introduction to Computers, Career Exploration, Life Skills and Financial Literacy. Correctional Education assists incarcerated students in preparing to become responsible members of their communities.

From July 2013 – June 2014, Correctional Education served approximately 12,000 students – 5,818 in academic classes; 1,960 in occupational programs; and 3,945 in transitional programs. Additionally, 482 students earned a high school diploma by successfully passing a GED® test, and 990 students completed an occupational program.

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To improve workforce outcomes, Correctional Education's priorities include the following:

- Enhancement of “behind the fence” employment services by continuing a partnership with the Department of Public Safety and Correctional Services (DPSCS) implementing limited internet access for job search and transitional services in the community. Between January and December 2013, the Correctional Education staff has worked with 3,921 inmates as they learned to utilize and navigate three websites including the Maryland Workforce Exchange Virtual One Stop (MWE-VOS), the Maryland Community Services Locator, and America's Job Exchange.
- Provision of updated DWDAL publications to DPSCS Transition Team, CE transition, and library programs serving soon-to-be-released inmates.
- Delivery of professional development workshops to CE transition instructors -- topics include MWE-VOS, Maryland Community Services Locator, Community Mediation Maryland, 21st Century Job Skills, Transitional Housing, and more.
- Continuation of the Second Chance Career Technology discretionary grant assisting inmates with job training and community transitioning. Participants and administrators of the program have identified several best practices: college credit program using computers; mentoring support; paid internships, wrap-around services including housing, clothing, food, transportation, job development, clearing-up credit, and obtaining a driver's license. The structure and stability provided by this program has helped individuals obtain a permanent job.
- Continued partnership with DWDAL's Maryland Re-entry Initiative Administrator who provides local and statewide staff development trainings strengthening skills and best practices for working with jobseekers with criminal backgrounds.
- Expanded involvement in the Maryland Offender Workforce Development Specialist Partnership offering local and statewide trainings for workforce development staff. During the fall of 2013, the Maryland OWDS Partnership and National Institute of Corrections coordinated and presented a 160-hour Offender Workforce Development Specialist (OWDS) training program to twenty-five workforce development professionals.
- Delivery of extensive professional development for teachers and staff on the new format and extended rigor of the 2014 GED® test.
- Development and launch of Pearson Vue testing labs in thirteen institutions administering GED® Ready (the official practice test for the new GED® test) and the 2014 GED® test. Correctional Education GED® test pass rate was 67.74%.
- Delivery of English for Speakers of Other Languages (ESOL) instruction to inmates in Hagerstown and Jessup. This program assists students in becoming more successful and confident in verbal and written communication with others in their personal lives, workplace, and respective communities.

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- Delivery of Special Education services for all eligible students as mandated by federal law (IDEA 2004) and Maryland State COMAR. Services assist students in all academic areas including workforce development. Instruction is aligned with the MSDE Common Core State Standards, Professional Development Framework, and the Response to Intervention Model.
- Expansion of occupational programming to include “Pre-Apprenticeship Plumbing” at the Occupational Skills Training Center in Baltimore; “Pre-Apprenticeship Masonry” at Maryland Correctional Training Center” in Hagerstown; and “Printing and Graphics” at Western Correctional Institution in Cumberland.
- Re-certification for a three-year period of construction-related occupational programs, re-certified by the “National Center for Construction, Education and Research.”
- Establishment of a partnership with “Vehicles For Change” (VFC) to train automotive technicians who can be employed by VFC as paid internships for a six-month period prior to being hired by the automotive industry.
- Conducting of workshops by “Community Mediation Maryland” for Roxbury Correctional Institution instructional staff. Techniques are covered for mediating conflict which may occur in classrooms between staff and students and among students. These workshops will be followed-up by conducting similar workshops for students in the automotive technician skills program.
- Expansion of partnership with the “Department of Public Safety and Correctional Services” allowing students who work outside the fence to repair roofs of churches, construct office areas, repair shelters in public parks, and other projects.



PROGRAM HIGHLIGHTS AND PARTNERSHIPS

DWDAL and its local partners are proud to initiate and design strategies focusing on effective, enhanced service delivery for its program participants. Areas of focus include dislocated worker, re-employment, transitional employment for ex-offenders, employer-driven training, business engagement, and UI/workforce system connectivity and integration strategies targeting increasing participants and veterans engaging in American Job Center services.

RG Steel NEG (National Emergency Grant)

Maryland was awarded a \$3 Million RG Steel NEG in June 2012 with a performance period of two years. The RG NEG was established to serve over 2,000 former employees of the Sparrows Point RG Steel plant and smaller companies impacted by the RG Steel shutdown covered under Trade Petition 74919.

To date, the RG NEG has enrolled and served over 1,100 participants. To ensure all participant needs are met, the grant has provided for staff exclusively dedicated to serving the eligible participants from the former RG Steel facility. These staff members have assisted customers with enrollment into the Maryland Workforce Exchange Virtual One Stop (MWE-VOS), filling out job applications, referring customers to jobs, informing individuals of job fairs, and referring clients to Professional Development Seminars for computer skills and résumé training. Staff also provide one-on-one consultations, mock interview practice, referrals to the RG NEG On-the-Jobs (OJT) Training Program, and participant enrollment into supportive services.

Through an inter-agency agreement with Maryland's Department of Health & Mental Hygiene, behavioral health services have been offered to any participant in need. Services include individual counseling as well as group workshops. These services have provided assistance to seven hundred fifty customers via group workshops covering a wide variety of topics: Coping with the Stigma of Mental Health; Self-Help Techniques; Men and Depression; Finding Happiness; Facing Our Fears; and Values, Beliefs, and Goals. Customers have benefitted from over one hundred thirty individual counseling sessions held for those needing more personalized services. In addition, staff at workforce centers in Baltimore County and Baltimore City have participated in training workshops and received valuable information on skills and techniques in recognizing behavioral health warning signs displayed by their customers.

The RG NEG OJT Training Program was established in March 2014, further bridging the skills gap for participants exiting Trade Adjustment Assistance (TAA) funded training. The OJT allows participants to be matched with an employer who will provide training while being reimbursed for a portion of the wages paid to the participant.

Maryland's State Highway Administration Grant

The State Highway Administration (SHA) and DLLR have established a partnering program to address needs and to increase employment of underserved populations by providing relevant technical skills and highway construction trades-related training, as well as workplace life skills, for socially and economically disadvantaged individuals under the Highway or Capital Transit Construction Skills Grant. The grant's goal is to increase access to employment and training in construction and transportation-related careers for hard-to-serve groups by providing relevant on-the-job training and subsidized work experiences leading to unsubsidized job placement. These funds are designated specifically from SHA resources supporting the training of incumbent and new workers. DLLR has allocated these funds on behalf of SHA via a Request for Proposal (RFP) process.

From July 2013 through June 2014, forty-five participants from two separate Project Operators, the Mayor's Office of Employment Development (MOED), and the Tri-County Council of Southern Maryland (TCCSMD), have received training under the SHA grant via the JumpStart+ and Pre-Apprenticeship programs. These participants are taught a wide variety of proficiencies ranging from carpentry, concrete skills, PVC piping installation, soldering, and installation and wiring of electrical boxes and devices. In addition to their skills training, participants receive certifications in areas such as CPR/First Aid, OSHA 10, Erosion and Sediment Control, and industry-recognized credentials or certificates of improvement.

From July 2013 through June 2014, thirty participants in two separate classes have received training through Project JumpStart+ funded through the SHA grant. The first class was completed on April 23, 2014, with twelve of the fifteen participants graduating, achieving an 80% graduation rate. With the SHA grant focusing on hard-to-serve participants, barrier-removal becomes a significant part of Project JumpStart+. Each participant, as part of their application process, was given an initial math assessment in order to enter the program. A six-hour math bridge class is then held for those participants who are strong candidates for JumpStart+ but did not pass the math intake test. Upon graduation, the participants are then given the official Associated Builders and Contractors (ABC) apprenticeship math test. As a testament to the success of the JumpStart+ program, 83% of the graduating students (ten of the twelve) from the first class passed this test—an increase of 18% over the historical class average of 65%. Within three weeks of completion of the first JumpStart+ class, six graduates had already been placed into employment with an average starting wage of \$11.50.

From July 2013 through June 2014, Tri-County Council for Southern Maryland (TCCSMD), in partnership with the College of Southern Maryland, has served a total of fifteen participants in their Pre-Apprenticeship Project. The initial course of the Project contained twelve participants who received skills training in carpentry. Following the carpentry course, fifteen participants began the second phase of training, which was a concrete skills course. All participants received a weekly stipend of \$25 and a pair of steel-toed work boots to wear upon entering the program. Upon successful completion of the Pre-Apprenticeship Project, each participant receives a \$250.00 gift card to purchase tools facilitating their entering employment in the construction trades.

Business Services

In May 2014, DWDAL's Business Services Team hosted a Business Services Institute (BSI) in which local workforce investment areas developed teams who began developing strategic business outreach plans.

The BSI grew out of the Statewide Business Services Summit held in July 2013 where various agencies (i.e. private, non-profit or State-funded) which routinely seek to do business with the State's business community convened to explore how they can do so in a more coordinated and comprehensive manner.

Therefore, the overarching purpose of the BSI was to provide technical support and assistance to 1) prepare local/regional teams in the development of their coordinated inter-agency Business Services Outreach plans; 2) help local teams identify critical steps in the process; 3) prioritize the process for development; 4) identify tools and documentation necessary in the development of each Area's unique plan; 5) move forward in the planning process; and finally 6) develop plans with a needs assessment for the implementation of the service strategy. Noted speakers were from USDOL.

Approximately one month later, these same teams reconvened in their respective Areas to complete the plans started at the Institute on May 7.

Lean

Maryland has engaged in a Lean Government review of the Trade program. Lean refers to the application of lean production (also known as "Lean") principles and methods to both identify and implement the most efficient, value-added way of providing governmental services.

Results of implementing the LEAN process include the following:

- Reduced need for temporary staff working on the standard processing of contracts and payments from ten to four
- Increased time management efficiency for Dislocated Services Unit (DSU) staff members, who were then able to focus their efforts on Rapid Response activities and improvements rather than the processing of training contracts and payments
- Reduced back log of obligation from over \$4 million to under \$1 million
- Reduced contract approval time from ten days to three days
- Reduced time for accurate invoice approval for payment from ten to two days

DWDAL will utilize ideas learned from Lean to continuously improve Trade as well as incorporate these concepts into other workforce programs.

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Focus on Veteran Job Seekers and Businesses

As DWDAL staff members well know, securing employment can be an even greater challenge for veterans because of the complexities coming with the transition from military to civilian life. Job seeking veterans must acknowledge the importance of discussing specific military skills which can translate into civilian skills, such as: discipline, teamwork, problem-solving, and working under pressure. Veterans being taught to avoid military jargon and explain their strengths effectively will make all the difference in an interview.

In PY13, veteran representatives and other DWDAL staff enjoyed participating in and coordinating several events – all with the intention of providing superior service to and facilitating gainful employment for our Maryland veterans.



Veterans Training Academy (VTA) 2014 – Held at the Sheraton Columbia Town Center Hotel from Wednesday, June 18 – Friday, June 20, 2014, the mission of the VTA was to provide comprehensive leadership, staff development, and technical assistance to veteran services representatives in Maryland’s workforce development system. The VTA focused on promoting quality and excellence and improving the system’s capacity to deliver services to veterans and businesses seeking to hire veterans. Leading the training were staff from the National Veterans Training Institute (NVTI), updating Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOPs) specialists on their mandatory refocused roles per USDOL.

Veterans Job Clubs – Since its inception, the Vets Job Club program has been a great success story. There are no costs to the business for their participation.

- **Local** – Monthly Veterans Job Clubs are held to provide information on employment, green jobs, training referral, housing, job fairs, and supportive agencies services. They are open to all military veterans and their qualified dependents. During PY13, seventy-one Job Clubs were conducted at all of the American Job Centers.
- **Regional** – The first Regional Veterans Job Club “Hiring Event” was held on June 27, 2014, from 10:00 AM to 2:00 PM at the Howard County Library Miller Branch, 9421 Frederick Road, Ellicott City. Baltimore City was represented as well as the following counties: Anne Arundel, Baltimore, Carroll, Frederick, Howard, and Montgomery. Two hundred veterans and over twenty employers participated.

Human Resource Managers, Specialists, and Recruiters attended with open positions available to qualified personnel. Examples of companies included TSA, U.S. Treasury Department, Social Security Administration, Verizon, and Best Buy, to name a few. Representatives from state and local support agencies attended as well and spoke to veterans about services their agencies offer at no cost.

Maryland Re-Entry Initiative (MRI) – Maryland Offender Workforce Development (OWDS) Partnership

The Maryland OWDS Partnership in collaboration with the National Institute of Corrections and the National Career Development Association hosted the OWDS National Certification training from September 9–13, 2013, and conducted training December 9–13, 2013.

The Maryland OWDS Partnership, formed in 2005, has been the training mechanism for one hundred thirty-four Maryland certified OWDS and sixty-four OWDS instructors. DLLR's Maryland Reentry Initiative Administrator is one of six founding members of the Partnership. The Partnership is operated under the guidance of its Management Council that includes members from DPSCS, DWDAL Correctional Education, and MRI. The Transitions Coordinator for Correctional Education and the Administrator for MRI co-chair the Council. MRI coordinates the training for OWDS and Offender Employment Specialist (OES), non-certification training offered regionally.

Thirty-seven individuals participated and represented agencies/organizations from across the state including Maryland Department of Public Safety and Correctional Services, Department of Human Resources, and many other partners including faith-based groups. Training involved both onsite and web-based instruction.

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SYSTEMS INNOVATIONS and LOOKING FORWARD

DWDAL and its local partners strive to stay “ahead of the curve” in providing exemplary services to customers – job seekers and businesses alike. From the Maryland Jobs Now branding strategy to encouraging certifications for staff – 105 staff members are Global Career Development Facilitators (GCDF) and 46 are Certified Professional Résumé Writers (CPRW) – DWDAL continually looks for ways to improve program productivity to serve our customers better.

FOCUS ON UNEMPLOYMENT CLAIMANTS

Early Intervention

The Early Intervention (EI) program will increase the number of “completed” participants in PY14 and will closely work with the Division of Unemployment Insurance (DUI) to creatively engage customers, thus assuring participation. The result will be an increase in the number of claimants served. Currently, Maryland has about a 40% “no-show” rate for EI.

Reemployment and Eligibility Assessment (REA)

Maryland will expand REA services statewide from the current six areas being served. The current goal of reaching and servicing 10,000 participants is being increased by 2,500 to a total goal of 12,500.

Job Driven National Emergency Grant (JDNEG)

DWDAL was awarded a JDNEG focusing on long-term unemployed and profiled claimants and will be closely working with local workforce investment areas to implement the program. Specifically, the following groups will be targeted:

- Long-term unemployed jobseekers, at least twenty-seven weeks in aggregate since recession
- Unemployment Insurance recipients who have been profiled as likely to exhaust their benefits
- Foreign-trained immigrant workers qualifying as dislocated workers and have faced barriers to employment in their trained field or profession

During the two-year grant period, DWDAL expects to serve at least 364 long-term unemployed dislocated workers with these funds (180 to be enrolled in training in WIA/Trade/Other and 184 in On-the-Job training).

Many EARN grantees target participants include long-term and unemployed workers in which DWDAL programs and services will be a pipeline.

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Veterans

The “first pay” lists for veterans will be distributed to Job Center staff (the Disabled Veteran Outplacement Program Specialists or DVOPs) so they may provide outreach to these individuals. Having access to this important list will enable veteran staff to connect with newly-unemployed veterans and provide needed services to become re-employed or obtain upgraded skills.

Job Clubs

Presently and looking forward, DWDAL staff are busy promoting **Operation Hire**. Taking place from June 1 – September 9, 2014, this 100-Day Veteran Hiring Challenge is designed to enhance current efforts supporting veteran hiring in Maryland. In partnership with Maryland Department of Veterans Affairs, staff members display the [fact sheet](#) at the Job Centers, job fairs, outreach events, and on the DLLR website. Information can be obtained on the MWE-VOS as well.

Publications, conferences, and course offerings continued to be developed and refined responding to the need for quality employment and training services available to veterans and returning service members.

RESOURCES ALLOCATION

Local Site Visits

The DWDAL Communications and Outreach Team continues to improve and enhance the communication efforts in 2014/15. Continuing the effort begun in early 2014, C&O staff coordinate local site visits to the American Job Centers with staff meetings wherein C&O staff can share ideas and roles of the Unit and well as enjoy feedback from local staff. Ideas for increasing efficiency regarding resource distribution are shared and acted upon.

Publications and Resources Available Online

Electronic PDF versions of core [publications and resources](#) are available via the DLLR website, allowing for cost-cutting distribution of information to job seekers and businesses alike.

Publication and Resource Handbooks

Individual flyers/brochures focusing on jobseeker and re-entry resources are being combined into two separate handbooks serving as comprehensive informational guides for Marylanders including transitioning ex-offenders who are seeking gainful employment. Additionally, a new resource, *Resource Guide for the Unemployed: Helpful Information for Unemployed Workers in Maryland*, will be available by early 2015.

FOCUS ON VETERANS

Veteran Re-Entry Associate Program

In collaboration with the Maryland Department of Veterans Affairs and the Department of Correctional Services, DLLR is launching a 12-month statewide program transitioning veterans who are returning to the community. Services offered assist with housing, counseling, benefits, and employment.

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The program is currently seeking (1) volunteers/mentors to serve as Associates, and (2) veterans returning to the community who are within six-months of release. Additional information including a flyer will be available in both the American Job Centers as well as the Veterans page on the DLLR website.

Project Opportunity

Project Opportunity, a free entrepreneurship class for veterans, returns to Anne Arundel County this fall thanks to a partnership with Anne Arundel Workforce Development Corporation (AAWDC). This is the second time these organizations have collaborated. [Project Opportunity](#) is a free 11-week intensive course for veterans looking to start their own business or grow their small business. Coursework covers such topics as fine-tuning a business plan to securing funding to launch a business.

FOCUS ON “EX-OFFENDER FRIENDLY”

Correctional Education, Maryland Reentry Initiative, Business Services, and Communications and Outreach staff continue to develop ways to broadcast the advantages afforded businesses when hiring previously incarcerated individuals. A new [DLLR webpage](#) was developed describing the skilled training programs offered “behind the fence” as well as information outlining the benefits to businesses of hiring these transitioning citizens. A draft brochure has been developed and will be available on-line by October 30, 2014.



OVERVIEW

Governor's Workforce Investment Board

The Governor's Workforce Investment Board (GWIB), as the State Workforce Board, is Governor O'Malley's chief policy-making body for workforce development in Maryland. The GWIB is responsible for developing policies and strategies to form a coordinated workforce system from a variety of education, and employment and training programs. It brings together and focuses various workforce development partners and stakeholders on two key outcomes - a properly prepared workforce that meets the current and future demands of Maryland employers, and providing opportunities for all Marylanders to succeed in the 21st century workforce.

Governor O'Malley's workforce vision is embedded in the principle that Maryland's economic prosperity is directly tied to the education and skill level of the State's workforce. Job growth and creation along with skills attainment are critical to the O'Malley-Brown Administration.

Governor O'Malley's Administration's top three strategic priorities are the following jobs, education and skills:

- **Jobs Goal:** Recover 100% of the jobs lost during the Great Recession by FY2015;
- **Education Goal:** Improve student achievement and school, college, and career readiness in Maryland by 25 percent by FY2015; and
- **Skills Goal:** Increase the number of Marylanders who receive skills training by 20 percent by FY2018.

To support the Governor's Skills Goal, during PY2013 the GWIB focused on the following priorities:

Skills2Compete (S2C) Maryland Initiative

The GWIB continued to serve as the advisory board for Governor O'Malley's Skills2Compete (S2C) Maryland Initiative. Launched in 2010, S2C Maryland is the O'Malley-Brown Administration's umbrella initiative designed to meet the increased demand for workers in the State's middle-skills economy. To drive progress against this goal, the Administration set the goal of increasing the number of Marylanders who receive at least two years post-secondary education and training leading to a degree, apprenticeship, or certificate by 20% by 2018.

Governor O'Malley charged DLLR, in collaboration with the GWIB, with developing a more robust strategy for moving forward in support of the skills attainment goal. The new Employment Advancement Right Now (EARN) Maryland is the tangible result of the Governor's charge. For more information on S2C Maryland, visit the website at <https://data.maryland.gov/goals/skills>.

Employment Advancement Right Now (EARN) Maryland Initiative

EARN Maryland is Maryland's state-funded, competitive workforce development grant program that is industry-led, regional in focus, and a proven state for helping businesses cultivate the skilled workforce upon which they can depend.

It is flexible and innovative, designed to ensure that Maryland employers have the talent they need to compete in an ever-changing 21st century economy.

It includes both career advancement strategies for incumbent workers and support for individuals with specific barriers to employment. EARN Maryland promotes both prosperity of working families and economic development across the State.

In support of the launch of EARN Maryland, in PY2013 the GWIB contracted with Woolsey and Associates to provide technical assistance to key strategic industry partners (business, education, workforce development, economic development, etc.) interested in taking advantage of upcoming planning grant process.

Woolsey and Associates facilitated the following three webinars, **(1) Industry Partnerships 101: What, Why, How and Impact; (2) How to Identify Your Target Industry; and (3) Mobilizing Your Partnerships**. This 3-part webinar series is the first phase of the roll-out and implementation of Maryland's EARN legislation that will support the creation and expansion of strategic industry partnerships across Maryland.

The GWIB will continue to support the EARN Maryland Initiative through timely and appropriate technical assistance during PY2014.

More information on EARN Maryland may be found at <http://www.dllr.state.md.us/earn/>.

Healthcare Workforce Data Collection Initiative

In 2010, the Governor's Workforce Investment Board (GWIB) was awarded a \$150,000 U.S. Department of Health and Human Services (HHS) Health Resource and Services Administration (HRSA) Healthcare Workforce Planning Grant, the purpose of which was to develop a strategic plan for growing Maryland's primary care workforce by 25% by 2020.

The resulting work from the planning grant was the release of the report, ***Preparing Maryland for Health Reform: Healthcare 2020***, which serves as the blueprint for preparing Maryland for the expected and accelerated increase in primary care utilization resulting from full implementation of the Affordable Care Act (ACA).

Goal #1 of the report recommends "comprehensive primary care workforce planning and analysis." A critical component of this goal entails assessing Maryland's primary care capacity and the ability to accurately and systematically quantify the number and need of primary care providers in Maryland.

To accomplish this goal, in June 2013 the GWIB entered into a Memorandum of Agreement (MOA) with the Maryland Health Care Commission (MHCC) and the Governor's Office of Health Reform. Work has begun, with the following approach being taken: (1) assess broadly the quality and utility of data to study the Maryland healthcare workforce; (2) identify types of data needed to assess current and

future adequacy of supply of healthcare services and providers; (3) assess data availability, current gaps, and possible solutions; (4) report on healthcare workforce characteristics and current and past distribution; and (5) make recommendations to Professional Licensure Boards to enhance collection of needed data. The GWIB has committed \$50,000 to this effort.

New Chairman Appointee

Martin G. Knott, Jr., President of Knott Mechanical, Inc. was appointed by Governor Martin O'Malley as the new chairman of the Governor's Workforce Investment Board (GWIB) in March 2013.

Martin G. Knott Jr. is an entrepreneur and co-owner of Knott Mechanical, Inc., and Wye River Technologies. Knott Mechanical is one of the Baltimore metropolitan area's premier Commercial HVAC and plumbing service providers. The family-owned Knott Mechanical is an HVAC and plumbing business providing service to over 1,200 buildings across nine counties and Baltimore City. Knott Mechanical holds contracts with more than 400 corporate, institutional, retail, educational, industrial, and governmental clients. Wye River Technologies is a software development firm currently developing wireless field force automation software for managing a wide range of service businesses, including HVAC and plumbing.

Knott, who has served on the Board since 2007, has been instrumental in leading the GWIB's successful construction industry initiative process assessing and addressing Maryland's construction industry workforce needs. Under his leadership, the Maryland Center for Construction Education and Innovation (MCCEI) was formed as an independent 501(c) (3) corporation through the GWIB. The primary mission of the MCCEI is to work in partnership with business and government to build a world-class educational system for Maryland's construction industry. The MCCEI promotes construction as a career of choice and serves as an information marketplace for the industry and for career seekers.

Biannual Local Workforce Investment Board Recertification

In accordance with the Workforce Investment Act of 1998 (WIA), and on behalf of Governor O'Malley, the GWIB performed the biannual recertification process of Maryland's 12 LWIBs for the period July 1, 2011 – June 30, 2013.

In June 2013, the GWIB completed the process and recommended to the Governor that all 12 local areas be granted Level I Recertification for a two-year period, effective July 1, 2013 thru June 30, 2015.

Additional highlights from 2013 include:

JANUARY 2013

- GWIB Executive Director, Lynn Reed-Selby was appointed to the National Association of Workforce Development Professionals (NAWDP) Board of Director's representing the State of Maryland.

FEBRUARY 2013

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- GWIB staff, and other key Maryland stakeholders, met with members of the Maryland Congressional Delegation as part of the National Skills Coalition 2013 Skills Summit.

MARCH 2013

- During the March 2013 GWIB Quarterly Board Meeting, DLLR, MDOT, and MTA formalized a partnership in support of Red & Purple Line employment opportunities for Marylanders.
- The GWIB, as mandated by the General Assembly, partnered with the Maryland Department of Transportation (MDOT) State Highway Administration (SHA) to prepare and submit the first annual report on the Maryland Transit Administration (MTA) Highway and Capital Transit Construction Training and Supportive Services Program.

APRIL 2013

- Governor O'Malley signed Senate Bill 278, EARN Maryland, Employment Advancement Right Now (EARN) Program into law committing \$4.5 million in State funds for the development of strategic partnerships between industry, education, and the workforce and economic development communities.
- GWIB Executive Director, Lynn Reed-Selby, gave remarks at Congressman Elijah Cummings' Medicaid Matters Maryland Affordable Care Act Workforce Development Forum.
- GWIB participated in the Maryland State Leadership Conference for Future Business Leaders of America (FBLA).

MAY 2013

- The GWIB partnered with the Woolsey Group to procure technical assistance services in support of the EARN Maryland.
- The GWIB partnered with the Pittsburg Institute of Aeronautics (PIA) to unveil a new facility built especially for the training of Aviation Maintenance Technicians in Hagerstown, Maryland.

JUNE 2013

- The GWIB established a Policy Committee as a committee of the full Board.

JULY 2013

- The GWIB entered into a Memorandum of Understanding (MOU) with the Governor's Office of Health Reform and Maryland Healthcare Commission, implementing a statewide comprehensive Healthcare workforce data collection effort.

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OCTOBER 2013

- GWIB Executive Director Lynn Reed-Selby was a guest on NPR's "The Checkup: How Health-Care is Changing in Maryland."

NOVEMBER 2013

- The P-20 Leadership Council worked with GWIB to convene an employer panel representing diverse industries within the state.

DECEMBER 2013

- The GWIB hosted the U.S. Chinese Exchange Council Delegation in an effort to share information regarding Maryland's workforce investment system.
- The GWIB celebrated the graduation of 12 students from the Pittsburgh Institute of Aeronautics' Hagerstown Campus, which included the first woman graduate.



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STATEWIDE SUCCESS STORIES

Maryland Workforce System staff are honored and privileged to provide commendable services to jobseekers and employers. The following success stories have been shared across the state and aptly illustrate the stellar work accomplished each and every day at Maryland American Job Centers.

Adults

SONIYA D.

Soniya D. rises to the challenge with the help of her Job Service Specialist and secures employment with Genesis of Waldorf.

Soniya D. came into the Waldorf American Job Center on a mission to find employment. Beginning her job search process, Ms. D. seemed to doubt her ability to effectively complete an online application. Soniya began to build a relationship with the Job Service Specialist team as she searched for assistance using the Resource Area. She was eager to learn and the staff was passionate about empowering her in return. Considering her lack of computer skills, Soniya's biggest challenge was clear.

Ms. D. devoted an impressive amount of time to the Waldorf American Job Center ensuring she would reach the goals she and the staff member set. By becoming a consistent customer, Ms. D. was able to develop a strong résumé and gain assistance with successfully completing applications. Job Service Specialists also encouraged Ms. D. to become organized by keeping records of all usernames, passwords, and positions for which she applied. As the application process became easier, another wall of discouragement was built by the challenge of landing an interview and then actually getting the job. With the motivation and support from her Job Service Specialist, Soniya stayed positive and kept pushing forward.

Currently, Soniya holds both full and part-time positions in the medical field and is very appreciative for the help received. At her full-time position located at Genesis of Waldorf, Ms. D. works in the Rehabilitation Department as a Geriatric Nursing Assistant (GNA). She assists patients recently released from surgery and those suffering from injuries. She has even earned the distinction of being named, "Employee of the Month." At her part-time job, Soniya works at Fort Washington's Rehabilitation Facility as a home nurse.

Dislocated Workers

MR. JOHNSON

Mr. Johnson had been unemployed since 2009 and was referred to the Mobile Career Center (MCC).

When Mr. Johnson visited the MCC, he received various informational resources as well as receiving assistance with résumé review and job search. He re-enrolled in the Maryland Workforce Exchange Virtual One Stop (MWE-VOS), as he had not utilized the system since 2004. Mr. Johnson was provided an overview of DWDAL and MWE-VOS services and was encouraged to stay involved with the American Job Centers. With a detailed critique and a revised functional résumé in tow, Mr. Johnson had been given a solid foundation to essentially eliminate the time-gap (caused by his work separation) on his résumé. Mr. Johnson eventually obtained an Associates of Arts (AA) Degree during his employment layoff and subsequently pursued a Bachelor of Arts (BA) Degree.

After having successfully completing four (4) rounds of interviews, Mr. Johnson accepted an employment offer from Toyota Financial. Although Mr. Johnson originally interviewed for a Customer Service Associate position, human resources personnel determined during the course of the interview that Mr. Johnson's extensive experience would be suited for their Collections Department. As a direct result, he was offered that position instead. Mr. Johnson's sentiments and gratitude were best expressed in a thank you letter singing our praises, "After many job fairs, hundreds of résumés sent and rejection letters, Maryland Workforce Development was a godsend! You and your colleagues need to know that you are helping to perform a valuable service and I am a success story. I will never forget this experience and will tell all about this wonderful service being offered."

Mr. Johnson began work in April 2014.

Youth

MARCUS

Eastside Youth Opportunity, (YO) Center helped Marcus secure full-time work with Johns Hopkins!

As a small child, Marcus always dreamed of working in the Science and Mathematics fields. He graduated from high school and enrolled in the community college but soon found that it was not a good fit. Instead, Marcus applied for retail and security jobs but experienced difficulty in even securing an interview. He floundered for a bit. Eventually, a family friend recommended Youth Opportunity (YO) Baltimore which works with young people who are disconnected from school and often the workforce.



Marcus showed up to enroll at the Eastside YO Center in a suit and tie and jumped right into job readiness workshops – learning about résumé writing, time management, and the importance of having a good attitude. Through YO, he landed an internship at Morgan Stanley through a program called “Year Up.” After he completed his workshops, Marcus landed a string of temporary assignments that ultimately resulted in him being recruited for his current position as a full-time research Program Assistant with the Johns Hopkins School of Public Health.

Marcus works hard and loves what he’s doing, but has not stopped looking to the future. His next step is applying to several local colleges and eventually earning a degree in Finance. Marcus adds, “YO has given me a great foundation to build upon. When I came here, I knew I had skills, but YO has given me opportunities to prove myself.”



BENICA

Eastside Youth Opportunity, (YO) Center helped Benica gain the necessary skills to get hired by the Labor Commissioner’s Office!

After graduating from high school, Benica’s only source of income was as a part-time Banquet Server with a sporadic weekend schedule. She wanted and needed a full-time position, but wasn’t having any luck finding one. A friend, who was a member of the Westside Youth Opportunity (YO) Center, invited Benica to YO one day and the rest as they say — is history!

Benica would up enrolling in YO and started taking advantage of job readiness classes and workshops. She worked closely with her YO advocate who helped her explore career pathways that best fit her talents, abilities, and interests. “I’m very detail-oriented, and I like figuring out better ways of doing things,” she said — which turns out — makes Benica a good fit for administrative roles. In an effort to give Benica an opportunity to showcase her administrative talents, the advocate referred Benica for a six-month paid internship with the Baltimore City Office of the Labor Commissioner. Benica was indeed selected and performed SO well that the internship was first extended and then subsequently evolved into a full-time position.

Today, Benica works full-time with the Labor Commissioner’s Office. After work, she heads to the Community College of Baltimore County, Catonsville, where she attends classes until late in the evening. She is diligently working toward an Associate’s Degree in Office Management/Executive Administration and still holds down hours as a Banquet Server on weekends. Benica sums it best by saying, “I like my job; it’s very challenging...no, my life isn’t perfect, but I’ve come a long way.”

Re-entry

ARNOLD

Hagerstown's Re-entry Coordinator helps Arnold find employment!

In April 2014, Arnold was referred to the Hagerstown Re-entry Coordinator by his parole officer. He was having “great difficulty” finding employment and was becoming quite frustrated. After meeting with Arnold, the coordinator discovered that Arnold had once worked as an Emergency Medical Tech (EMT) and apparently still had a passion for doing that type of work. So, Arnold was invited to attend the Job Club where he would receive job leads, coaching, skills building and mentoring. Arnold was clear that although he wanted to find something in his field, he was willing to work any job offered. As luck would have it, an agency located in the same building as the Job Club had an opening in in-home critical care services. Arnold was referred to the agency and based on his experience and his references, he was offered a full-time position with benefits!

Veterans

C. WOODARD

U.S. Army Veteran gets a new start with the help of staff at the Laurel Regional Workforce Center.

C. Woodard, a U.S. Army veteran and father of a small child, was renting a room in someone's home. He was unemployed only four months when he began his job search process with the Laurel Regional Workforce Center (LRWC). Mr. Woodard is a Chef and Manager with over twenty years' experience in the food industry. With the help of his Local Veteran Employment Representative (LVER), they reworked his resume and explored suitable options for housing for him and his son.

He was very active in the LRWC, working closely with his LVER at least once a week. Mr. Woodard was referred to the Community Resource Center to discuss housing opportunities with transitional housing through the Department of Veteran Affairs.

In March 2014, Mr. Woodard gained employment with an assisted living agency in Upper Marlboro as the Head Chef. He resides in transitional housing with a program called Renewed Hope and has moved into his new apartment as of July 2014. Staff at the LRWC truly enjoyed working with Mr. Woodard — they stated that his motivation and determination actually inspired them. In an effort to increase his marketability, Mr. Woodard plans to obtain a federal bonding letter and adds, “That federal bonding letter would simply be nice to have.”

APPROVED WAIVERS

Waiver 1: Waiver of the required 50 percent employer contribution for customized training at WIA Section 101 (8) (C) & (31) (B) to contribution on a sliding scale, ranging from 10 to 50 percent, based on the guidance in TEGL 13-06 (Increased Use of Flexibility Provisions in WIA)

Statutory or Regulatory Requirements Waived

Maryland was previously granted a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. Through this suggested approach, the employer match ranged from a minimum of 10% to a maximum of 50% based on the size of the business.

State or Local Statutory or Regulatory Barriers

No current state statutory, local statutory, or regulatory barriers existed related to this waiver request.

Goals of the Approved Waiver and Expected Programmatic Outcomes

The State of Maryland's Workforce Development System's mission and vision hold fast to the belief that economic success is enhanced through an integrated, innovative, and strategic approach to workforce development, contributing to a high quality of employment opportunities and prosperous business communities. Businesses benefit from a competitively skilled workforce and workers enjoy quality employment and opportunities for career advancement. Customized Training optimizes the resources available under workforce development initiatives meeting needs of employers and job seekers. However, the 50% employer match requirement limited the ability to offer the maximum benefits of customized training to many local businesses. Therefore, added benefits include increases in the following:

Percentage of employers using customized training as a means to hire and retain skilled workers

- Percentage of workers trained and hired through customized training
- Flexibility at the local level to service business and industry through a demand driven approach to specific needs
- Workers equipped with relevant job training skills leading to a more productive and therefore profitable business
- Improvement in the ability of the LWIBs to respond to industry changing needs more expediently and impactful
- LWIBs increased participation rates for skilled job seekers receiving training and securing employment

Local employers too often conclude a 50% match requirement creates costs outweighing benefits of participating in the WIA customized training programs. Allowing businesses to apply the sliding scale determining the match amount increases employer participation in WIA customized training programs at a local level. The below sliding scale for the employer match creates necessary

flexibility for employers to provide the required match at a rate more appropriately representing a particular business' cost benefit ratio of contributing to a match amount of receiving skilled employees. The sliding scale answers employers' primary reason for not participating in the training programs because of their Return on Investment (ROI) concerns, especially for those small employers of less than 50 employees with limited resources but a great need for skilled workers.

The employer match sliding scale will range from 10% to 50% based on the following employer size:

- Match up to 90% for employers with 50 or fewer employees
- Match up to 75% for employers with 51-200 employees
- Match up to 50% for employers with 200 or more employees

Impacts of Waiver

Customized Training optimizes the resources available under workforce development initiatives to meet the needs of employers and job seekers.

Process for Monitoring Progress in Implementation

DLLR's DWDAL Office of Workforce Development, Office of Workforce Investment Programs & Performance Monitoring, and Office of Budget and Fiscal Services monitor the WIA customized programs. Technical assistance during the implementation phase of the waiver covers areas as procurement, contracting, and program design. Each LWIB and DLLR's DWDAL/OWD/OWIPP and OBFS will monitor performance reports and compare actual performance with prescribed benchmarks. DWDAL/OWD/OWIPP will continue to make adjustments to monitoring performance requirements ensuring performance goals and objectives are met for all WIA programs.

Waiver 2: Waiver of the requirement that businesses receiving On-the-Job (OJT) Training Services under WIA Section 101 (31) (B) and 20 CFR 663.700(a), 663.710(b), receive maximum reimbursement of 50% of the newly hired employee's wages during OJT

Maryland was previously granted a waiver permitting an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The waiver would allow for reimbursements as follows:

- Up to 90 percent of the participant's wage for employers with 50 or fewer employees
- Up to 75% of the participant's wage for employers with more than 51-250 employees
- 50 percent of the participant's wage for employers with 250 or more employees

Statutory or Regulatory Requirements Waived

WIA Section 101 (31) (B) increasing employer reimbursement for on-the-job training and 20 CFR 663.700(a), 663.710(b)

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State or Local Statutory or Regulatory Barriers

No current state statutory, local statutory, or regulatory barriers existed related to this waiver request.

Goals of the Approved Waiver and Expected Programmatic Outcomes

This waiver allows the state to encourage and expand the hiring of unemployed adult, low income and dislocated workers who lack some of the skills needed to meet businesses' needs. The goals of the waiver are to accomplish the following:

- Increase the number of individuals receiving OJT
- Accelerate businesses hiring through OJT
- Strengthen the labor pool by providing unemployed workers with marketable skills
- Strengthen the business community by increasing its competitiveness in the global economy
- Improve the capacity of local boards to market demand-driven services
- Build beneficial relations with a greater number of businesses in the private sector providing job seekers with opportunities to add new skill sets and learn new technologies while returning to the workplace and earning wages to support themselves and their families.

This waiver request is consistent with State of Maryland Integrated WIA/Wagner-Peyser State Plan, placing strong emphasis on strengthening the business community and increasing the number of individuals who receive training through the One Stop Career Center System.

Impacts of Waiver

This waiver accelerates hiring and thus positively impact the population of unemployed workers hired through OJT in terms of skill acquisition and family income. In addition, the waiver has a positive impact on the State's participating businesses with 100 or fewer employees, the State's workforce, and the State's economy.

Process for Monitoring Progress in Implementation

Through regular contact with ETA Regional Office liaisons and their monitoring and performance accountability system, the State of Maryland monitors progress and ensures accountability for Federal funds in connection with these waivers by reviewing monthly expenditures, performance, and other reports.

Waiver 3: Waiver of WIA Section 133 (b)(4) increasing allowable transfer amounts between Adult and Dislocated Worker funding streams allocated to a local area. Although Maryland was previously granted a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams, the transfer authority was limited to 50 percent.

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Statutory or Regulatory Requirements Waived

WIA Section 133 (b)(4)

State or Local Statutory or Regulatory Barriers

No current state statutory, local statutory, or regulatory barriers existed related to this waiver request.

Goals of the Approved Waiver and Expected Programmatic Outcomes

This waiver provides the state and Local WIBs needed flexibility to respond to changes in their local labor markets and helps ensure that WIA funds are used in a way that maximizes customer service, while ensuring consistency with legislative intent regarding the level of funding appropriate for WIA Adult, Dislocated Worker programs and aligning with the demand-driven needs of the business community.

Impacts of Waiver

This waiver permits local areas to lessen challenges by transferring funding to more effectively serve their customers. Some local areas have been able to leverage and secure other sources of funding to serve the same groups of individuals. However, this waiver enables local areas to respond appropriately, transferring resources, maximizing the benefit to customers. The need for this waiver was critical given the current economic shifts occurring in our state.

Process for Monitoring Progress in Implementation

Local areas are required to submit in writing to DLLR fiscal unit a request to implement the waiver, the amount of the transfer, and the justification of the need. Written approval of the transfer is issued to the LWIB and grant modifications are made. Through regular contact with ETA Regional Office liaisons and their monitoring and performance accountability system, the State of Maryland monitors progress and ensures accountability for Federal funds in connection with these waivers by reviewing monthly expenditures, performance, and other reports.

Waiver 4: Waiver Permitting the State to Replace the Performance Measures at WIA Section 136 (b) with the Common Measures. Maryland was previously granted a waiver allowing the State to replace the seventeen (17) performance measures under WIA Section 136 (b) with the common measures.

Statutory or Regulatory Requirements Waived

Waiver of the core indicators of performance and the customer satisfaction measures required at WIA Section 136(b)(2) and (c)(1), as well as accompanying regulations in CFR 20 666.100(a) and 666.300(a), of the Workforce Investment Act.

State or Local Statutory or Regulatory Barriers

No current state statutory, local statutory, or regulatory barriers existed related to this waiver request.

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Goals of the Approved Waiver and Expected Programmatic Outcomes

The State of Maryland has adopted and reports on the Common Measures, as delineated in TEGE #17-05, for federal job training and employment programs. This granted waiver

- Simplifies and streamlines performance accountability and reporting
- Improves program management and performance
- Enhances the State's ability to assess the effectiveness and impact of workforce development efforts
- Provides a more effective means of determining performance

Impacts of Waiver

This waiver continues to support the Maryland State's Strategic Plan aligning strategy, services to customers, and accountability across the workforce investment system and programs administered by DLLR/ DWDAL. A streamlined approach and focus on the common measures rather than seventeen (17) allows for administrative efficiencies while focusing on key performance measures.

Process for Monitoring Progress in Implementation

The State of Maryland issues quarterly performance reports to each of the local areas, identifying areas of deficiency and progress. Technical assistance and performance management training are provided ongoing via face-to-face meetings and webinars. Annual programmatic performance reviews observe and document best practices and deficiencies in operations assisting areas in developing process improvements enhancing performance outcomes.

Waiver 5: Waiver of the provision WIA Section 122(c)(5) and WIA Regulations 20 CFR 663.530 prescribing a time limit on the period of initial eligibility for training providers. This waiver extended the initial eligibility period, deferring the implementation of the subsequent eligibility process. Additionally, the waiver provided an opportunity for training providers to re-enroll as initial eligible providers.

Statutory or Regulatory Requirements Waived

WIA Section 122(c)(5) 20 CFR 663.530

State or Local Statutory or Regulatory Barriers

No current state statutory, local statutory, or regulatory barriers existed related to this waiver request.

Goals of the Approved Waiver and Expected Programmatic Outcomes

Maryland realizes as workforce development resources become scarce and demand has skyrocketed, it becomes imperative Maryland's investment in training and skills enhancement yield maximum benefits. Maryland understands the need for accountability and supports efforts to ensure customers are making informed decisions based on quality data. Access to training providers and a diverse menu of training options is necessary to meet the growing needs of Maryland's economy.

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Impacts of Waiver

All WIA-eligible customers will be positively impacted by this waiver. Individual customers will continue to have a choice in selecting their training providers, employers will continue to have a steady flow of skilled workers entering the job market, and training providers will be able to continue serving present and new customers.

Process for Monitoring Progress in Implementation

The State of Maryland's Higher Education Commission will monitor providers as appropriate and advise DWDAL as necessary.

Waiver 6: Waiver of WIA Section 122(c)(5) and WIA Regulations 20 CFR 663.530 prohibition regarding the use of Individual Training Accounts (ITAs) for older and out-of-school youth. Maryland was previously granted a waiver of this prohibition regarding the use of ITAs for older and out-of-school youth program participants.

Statutory or Regulatory Requirements Waived

WIA Regulations 20 CFR 664.510

Goals of the Approved Waiver and Expected Programmatic Outcomes

The goals of this waiver are to ensure local workforce investment areas have flexibility to design and deliver programs based on the needs of their customers rather than restrictions based solely on age. Without this waiver, the workforce system would have no alternative but to co-enroll older youth in the adult program providing training opportunities by using ITAs. Adult funding in Maryland is limited and therefore opportunities for these youth to participate in training are additionally limited.

Impacts of Waiver

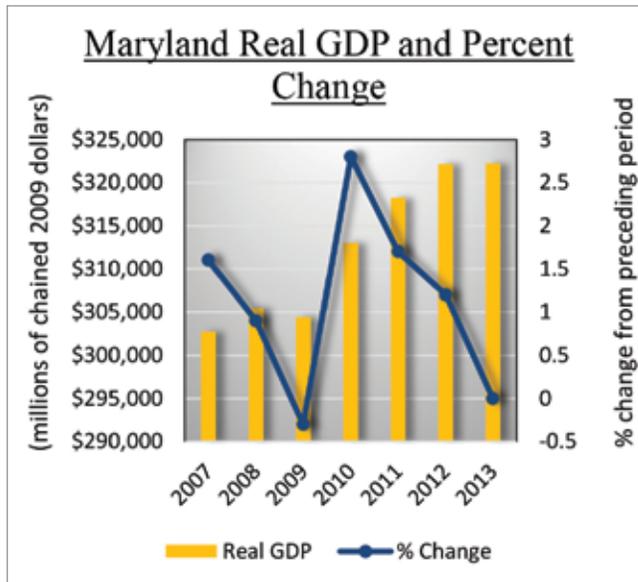
This approved waiver streamlines customer service, paperwork is reduced, and processes are simplified. Further, this waiver offers youth the real-life learning experience of making an informed decision directly impacting his/her life. Using the ITA process with older youth and out-of-school youth offers case managers the opportunity to discuss the process of decision-making (training provider, finances, etc.) and the possible results. Service capacity of the One Stop Career Centers is maximized by allowing the use of Youth funds to serve older youth who are focused on employment have the same advantage of ITAs as adult and dislocated workers and increase youth performance.

Process for Monitoring Progress in Implementation

Through regular contact with ETA Regional Office liaisons and their monitoring and performance accountability system, the State of Maryland monitors progress and ensures accountability for Federal funds in connection with these waivers by reviewing monthly expenditures, performance reports, and other reports.

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OVERVIEW Labor Market Analysis

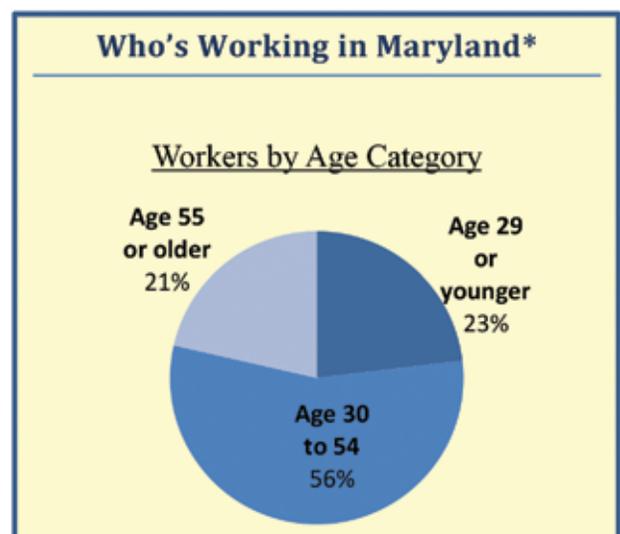


In 2013, the United States' real Gross Domestic Product (GDP) growth slowed to 1.8 percent from a rate of 2.5 percent in the previous year. This deceleration in growth extended into Maryland, which also slowed from a rate of 1.2 percent in 2012 to 0 percent growth in 2013. Professional and business services and educational services, health care, and social assistance, relatively large components of Maryland's economy, experienced growths in real GDP of 0.5 percent and 1.3 percent respectively with health care and social assistance being a primary driver in the latter category with an increase of 2.1 percent (Bureau of Economic Analysis, 2014). It is not surprising that these same areas also exhibited increases in employment from 2012 to 2013 with the Professional and Business Services sector increasing by 1.5 percent and Education and Health Services increasing by 1.3 percent. These sectors, which accounted for 19.9 percent and 16.5 percent of Maryland's

private sector employment respectively in 2013, are projected to continue to grow over the next ten years (BLS, 2014). Additionally, prominent occupations within these sectors pay above the median wage in Maryland indicating the availability of in-demand, high paying careers available for Maryland's workforce. This analysis summarizes statewide labor market conditions and provides further analysis at the Workforce Investment Act (WIA) regions level.

Available Labor Pool in Maryland

In terms of land area Maryland may be a relatively small state, but in terms of population density Maryland ranks 6th in the nation (in terms of 2010 population) (Census, 2014). Maryland's population is also projected to grow, thus increasing the pool of Marylanders available for work (Maryland Department of Planning, 2014). Maryland welcomes a diverse population with the three major races represented being White alone (60.5%), Black alone (30.1%), and Asian alone (6.1%) (Census, 2014).

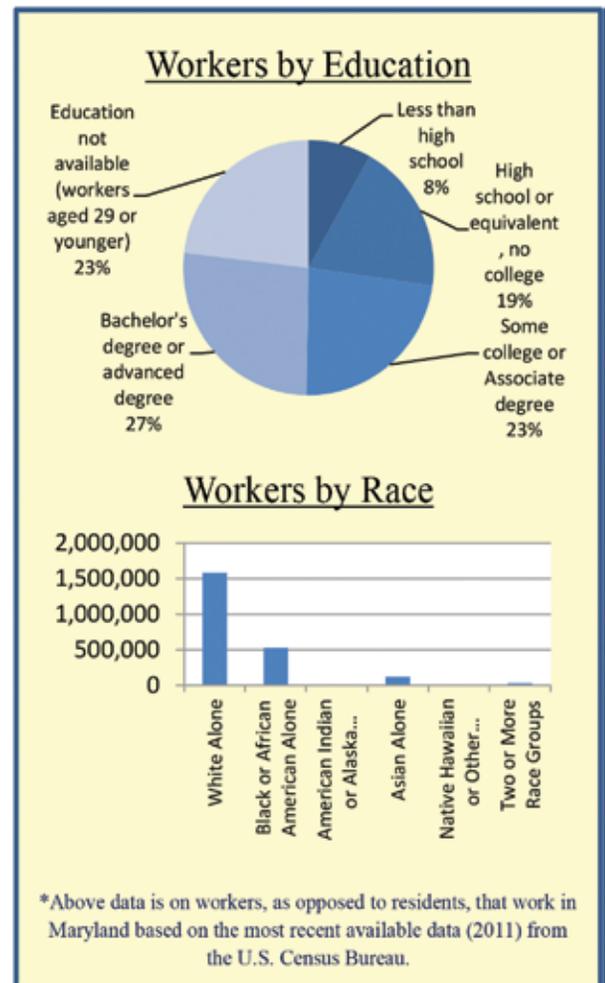


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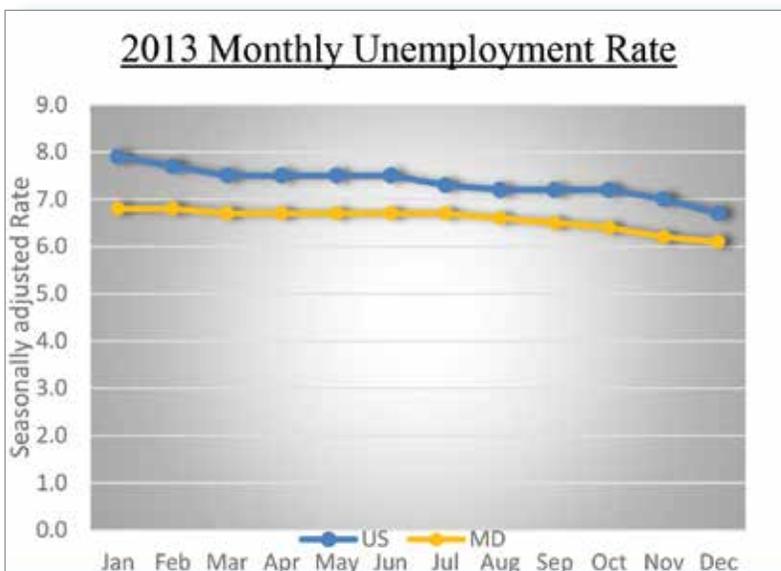
In regards to ethnicity, Maryland is 9% Hispanic or Latino. Gender is equally distributed, with females accounting for 51.5% of the population (Census, 2014). Maryland is home to a well educated population and ranks 3rd in the nation for percent of population with a graduate degree or higher. Maryland has a slightly higher percentage of older adults (27.6%) than the U.S. as a whole, which suggests that accounting for an aging workforce, especially in some industries, may be key (Census, 2014). For example, in Maryland approximately 27% of the workers employed in the Manufacturing sector are 55 years of age or older compared to Retail Trade where that age group comprises only 19 percent of the workforce (Census, 2014).

Employment, Unemployment, and Labor Force

Maryland has been fortunate to maintain an unemployment rate that is consistently lower than that of the United States (See Graph 2). The annual unemployment rate (not seasonally adjusted) in Maryland has exhibited a downward trend since 2010 and from 2012 (annual average) to 2013 (annual average) decreased by more than 4 percent (BLS, 2014). Maryland's labor force averaged 3,127,676 persons in 2013, up from 3,125,586 in 2012. The number of employed also rose by 0.4% from 2012 to 2013 (BLS, 2014). In examining regional patterns, the average unemployment rate from 2012 to 2013 fell in all of the 12 WIAs with Upper Shore, Lower Shore, and Baltimore City showing the largest decreases of 0.6 percentage points. Employment of residents, as measured by the Local Area Unemployment Statistics program (LAUS) increased in 11 out of the 12 WIAs with Susquehanna showing the largest percentage increase of nearly .8 percent while

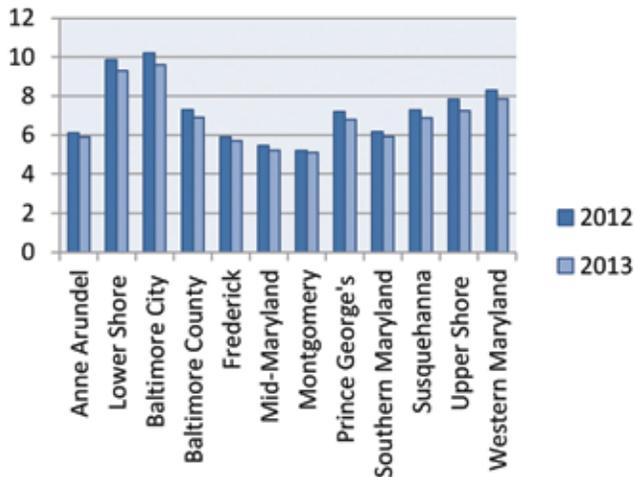


Baltimore County experienced the largest overall gain. Changes in labor force were mixed with five WIAs growing in terms of labor force and seven showing small decreases (See Regional Trends on following page).

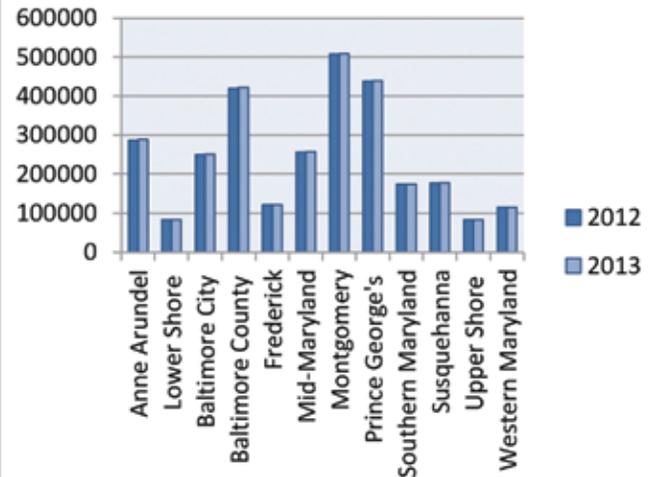


Regional Trends

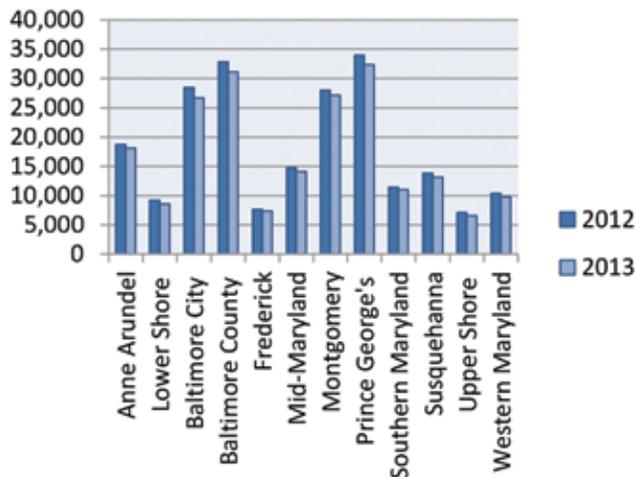
Unemployment Rate



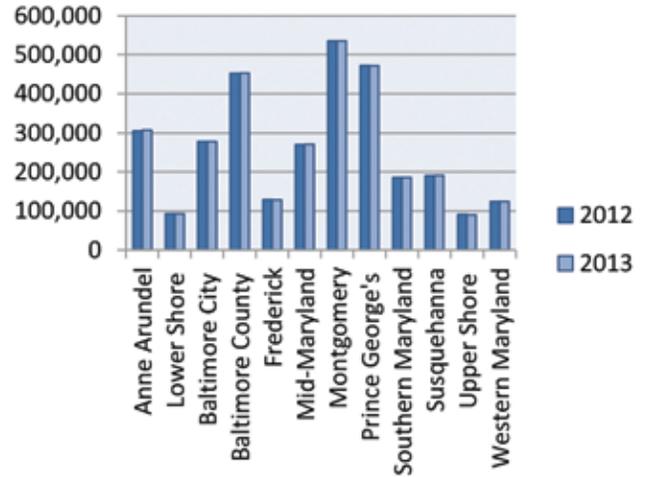
Employment



Unemployment



Labor Force by WIA



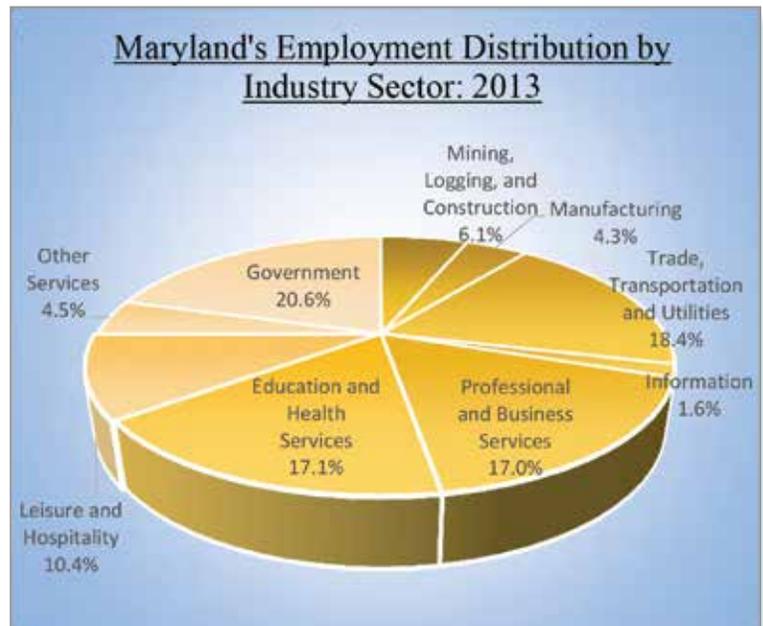
*Data from BLS

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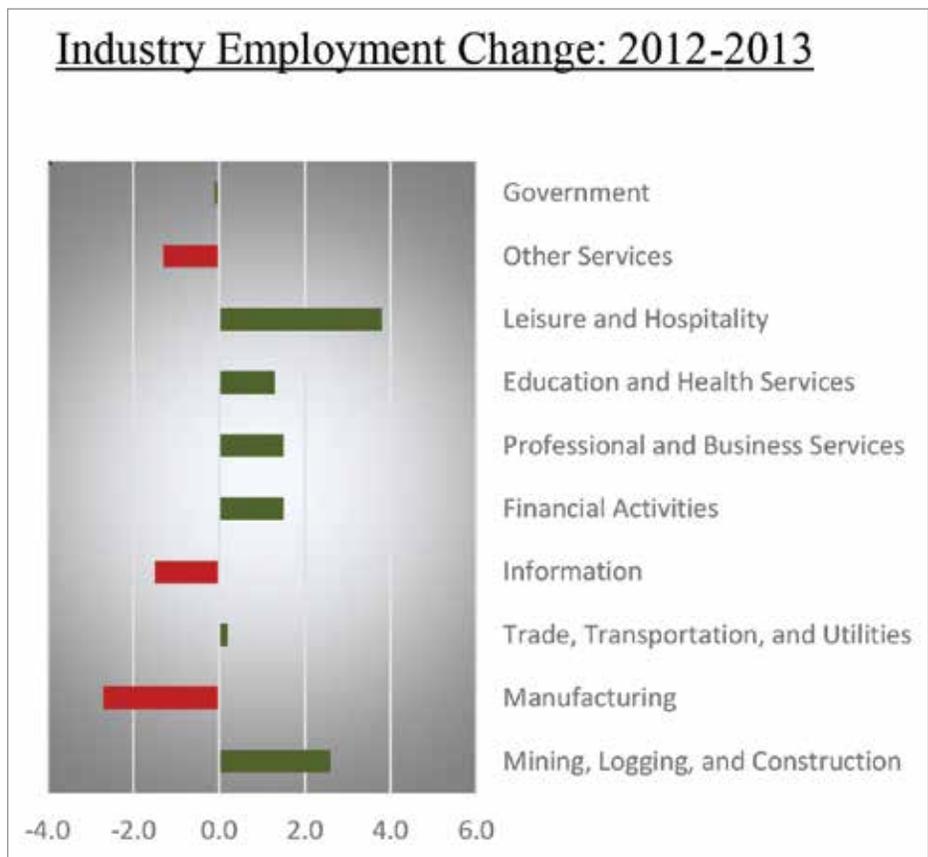
Current Employment Statistics

Maryland's economy is diverse in industry composition, providing a variety of opportunities at all skill and education levels. It is strongly services-oriented, with the services sector accounting for about nine out of ten payroll jobs. Approximately 20% of the employment is in the public sector (See Graph 3). Maryland, equipped with high industry diversity and an emphasis on providing services, is generally better insulated against economic shocks than states with an emphasis on cyclically-sensitive goods-producing industries of Construction, Manufacturing, and Natural Resources and Mining.

Maryland's 2013 annual total non-farm employment averaged 2,596,100, as measured by the Current Employment Statistics (CES) program, increased from 2012-2011 by 0.8 percent and was primarily driven by growth in the private sector. From 2012 to 2013, Manufacturing experienced the sharpest decline of -2.7 percent although less severe than the loss exhibited in the previous year. Over the same time frame, Mining, logging, and construction showed an impressive increase of 2.6 percent and Leisure and Hospitality led the charge with an increase of 3.8 percent (BLS, 2014) (See Graph 4).



Industry Employment Change: 2012-2013



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Diving Deeper Into Employment Trends

To further examine the more specific industries providing employment opportunity in Maryland, data from Maryland's Quarterly Census of Employment Wages (QCEW) Program can be examined. This dataset provides for analyses at a greater spatial resolution and industry specificity than other available datasets; however, it is important to note that the data only covers workers covered by the Unemployment Insurance (UI) Law of Maryland and the Unemployment Compensation for Federal Employees (UCFE) program.

Subsectors of the Education and Health services sector, such as Hospitals and Ambulatory health care services, are in the top ten of private sector growth industries for 11 of the 12 WIAs. Anne Arundel County, home to Maryland Live Casino, experienced growth in Amusement, recreation, and gambling. Subsectors relating to food and beverages, either in regards to retail or accommodation and food services, also experienced growth in employment or were in the top ten private sector growth areas by region for 11 of the 12 WIAs (DLLR, 2014). The charts below detail the employment by sector and display more detail regarding top sectors showing growth in employment for each WIA.

Anne Arundel

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	251,966
Government Total	47,270
Federal	13,175
State	13,327
Local	20,768
Private Sector Total	204,696
Natural Resources & Mining	182
Construction	14,932
Manufacturing	12,235
Trade, Transportation, & Utilities	52,856
Information	2,564
Financial Activities	10,175
Professional & Business Services	40,810
Education & Health Services	29,256
Leisure & Hospitality	32,508
Other Services/Unclassified	9,178

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Professional and technical services	2,038
Amusements, gambling, and recreation	1,436
Food services and drinking places	1,132
Ambulatory health care services	618
Specialty trade contractors	570
Social assistance	509
Utilities	406
Food and beverage stores	291
Real estate	271
Educational services	240

WIA ANNUAL REPORT 2013

Baltimore City

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	330,746
Government Total	69,110
Federal	9,677
State	34,431
Local	25,002
Private Sector Total	261,636
Natural Resources & Mining	9
Construction	9,431
Manufacturing	12,038
Trade, Transportation, & Utilities	38,647
Information	3,665
Financial Activities	16,362
Professional & Business Services	42,748
Education & Health Services	100,533
Leisure & Hospitality	27,057
Other Services/Unclassified	11,146

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Administrative and support services	2,967
Hospitals	1,721
Ambulatory health care services	893
Food services and drinking places	727
Professional and technical services	610
Electronic markets and agents and brokers	390
Support activities for transportation	255
Securities, commodity contracts, investments	220
Personal and laundry services	206
Management of companies and enterprises	154

Baltimore County

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	361,042
Government Total	57,364
Federal	15,857
State	11,882
Local	29,625
Private Sector Total	303,678
Natural Resources & Mining	430
Construction	22,181
Manufacturing	16,272
Trade, Transportation, & Utilities	65,834
Information	5,247
Financial Activities	29,531
Professional & Business Services	54,283
Education & Health Services	66,436
Leisure & Hospitality	32,231
Other Services/Unclassified	11,233

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Administrative and support services	770
Nursing and residential care facilities	539
Insurance carriers and related activities	521
Amusements, gambling, and recreation	300
Broadcasting, except Internet	281
Management of companies and enterprises	268
Specialty trade contractors	245
Food manufacturing	234
Securities, commodity contracts, investments	180
Food services and drinking places	175

WIA ANNUAL REPORT 2013

Frederick

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	94,696
Government Total	15,640
Federal	3,796
State	778
Local	11,066
Private Sector Total	79,056
Natural Resources & Mining	617
Construction	8,295
Manufacturing	4,823
Trade, Transportation, & Utilities	16,062
Information	1,140
Financial Activities	6,565
Professional & Business Services	14,931
Education & Health Services	12,594
Leisure & Hospitality	10,897
Other Services/Unclassified	3,132

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Food services and drinking places	533
Amusements, gambling, and recreation	422
Ambulatory health care services	334
Food and beverage stores	277
Construction of buildings	230
Specialty trade contractors	226
Credit intermediation and related activities	160
Management of companies and enterprises	128
Clothing and clothing accessories stores	83
Electronic markets and agents and brokers	81

Lower Shore

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	74,631
Government Total	14,300
Federal	529
State	4,924
Local	8,847
Private Sector Total	60,331
Natural Resources & Mining	584
Construction	3,137
Manufacturing	4,618
Trade, Transportation, & Utilities	14,558
Information	735
Financial Activities	2,911
Professional & Business Services	5,825
Education & Health Services	11,842
Leisure & Hospitality	13,802
Other Services/Unclassified	2,319

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Nursing and residential care facilities	133
Ambulatory health care services	127
Management of companies and enterprises	114
Food and beverage stores	107
Food services and drinking places	96
Specialty trade contractors	88
Health and personal care stores	48
Chemical manufacturing	34
Insurance carriers and related activities	34
Educational services	30

WIA ANNUAL REPORT 2013

Mid-Maryland

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	215,578
Government Total	24,906
Federal	873
State	2,820
Local	21,213
Private Sector Total	190,672
Natural Resources & Mining	696
Construction	15,394
Manufacturing	11,514
Trade, Transportation, & Utilities	45,134
Information	4,260
Financial Activities	10,547
Professional & Business Services	49,101
Education & Health Services	25,911
Leisure & Hospitality	21,368
Other Services/Unclassified	6,747

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Administrative and support services	1,119
Ambulatory health care services	906
Food services and drinking places	530
Amusements, gambling, and recreation	453
Specialty trade contractors	369
Food manufacturing	288
Electronic markets and agents and brokers	288
Food and beverage stores	257
Credit intermediation and related activities	194
Health and personal care stores	187

Montgomery

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	451,809
Government Total	88,683
Federal	46,854
State	1,122
Local	40,707
Private Sector Total	363,126
Natural Resources & Mining	258
Construction	23,363
Manufacturing	11,219
Trade, Transportation, & Utilities	57,607
Information	12,359
Financial Activities	30,479
Professional & Business Services	98,510
Education & Health Services	66,767
Leisure & Hospitality	40,257
Other Services/Unclassified	22,307

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Food services and drinking places	754
Ambulatory health care services	605
Securities, commodity contracts, investments	290
Hospitals	268
Food and beverage stores	195
Building material and garden supply stores	168
Administrative and support services	160
Educational services	149
Performing arts and spectator sports	138
Rental and leasing services	130

WIA ANNUAL REPORT 2013

Prince George's

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	299,829
Government Total	86,722
Federal	26,672
State	19,982
Local	40,068
Private Sector Total	213,107
Natural Resources & Mining	203
Construction	24,738
Manufacturing	6,716
Trade, Transportation, & Utilities	57,109
Information	4,689
Financial Activities	11,702
Professional & Business Services	38,061
Education & Health Services	30,690
Leisure & Hospitality	29,520
Other Services/Unclassified	9,679

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Food services and drinking places	1,056
Transit and ground passenger transportation	357
Insurance carriers and related activities	255
Construction of buildings	249
Ambulatory health care services	228
Waste management and remediation services	185
Performing arts and spectator sports	161
Motor vehicle and parts dealers	131
Management of companies and enterprises	98
Educational services	85

Southern Maryland

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	104,912
Government Total	27,528
Federal	11,335
State	1,789
Local	14,404
Private Sector Total	77,384
Natural Resources & Mining	147
Construction	6,933
Manufacturing	1,672
Trade, Transportation, & Utilities	21,988
Information	699
Financial Activities	2,527
Professional & Business Services	15,364
Education & Health Services	12,896
Leisure & Hospitality	12,041
Other Services/Unclassified	3,117

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Heavy and civil engineering construction	441
Food services and drinking places	348
Specialty trade contractors	240
Management of companies and enterprises	142
Hospitals	102
Motor vehicle and parts dealers	99
Professional and technical services	96
Food and beverage stores	86
Personal and laundry services	63
Merchant wholesalers, durable goods	35

WIA ANNUAL REPORT 2013

Susquehanna

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	118,135
Government Total	27,885
Federal	13,764
State	1,135
Local	12,986
Private Sector Total	90,250
Natural Resources & Mining	1,109
Construction	6,345
Manufacturing	8,681
Trade, Transportation, & Utilities	26,404
Information	426
Financial Activities	3,624
Professional & Business Services	12,265
Education & Health Services	14,812
Leisure & Hospitality	13,054
Other Services/Unclassified	3,530

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Warehousing and storage	1,306
Professional and technical services	706
Amusements, gambling, and recreation	279
Educational services	161
Hospitals	152
Nursing and residential care facilities	123
Merchant wholesalers, durable goods	119
Food services and drinking places	118
Truck transportation	116
Specialty trade contractors	104

Upper Shore

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	60,103
Government Total	9,351
Federal	625
State	1,665
Local	7,061
Private Sector Total	50,752
Natural Resources & Mining	1,439
Construction	3,260
Manufacturing	5,934
Trade, Transportation, & Utilities	12,591
Information	468
Financial Activities	2,074
Professional & Business Services	4,964
Education & Health Services	9,677
Leisure & Hospitality	8,234
Other Services/Unclassified	2,111

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Amusements, gambling, and recreation	252
Ambulatory health care services	163
General merchandise stores	146
Warehousing and storage	102
Specialty trade contractors	100
Educational services	95
Heavy and civil engineering construction	88
Electronic markets and agents and brokers	88
Telecommunications	67
Management of companies and enterprises	64

WIA ANNUAL REPORT 2013

Western Maryland

EMPLOYMENT BY SECTOR - 2013 ANNUAL*

Sector	Employment
Total Employment	107,671
Government Total	17,505
Federal	1,234
State	5,980
Local	10,291
Private Sector Total	90,166
Natural Resources & Mining	633
Construction	4,596
Manufacturing	9,789
Trade, Transportation, & Utilities	24,268
Information	1,494
Financial Activities	8,428
Professional & Business Services	8,185
Education & Health Services	18,139
Leisure & Hospitality	11,887
Other Services/Unclassified	2,747

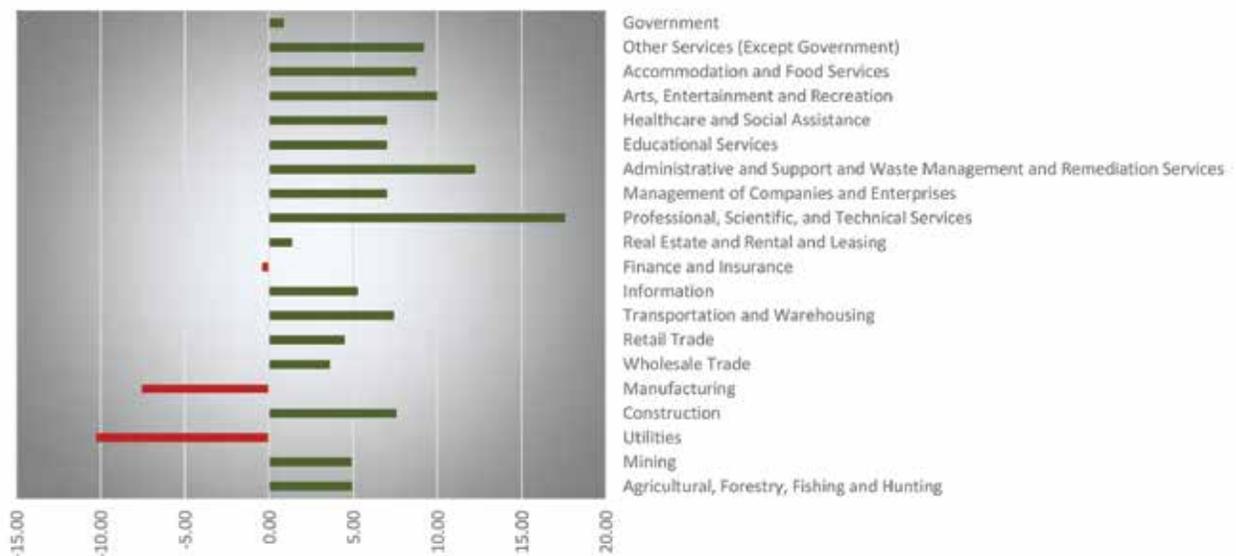
* Data from QCEW program

PRIVATE SECTOR GROWTH - Jan. 2012-Dec. 2013*

Industry	Growth
Food services and drinking places	254
Management of companies and enterprises	251
Furniture and related product manufacturing	224
Accommodation	171
Administrative and support services	156
Transportation equipment manufacturing	113
Amusements, gambling, and recreation	107
Social assistance	100
Couriers and messengers	87
Merchant wholesalers, durable goods	85

Given the historical growth and prevalence in terms of employment of Maryland's sectors, it is also important to look at projected changes in employment by industry and by occupation. From 2012 to 2022, it is projected that total employment in Maryland will increase by 6.12 percent. All of the sectors are expected to exhibit growth, with the exception of Manufacturing, Utilities, and Real Estate, Rental, and Leasing (See Graph 5). The largest growth is projected to occur in Professional, Scientific, and Technical Services, which is projected to grow in employment by 42,555.

Maryland Industry Projections: 2012-2022



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Occupations projected to increase in size and have above average wages in Maryland were stratified by education levels to create a list of “Hot Jobs”. In the Associate’s degree or below category, the top occupations were projected to increase by 13 to 29 percent from 2010 to 2020 and have average annual wages ranging from high \$50,000 and up. These occupations typically required extensive experience or specialized skills. For the Bachelor’s degree projected growth ranged from 17 percent to 36 percent and have average annual wages ranging from the mid-\$66,000 mark upward. These occupations were dominated by computer-related occupations, such as Software Developers. For Graduate and Professional Degrees, health care related occupations showed high projected growth (17%+) and even higher annual average wages with nearly all of the top four occupations in that category having an average of \$100,000 or more (DLLR, 2014). In summary, Maryland is home to a diverse economy and population which presents opportunities and challenges. By recognizing statewide trends and key regional differences, decision-making can continue to be informed by the best available data making it possible for Maryland to truly capitalize on its projected growth.

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WIA ANNUAL REPORT 2013

FINANCIAL STATEMENT AND PERFORMANCE

Section 7: WIA Financial Statement and Performance Information

- a. WIA Financial Statement – See separate excel document – please insert
- b. Table N – Cost of Program Activities – See separate excel document – please insert
- c. Financial Narrative

Expenditures by Funding Stream:

The expenditures for each funding stream include PY 13 WIA funds and Carry-In funds from the prior year.

The expenditures are:

Adult \$8,570,680, Dislocated Workers \$11,163,237 and Youth \$10,099,990.

Cost per Participant:

The cost per Participant is calculated for each funding stream by dividing the total expenditures by the number of participants for the program year. The resulting number is the cost per participant for the program year. Using this method, the cost per participant by funding stream for the program year is estimated as follows:

Adults	\$2,237 (not including self-service participants)
Dislocated Workers	\$2,267
Youth	\$3,784

The cost of workforce investment activities relative to the effect of the activities on the performance of participants:

The available WIA funds for PY 2013 were \$43,811,157, as shown in the table below. Out of this total, \$36,478,899 were distributed to Local WIA Areas by formula.

At the end of the fiscal year, 83% of available funds were obligated. The remaining funds were carried forward into the current fiscal year.

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WIA FINANCIAL STATEMENT

Expenditures by Funding Stream:

The expenditures for each funding stream include PY 13 WIA funds and Carry-In funds from the prior year. The expenditures are as follows:

- **Adult** \$8,570,680
- **Dislocated Workers** \$11,163,237
- **Youth** \$10,099,990

Cost per Participant:

The cost per participant is calculated for each funding stream by dividing the total expenditures by the number of participants for the program year. The resulting number is the cost per participant for the program year. Using this method, the cost per participant by funding stream for the program year is estimated as follows:

- **Adults** \$2,237 (not including self-service participants)
- **Dislocated Workers** \$2,267
- **Youth** \$3,784

Cost of Workforce Investment Activities:

PROGRAM YEAR 2013 WIA FINANCIAL STATEMENT					
The following PY 2013 WIA financial information was derived from the DWDAL Financial Status Reports from July 1, 2013 - June 30, 2014:					
WIA Funding Source	Total Funds Available 7/1/2013	Funds Expended 7/1/2013 to 6/30/2014	Unliquidated Obligation 6/30/2014	Unobligated Balance 6/30/2014	Obligation Rate 6/30/2014
Adult	11,425,168	8,570,680	444,692	2,409,797	79%
Dislocated Worker	14,619,339	11,163,237	480,320	2,975,782	80%
Youth	12,320,590	10,099,990	996,382	1,224,218	90%
Rapid Response	3,625,930	2,611,470	407,397	607,063	83%
Statewide 5%	1,820,130	1,704,731	-	115,399	94%
Total Formula Funds	43,811,157	34,150,108	2,328,791	7,332,258	83%
Local funds include local administration. Available Funds include funds carried over from prior fiscal year.					

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The available WIA funds for PY 2013 were \$43,811,157, as shown in the table above. Out of this total, \$36,478,899 was distributed to Local WIA Areas by formula.

At the end of the fiscal year, 83% of available funds were obligated. The remaining funds were carried forward into the current fiscal year.

Table N - Cost of Program Activities PY 13 07/01/13 to 06/30/14

Program Activity (WIA Formula Funds)		Total Federal Spending
Local Adults		\$8,570,680
Local Dislocated Workers		\$11,163,237
Local Youth		\$10,099,990
Rapid Response (up to 25%) 134 (a) (2) (A)		\$2,611,470
Statewide Required Activities (up to 25%) 134 (a) (2) (B)		\$1,704,731
Statewide Allowable Activities 134 (a) (3)	Capacity Building	\$27,584
	Incumbent Worker Training	\$0
Total of All Federal Spending Listed Above		\$34,177,692

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STATEWIDE EVALUATION

Customer Satisfaction

The United States Department of Labor (USDOL) requires that States conduct customer satisfaction to both jobseekers and business customers. A centrally conducted survey was administered via an email solicitation with a link to an online survey delivered through Survey Monkey. Along with the standard questions, participants were encouraged to submit feedback on the services received and provide ideas on how they can be improved.

For jobseeker customer satisfaction, in total 3,130 surveys were sent and 328 responses were received, a 10.5% response rate. The survey consisted of 10 questions. These questions were relating to the level of satisfaction with services, and whether the customers satisfaction was met and if service received were close to idea the idea set of services customer would like to see for a person in their situation. If the customer accessed the Maryland Workforce Exchange, we inquired if the system was helpful and if they would recommend the system to a friend.

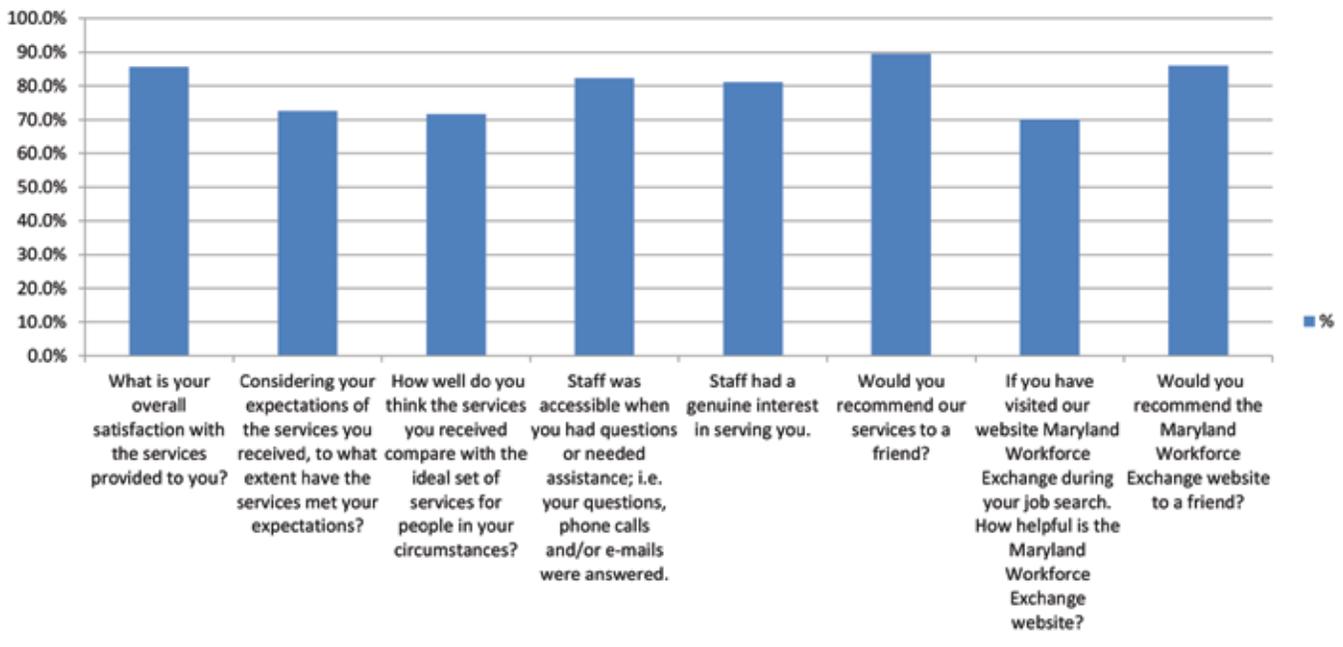
For business customers, in total 189 Employers that received staff assisted services were contacted, with 19 Employers responding, a 10.1% response rate. The Employer survey consisted of 10 questions, which included how Employers learned about business services available through Americas One -Stop Career Centers, there overall satisfaction with services they receives, if staff was available for them and had a genuine interest in serving them, and would they recommend our services to others.

Overall for jobseekers, 85.6% of the Customers are somewhat or very satisfied with the services we provided. Over 72% of customers felt the services they received, met or exceeded their expectations. Almost 72% felt the services they received were ideal for individuals in their circumstances. Over 82% felt staff was accessible and reachable, and 81.1% of customers trusted staff had a real interest in serving them. 89.6% would recommend our services. Of those who visited the Maryland Workforce Exchange, 70.1% found the site helpful or very helpful. Of those who visited the MWE, 85.9% would recommend it to a friend. Overall, majority of customers who utilized our services, found them useful and helpful in supporting their needs.

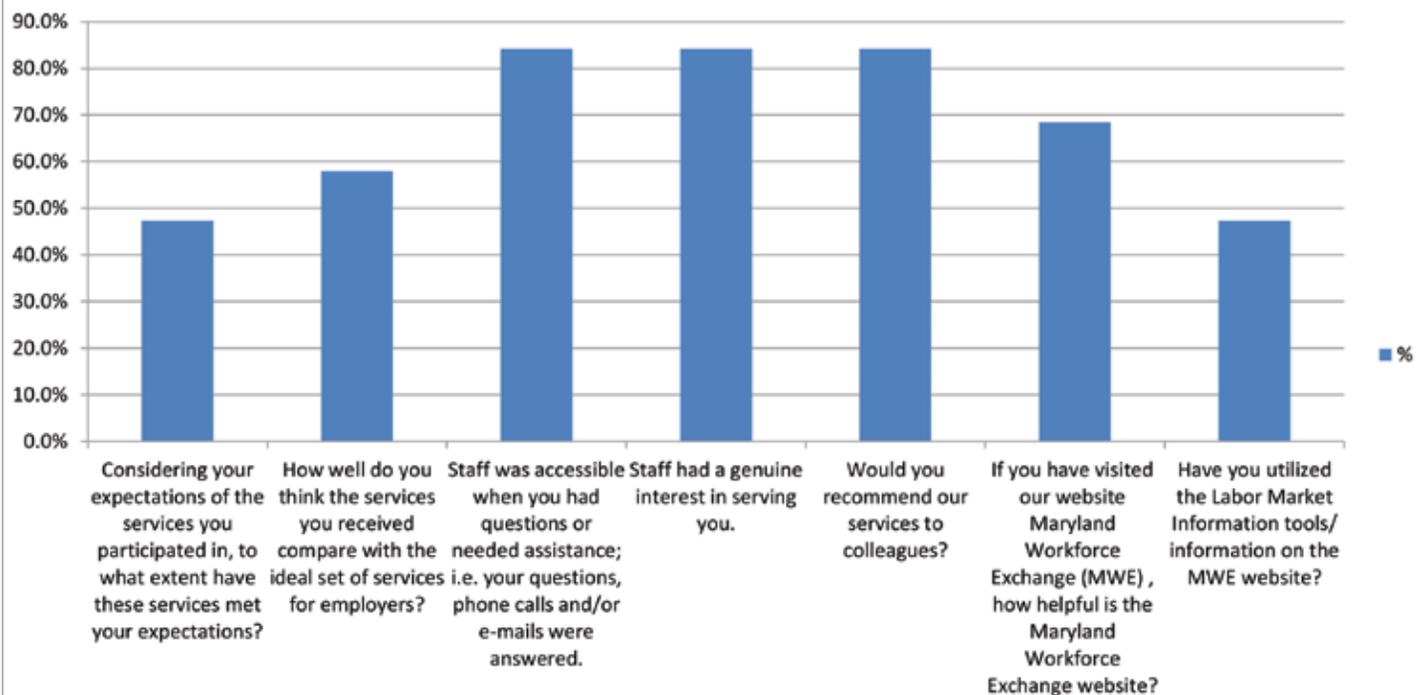
For Employers, 47.3 felt the services they received met and exceeded their expectations. About 58% felt the services they received were ideal for employers in their circumstances. A majority of Employers surveyed, 31.6%, were introduced to our American One Stop Centers through the Maryland Workforce Exchange. Over 84% felt staff was accessible and reachable, and 84.2% of employers trusted staff had a real interest in serving them. 84% of Employers would recommend our services to colleagues. Of Employers who used the Maryland Workforce Exchange, 68.5% found the site helpful or very helpful. These survey results show there are areas that may require some growth and improvement. Such as why a little over half of the Employers surveyed felt the services they received were ideal or why less than half of Employers serviced felt the services they received met or exceeded their expectations. These surveys allow us to see, if any, issues may exist. Once all areas are fully examined, and issues determined, a resolution can later be implemented. What stands out in these surveys results is that our staff, our system and the services provided were a beneficial and valuable asset to our Jobseekers and Employers alike.

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Jobseeker Customer Satisfaction - Question by %



Business Customer Satisfaction - Question by %



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Economic and Fiscal Contribution of Workforce Development Services Program Year 2012

Executive Summary

The Maryland Department of Labor, Licensing and Regulation (DLLR) retained the Jacob France Institute (JFI) of the Merrick School of Business at the University of Baltimore to analyze the economic and fiscal contribution of DLLR's workforce development services. The key findings of this analysis are as follows:

1. Maryland is emerging from the recession and is continuing to experience employment growth:

- Total Maryland employment fell to 2,391,331 in the second quarter of 2010, a level of employment as low as in the aftermath of the 2001 recession;
- Total Maryland employment recovered to 2,539,859 in the fourth quarter of 2012; and
- Maryland is experiencing growth in employment, with the Health Care, Professional and Business Services, Accommodation and Food Service, Retail, Administrative and Support Services, and Waste Management and Remedial Services sectors all reporting strong employment growth between the second quarters of 2011 and 2012.

2. The Maryland economy continues to grow, and the unemployment rate is below the 2010 peak but, rates remain close to the 1992 recession levels:

- While employment is recovering from the recession lows, it remains below pre-recession levels;
- The number of unemployed persons in Maryland peaked at 243,610 in February 2010 and after consistent declines through March 2012, the year ended with 210,330 unemployed (December 2012).

3. Maryland's economic recovery may be threatened by efforts to reduce the federal deficit:

- The Maryland economy is one of the most dependent on federal spending with federal employment accounting for 5.7% of employees in Maryland;
- According to a report produced by the Maryland Department of Business and Economic Development, federal spending in FY 2010 directly or indirectly supported 821,042 jobs in Maryland, over 30% of all jobs in the state; and
- According to The Economic Impact of the Budget Control Act of 2011 on DOD & Non-DOD Agencies report prepared by George Mason University, Maryland will experience the fifth largest job losses under sequestration, with estimated job losses of 114,795, or over 3% of Maryland employment.¹

4. The depth and breadth of the recession and the slow rate of recovery compounded by the effects of sequestration which are still working through the economy have made the workforce development services provided by DLLR critical to efforts to reduce and ameliorate the impacts of unemployment:

- While the unemployment rate continues to fall, the number of unemployed persons in Maryland remained close to 209,000 as of October 2013;

¹ The Maryland Bureau of Revenue Estimates indicates that the impact of sequestration caused a loss of 21,000 jobs with 4,000 federal jobs expected to be cut by 2015.

- With its heavy reliance on federal government jobs, the recovery in Maryland may face additional unemployment challenges; and
- In PY 2012, a total of 89,398 previously unemployed persons entered employment after receiving at least some level of assistance or services from DLLR.

5. The workforce development services provided by DLLR make an important economic and fiscal contribution² to the State of Maryland:

- The average annual salary for the 89,398 previously unemployed persons that entered employment in PY2012 after receiving at least some level of services from DLLR is approximately \$30,480;
- The 3,658 previously unemployed persons placed in or entering employment after receiving WIA services:
 - had estimated annual incomes of \$105.6 million;
 - support \$116.3 million in economic activity in Maryland and support an additional 899 jobs in the State with an associated \$41.5 million in labor income; and
 - generate an estimated \$4.3 million in State tax revenues.
- The 85,740 previously unemployed persons placed in or entering employment after receiving Wagner-Peyser Act services:
 - had estimated annual incomes of \$2.6 billion;
 - support \$2.8 billion in economic activity in Maryland and support an additional 21,257 jobs in the State with an associated \$987.1 million in labor income; and
 - generate an estimated \$101.4 million in State tax revenue.
- The 89,398 previously unemployed persons receiving either WIA or Wagner-Peyser Act program services:
 - had combined estimated annual incomes of nearly \$2.7 billion;
 - support \$2.9 billion in economic activity in Maryland and support an additional 22,155 jobs in the State with an associated \$1,028.6 million in labor income; and
 - generate an estimated \$105.7 million in State tax revenues and \$84.8 million in local tax revenues, an amount that exceeds the \$45.3 million in workforce program expenditures.

² Note that this report analyzes the earnings of persons receiving DLLR workforce development services without adjusting for the potential that these jobs could have potentially been filled by other Maryland residents or what the earnings of these persons would have been if they had found alternative employment. Thus, this analysis is not a traditional economic impact analysis, which looks at the net new and incremental impacts of an activity, but rather an analysis of the linkages between the incomes of the persons receiving services and the larger Maryland economy.

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In Program Year 2012, a total of 89,398 previously unemployed persons entered employment after receiving at least some level of assistance or services from DLLR under its two main Workforce Development programs, with the following number of persons served by each (See Table 1):

- A total of 3,658 previously unemployed persons assisted under the Workforce Investment Act (WIA) were placed in or entered employment;
- A total of 85,740 previously unemployed persons assisted by DLLR’s core Wagner-Peyser Act funded programs entered or were placed in employment in Program Year 2012; and
- For both programs, adults receiving services had average annual earnings of between \$30,000 and \$40,000 and youth receiving WIA services had average annual incomes of \$8,078.

Table 1
Maryland Department of Licensing and Regulation
Wagner-Peyser Act and Workforce Investment Act (WIA) Program
Entered Employment, Placements and Earnings, Program Year 2012

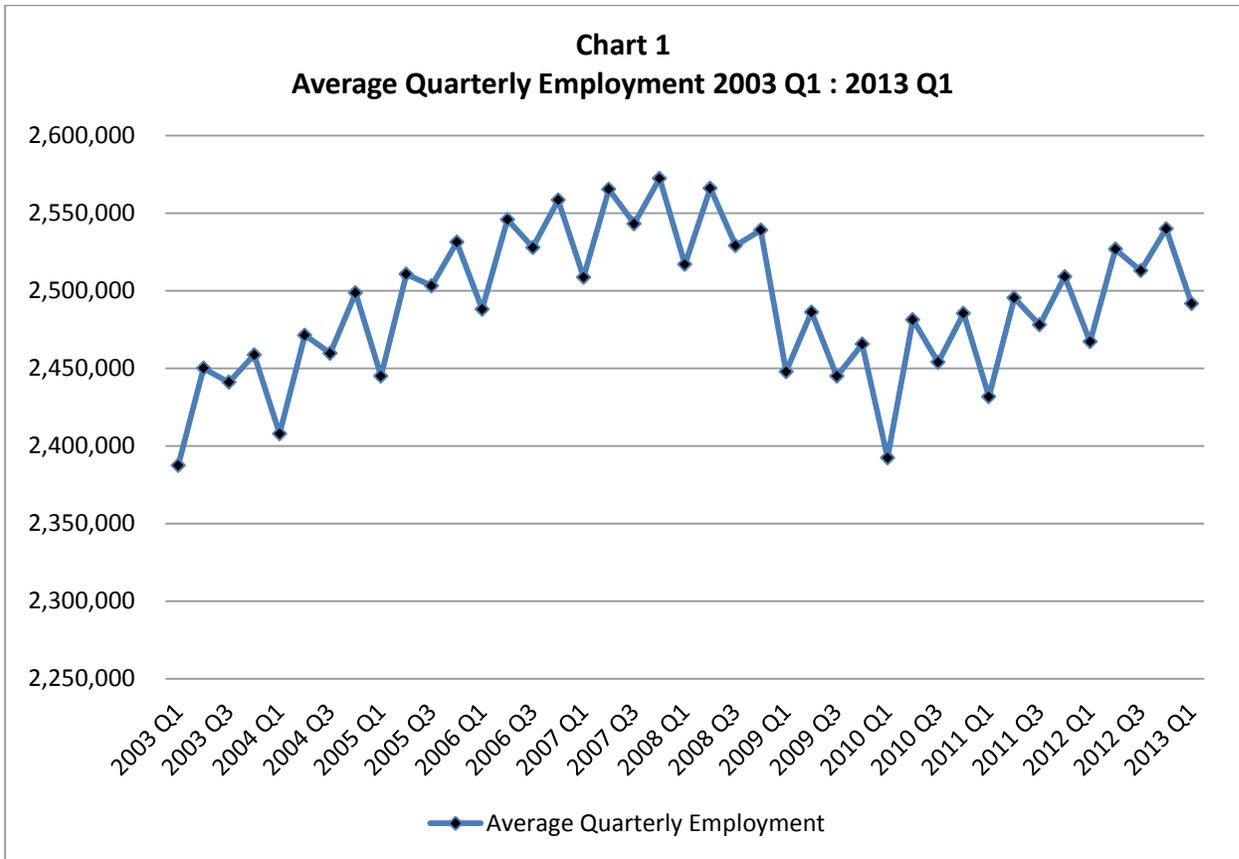
Program	Entered Employment	Average Annual Salary
Total for DLLR Workforce Programs Analyzed	<u>89,398</u>	n.a.
WIA	3,658	n.a.
Adult	1,296	30,689
Dislocated Worker	1,740	37,849
Youth	622	n.a.
Wagner Peyser	85,740	30,550

Source: DLLR

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1.0 Maryland Economic and Workforce Trends

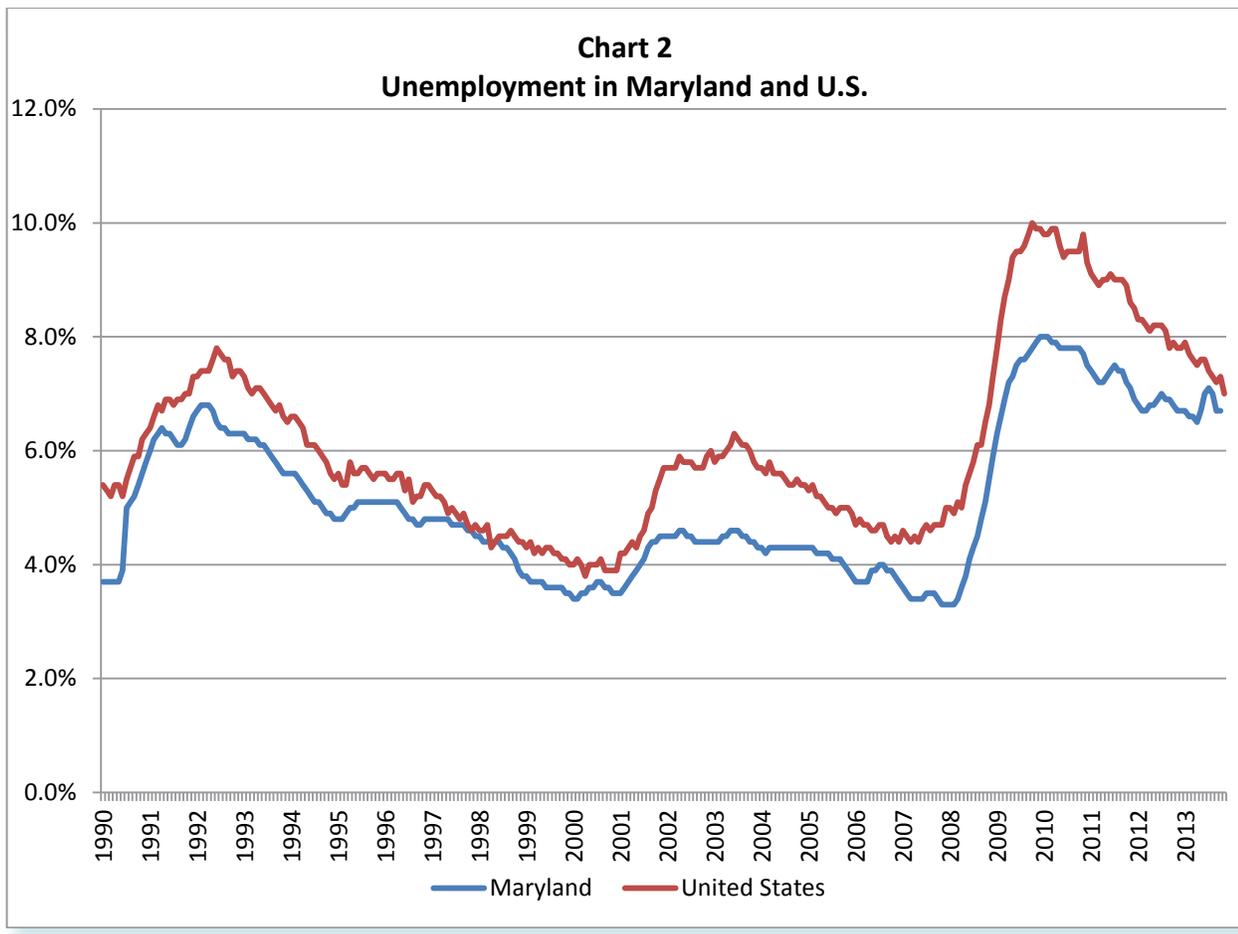
In PY 2012, the program year analyzed in this report, and today, Maryland continues to recover from the largest economic downturn in the past fifty years. As presented in Chart 1, Maryland's total employment fell to 2,391,331 in the second quarter of 2010, a level of employment as low as in the aftermath of the 2001 recession. Employment recovered to 2,539,859 in the fourth quarter of 2012, but despite recent gains, remains below pre-recession levels.



While Maryland has been significantly impacted by the recent economic downturn, as presented in Chart 2, Maryland's unemployment rate has been lower than the national rate, both in the period leading up to and throughout the current economic downturn. As of December of 2012, Maryland's unemployment rate was 6.7%, which is 0.2% less than in December 2011, and 1.1% below the national (December 2012) rate of 7.8%. Although both national and Maryland unemployment rates have fallen in 2013, the gap between the Maryland and national rates narrowed. Maryland unemployment rates increased from May through August of 2013, reaching 7.1% in July. These effects may be attributable to the uncertainty surrounding sequestration, Maryland's heavier reliance on federal government related employment and the federal budget cuts following sequestration.

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The economic conditions nationally, and in Maryland are improving. As presented in Chart 3, the State continues to experience growth in employment overall. Growth by key sector is presented in Chart 4, with the Health Care, Professional and Business Services, Accommodation and Food Service, Retail, Administrative and Support Services, and Waste Management and Remedial Services sectors all reporting strong employment growth between the second quarters of 2011 and 2012. Despite improving employment, the number of unemployed persons and the resulting need for the workforce development services provided by DLLR remains high. As presented in Chart 5, the number of unemployed persons in Maryland remained over 210,000 as of December 2012. Despite an improving employment outlook, the number of unemployed persons, people who represent the main client base of DLLR, remain at levels significantly above historical levels. As a result the workforce development services provided by DLLR continue to be important to support the recovery.



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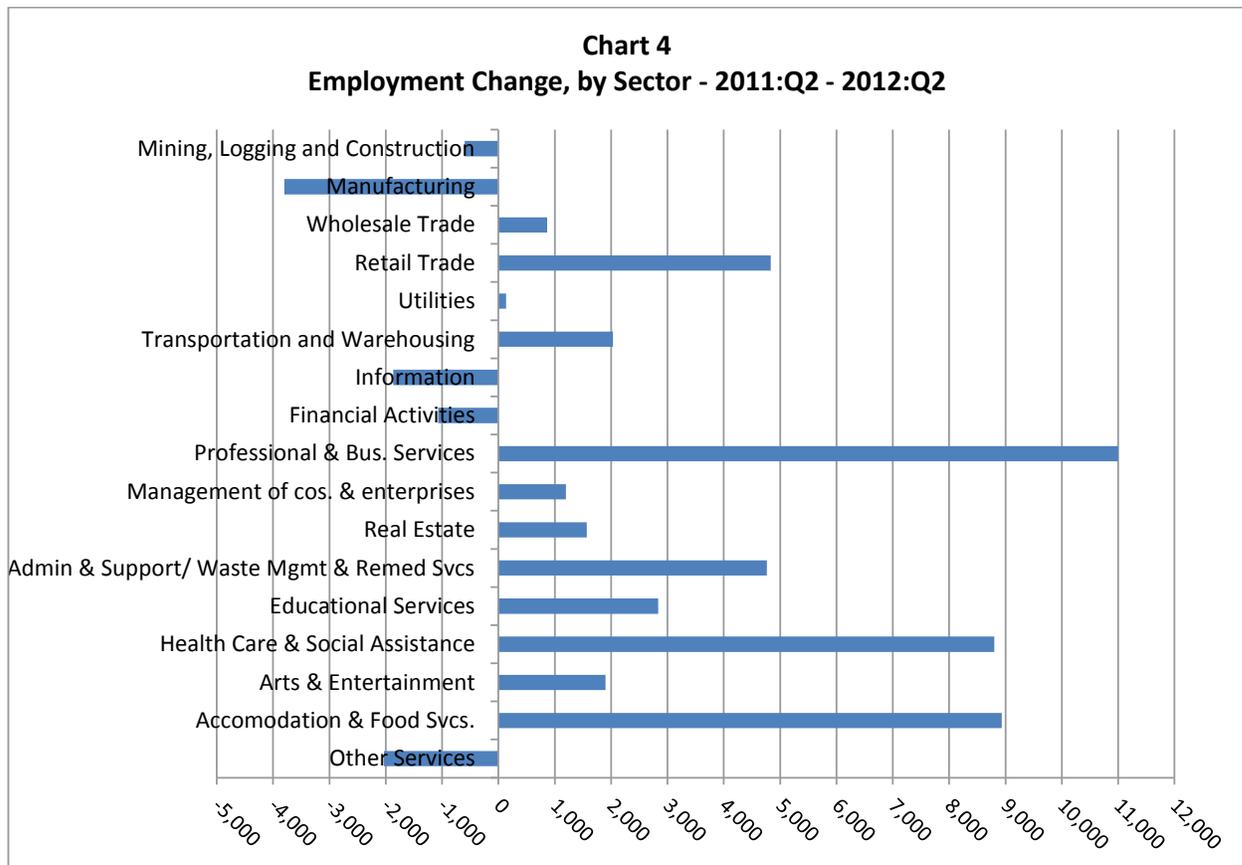
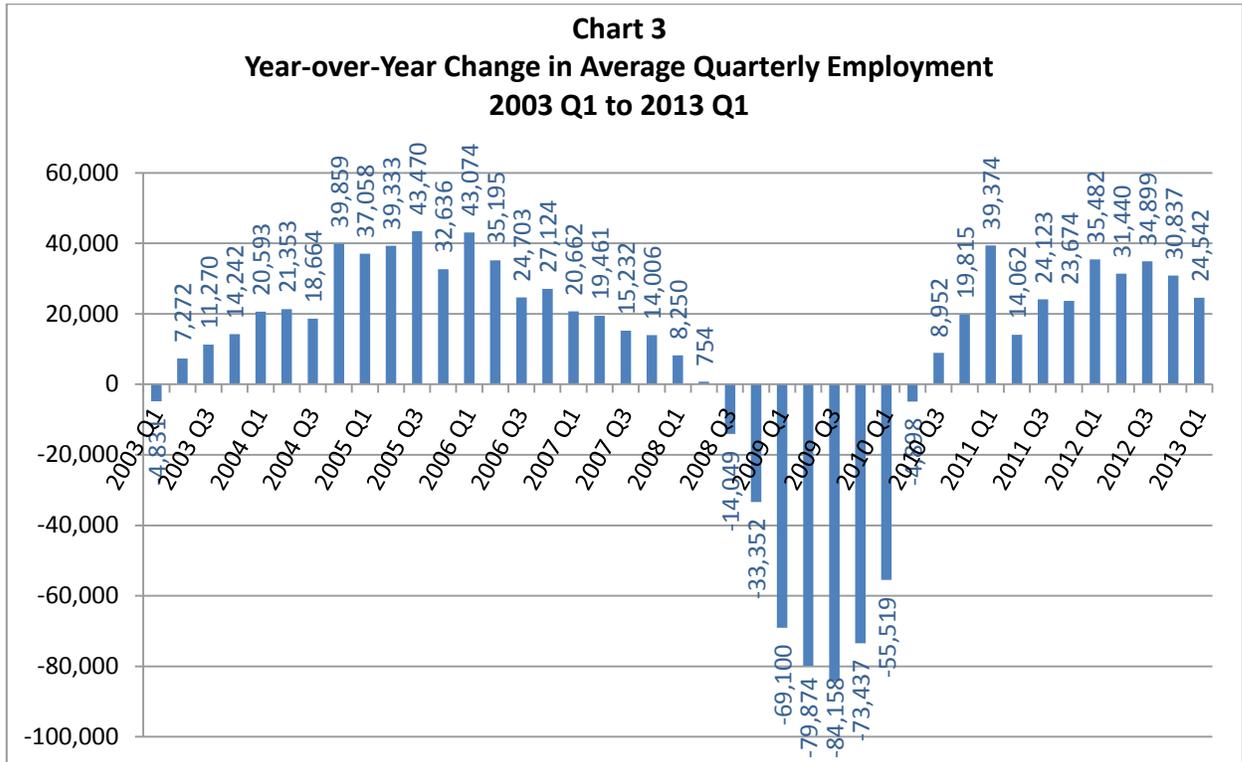
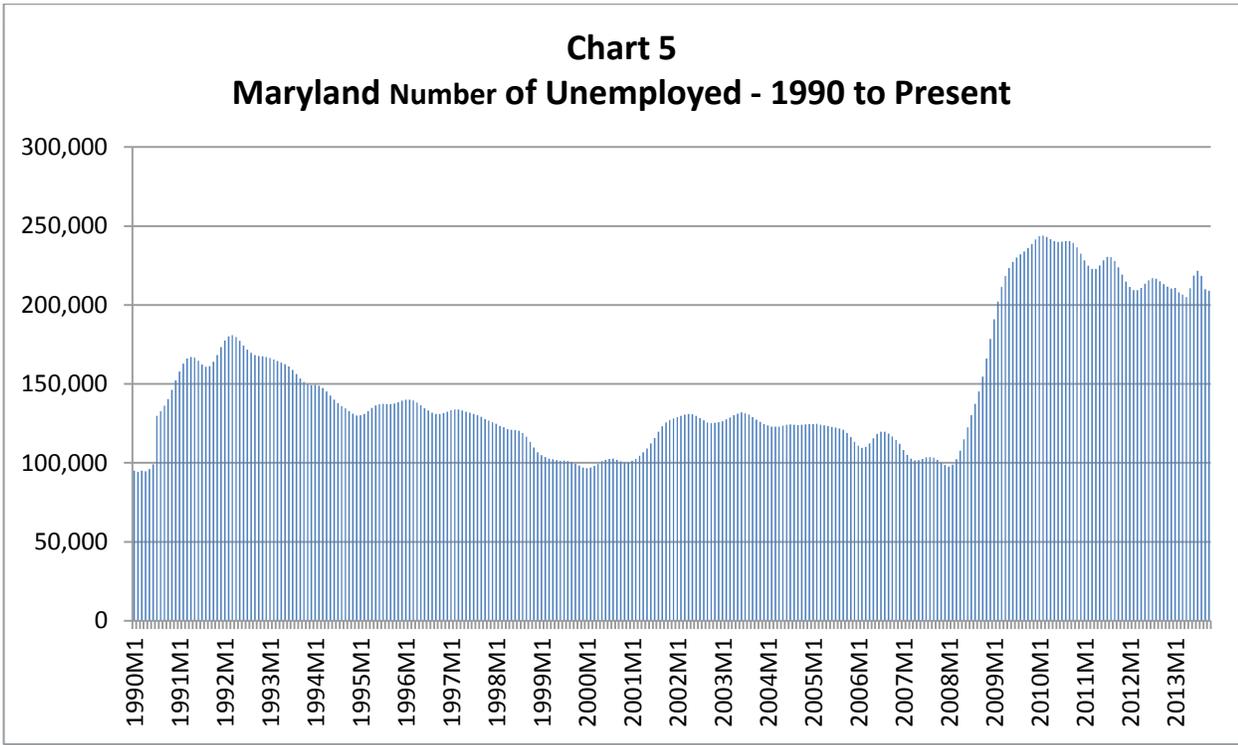


Chart 5
Maryland Number of Unemployed - 1990 to Present



2.0 Economic Contribution of Workforce Programs

DLLR commissioned the JFI to analyze the economic and fiscal contribution of its workforce development programs. This study uses the standard regional economics modeling method of input/output (I/O) analysis to quantify the direct and indirect (multiplier) impacts of DLLR workforce development programs in terms of the earnings of persons placed in employment after receiving DLLR services. This analysis uses an IMPLAN Maryland economic input/output model³ that quantifies the interrelationships between economic sectors. I/O data show the flow of commodities to industries from producers and institutional consumers for any given state, region or county. The data also show consumption activities by workers, owners of capital, and imports from outside the state or region. These trade flows built into the model permit estimating the impacts of one sector on all other sectors with which it interacts. In other words, I/O analysis models the flow of funds that originate from the direct expenditures associated with the earnings of persons entering employment⁴ after receiving DLLR workforce development services and the ongoing ripple (multiplier) effect of these earnings. I/O analysis is widely considered the “gold standard” for measurement of economic impacts and is the generally accepted methodology for measuring the economic impact associated with projects, companies, or of entire industries.

The IMPLAN model allows for the estimation of three key economic measures used in this analysis:

Employment – The total number of full and part time jobs in all industries;

Labor Income – All forms of employment income, including both employee compensation (wages and benefits) and self employment earnings; and

Output – The total value of production or sales in all industries.

Economic impact analyses begin with quantifying the direct effect of an activity. In the case of this analysis, the direct effect being modeled is the earnings of persons placed in or entering employment after receiving DLLR workforce development services. As described above, the JFI obtained data on the number of previously unemployed persons that were placed or entered into employment and their associated average annual earnings for Program Year 2012 from DLLR. For this analysis, the contribution of DLLR’s WIA and Wagner-Peyser Act workforce development programs is considered to be the earnings of the previously unemployed persons receiving services under both programs. These earnings impact the Maryland economy as they are spent on purchases of goods, services, housing and other activities.

As presented in Table 2, there is a total of \$2.7 billion in earnings associated with the 89,398 previously unemployed persons placed in or entering employment after receiving services from DLLR’s WIA and Wagner-Peyser Act funded programs. The 3,658 previously unemployed persons placed in or entering employment after receiving WIA services had estimated annual incomes of \$105.6 million and the 85,740 previously unemployed persons placed in or entering employment after receiving Wagner-Peyser Act services had estimated annual incomes of \$2.6 billion.

³ See www.IMPLAN.com for a description of the IMPLAN model.

⁴ It is important to note that this report analyzes the earnings of persons receiving DLLR workforce development services without adjusting for the potential that these jobs could have potentially been filled by other Maryland residents or what the earnings of these persons would have been if they had found alternative employment. Thus, this analysis is not a traditional economic impact analysis, which looks at the net new and incremental impacts of an activity, but rather an analysis of the linkages between the incomes of the persons receiving services and the larger Maryland economy.

**Table 2
Increase in Incomes Attributable to DLLR Wagner-Peyser Act and WIA Program
Entered Employment and Placements, Program Year 2012**

Program	Entered Employment	Average Annual Salary	Estimated Pre-Tax Earnings
Total for DLLR Workforce Programs Analyzed	89,398		\$2,724,987,204
WIA	3,658		\$105,630,204
Adult	1,296	30,689	\$39,772,944
Dislocated Worker	1,740	37,849	\$65,857,260
Youth	622	8,078	\$5,024,516
Wagner Peyser	85,740	30,550	\$2,619,357,000

Source: DLLR

The earnings of the previously unemployed persons receiving services from WIA and Wagner-Peyser Act funded programs is one measure of DLLR’s contribution to the State of Maryland. Simply counting these earnings as the economic contribution of the program however, undercounts the actual contribution of the program. These earnings also support other economic activity in the State as the incomes of these previously unemployed persons are spent and become income for businesses and other individuals in the State. This additional spending can be measured through the use of economic I/O modeling, which estimates the “multiplier” effects of the additional rounds of spending associated with an activity.

The results of the IMPLAN economic contribution analysis are presented in Table 3. As presented in this table:

- The \$105.6 million in post placement earnings for the 3,658 previously unemployed persons placed in or entering employment after receiving WIA services supports \$116.3 million in economic activity in Maryland, supports 898 jobs earning \$41.5 million in labor income, and generates \$7.9 million in estimated combined State and local tax revenues;
- The \$2.6 billion in post placement earnings for the 85,740 previously unemployed persons placed in or entering employment after receiving Wagner-Peyser services supports \$2.8 billion in economic activity in Maryland, supports 21,257 jobs earning \$987.1 million in labor income, and generates \$182.6 million in estimated combined State and local tax revenues; and
- The \$2.7 billion in post placement earnings for the 89,398 previously unemployed persons placed in or entering employment after receiving either WIA or Wagner-Peyser services supports \$2.9 billion in economic activity in Maryland, supports 22,155 jobs earning \$1,028.6 million in labor income, and generates \$190.6 million in estimated combined State and local tax revenues.

Table 3
Estimated Economic Contribution of
DLLR Wagner-Peyser and WIA Program Placements and Earnings
Program Year 2012

Program	Estimated Pre-Tax Earnings
<u>WIA Program Placements and Earnings</u>	\$105,630,204
Economic Output	\$116,324,849
Employment	899
Labor Income	\$41,521,470
Combined State and Local Tax Revenues	\$7,858,227
State Tax Revenues	\$4,341,325
Local Tax Revenues	\$3,516,902
<u>Wagner-Peyser Program Placements and Earnings</u>	\$2,619,357,000
Economic Output	\$2,781,732,500
Employment	21,257
Labor Income	\$987,119,209
Combined State and Local Tax Revenues	\$182,698,448
State Tax Revenues	\$101,390,343
Local Tax Revenues	\$81,308,105
<u>Combined Wagner-Peyser and WIA Program Placements and Earnings</u>	\$2,724,987,204
Economic Output	\$2,898,057,349
Employment	22,155
Labor Income	\$1,028,640,679
Combined State and Local Tax Revenues	\$190,556,679
State Tax Revenues	\$105,731,627
Local Tax Revenues	\$84,825,007

Source: JFI and IMPLAN

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It is important to note that the total economic contributions derived from the increase in spending of persons placed in or entering employment after receiving DLLR Wagner-Peyser or WIA services is only a small increment above the actual increase in incomes. This is because an increase in an individual's income impacts the economy through the local spending associated with this income. Increases in incomes are reduced by the amount of state and federal taxes and individual savings and thus, only a portion of any increase in income is actually spent in the form of consumption expenditures. Furthermore, a large portion of actual in-State consumption expenditures are spent on items that are imported from outside of the State. Thus, the overall State-level contribution of increases in income appear to be small in relation to the actual increase in incomes.

3.0 Benefit-Cost Ratio Analysis

The budget for the WIA and Wagner-Peyser workforce programs analyzed is presented in Table 4. DLLR total spending for WIA and Wagner-Peyser workforce programs totals \$45.3 million, consisting of \$33.7 million for WIA programs and \$11.7 million for Wagner-Peyser programs.

Table 4
Budget for DLLR Wagner-Peyser and WIA Programs
Program Year 2012

Program	Budget
Total for DLLR Workforce Programs Analyzed	<u>\$45,346,829</u>
WIA	\$33,659,646
Wagner Peyser	\$11,687,183

Source: DLLR

The most conservative way to look at the benefit-cost ratio of DLLR's WIA and Wagner-Peyser workforce programs is to analyze the State tax revenues generated in comparison to the costs incurred. This type of comparison; however, is complicated by the fact that the majority of these funds come from the federal government, rather than state appropriations. As presented in Table 5, using this benefit-cost measure, DLLR's WIA and Wagner-Peyser programs return \$2.3 in estimated State tax revenues per \$1 spent. A broader measure of the benefit-cost ratio of DLLR's WIA and Wagner-Peyser workforce programs is to analyze the economic output or activity generated by these programs compared to the cost of the programs. This analysis is complicated by the relatively low levels of expenditures per person in comparison to the post employment earnings, making this measure quite distorted. This is especially true of the Wagner-Peyser program, where only limited direct assistance is provided to each job seeker. For the more intensive WIA program, where persons receive more substantial training and placement assistance, the program generates \$3.5 in Maryland economic activity for each \$1 spent.

⁵ The IMPLAN model used estimates total combined State and Local revenues from a variety of major revenue sources, including income, property and sales taxes and other revenues. The JFI distributed these IMPLAN estimated combined state and local revenues into the separate state and local revenue estimates presented in Table 3 and the State tax estimates used in Table 5 (below) based on the distribution of state versus local revenues derived by each major revenue source from the U.S. Bureau of the Census State and Local Government Finances Summary: 2010 report.

**Table 5
Budget for DLLR Wagner-Peyser and WIA Programs
Program Year 2012**

Program	PY 2012 Budget	State Tax Revenue	State Tax Revenue per \$1 Budgeted
Total for DLLR Workforce Programs Analyzed	<u>\$45,346,829</u>	\$105,731,672	\$2.33
WIA	\$33,659,646	\$4,341,325	\$0.13
Wagner Peyser	\$11,687,183	\$101,390,343	\$8.68

Source: DLLR and the JFI

4.0 DLLR Wagner-Peyser Act and WIA Program Entered Employment and Placements, By Sector

The workforce development services provided by DLLR are also important because the Department is charged with ensuring employers have the skilled workforce they need to be competitive. DLLR pursues this mission by working with the business and employer community to identify key industries and occupations vital to Maryland’s economic future. Another key contribution of the DLLR’s WIA and Wagner-Peyser workforce programs is the role of each in facilitating the hiring of the individuals served through its Wagner-Peyser and WIA programs by the core industries deemed to be vital for Maryland’s economic future. Employment by sector for 85,012 of the 89,398 persons entering or placed in employment by DLLR’s WIA and Wagner-Peyser workforce programs is presented in Table 6. ⁶ The largest number of placements/persons entering employment is in the Administrative and Waste Services sector, with 16.5%. This sector includes the Employment Services industry, which includes placement and temporary help services. The retail sector accounted for 16.4% of employment, followed by Health and Social Services (12.9%) and accommodations and food service (9.6%).

The Maryland Governor’s Workforce Investment Board (GWIB) has promoted a demand-driven cluster-based, approach for workforce development system. GWIB has identified 13 industries, presented in Table 7 below, for Maryland’s workforce development system to target. Many of these sectors, like construction, healthcare, and manufacturing matchup to the industries described in Table 6. More than 44% of WIA and Wagner-Peyser employment is in these targeted clusters.

⁶ DLLR provided data on employment by industry for 85,012 of the 89,398 persons entering or placed in employment. Data on employment by sector (North American Industry Classification – NAICs code) was not available for all persons as some found employment out of state and industry data was not available for all persons placed in or entering employment. The data for 85,012 of the employed persons, represent 95% of those employed, which is a sufficient sample to provide information on employment by sector.

**Table 6
DLLR Wagner-Peyser and WIA Program
Entered Employment and Placements By Sector
Program Year 2012**

Sector	WIA	% of Total	Wagner Peyser	% of Total	Total for Both Programs	% of Total
Total	3,513	100%	81,499	100%	85,012	100%
Natural Resources	2	0%	144	0%	146	0%
Mining	0	0%	55	0%	55	0%
Utilities	6	0%	97	0%	103	0%
Construction	194	6%	4,900	6%	5,094	6%
Manufacturing	174	5%	3,473	4%	3,647	4%
Wholesale Trade	112	3%	2,540	3%	2,652	3%
Retail Trade	526	15%	13,413	16%	13,939	16%
Transportation & Warehousing	128	4%	3,356	4%	3,484	4%
Information	50	1%	1,045	1%	1,095	1%
Finance & Insurance	110	3%	2,137	3%	2,247	3%
Real Estate	56	2%	1,486	2%	1,542	2%
Professional Scientific & Technical Services	322	9%	6,013	7%	6,335	7%
Management of Companies	43	1%	1,058	1%	1,101	1%
Administrative & Waste Services	447	13%	13,592	17%	14,039	17%
Educational Services	152	4%	3,953	5%	4,105	5%
Health & Social Services	659	19%	10,341	13%	11,000	13%
Arts, Entertainment & Recreation	31	1%	1,103	1%	1,134	1%
Accommodation & Food Services	233	7%	7,927	10%	8,160	10%
Other Services	110	3%	2,286	3%	2,396	3%
Government	157	4%	2,577	3%	2,734	3%
No NAICS	1	0%	3	0%	4	0%

Source: DLLR

**Table 7
Maryland GWIB
Targeted Industries of the State of Maryland**

Aerospace	Healthcare Information Technology
Bioscience	Hospitality and Tourism
Construction	Information Technology
Education	Manufacturing
Energy	Retail
Finance and Insurance	Transportation and Warehousing
Healthcare	

Maryland's Workforce Investment Act Performance

The Workforce Investment Act Program provides employment, job training, and education services to eligible adults, dislocated workers, and youth. The WIA Program increases the employment, employment retention, and earnings of adults, dislocated workers, and young workers (ages 14-21). Through the WIA Program, participants receive job search and placement assistance, access to labor market information, comprehensive skills assessments, counseling and career planning, and basic skills and occupational training.

Common Measures

The State of Maryland requested, and was granted, continuation of the waiver to allow the State to replace the 17 WIA Title I performance measures (15 core and 2 customer satisfaction) measures with the common measures as outlined and clarified in TEGL 17-05. With the approval, Maryland is allowed to continue to report outcomes solely under the twelve common measures for all required federal reports (WIA and WP) for the current program year and beyond. This allows Maryland to continue to report the common measures for programs under the Workforce Investment Act, the Wagner-Peyser Act, the Jobs for Veterans Act, and Trade Adjustment Assistance (TAA) programs. These nine common measures as outlined in the TEGL are: Entered Employment, Employment Retention, Average Earnings, Youth Placement in Employment or Education, Youth Attainment of a Degree or Certificate, and Youth Literacy and Numeracy Gains.

Maryland strives to simplify and streamline the performance accountability system for all stakeholders, and focus on workforce development. This focus results in job attainment, and retention, and reduced time and energy spent managing performance outcomes. This waiver supports Maryland's initiative to expand, attract and retain workers to meet the current and emerging needs of business. Maryland has moved from individual program measures to integrated services, and utilizes the simplified reporting of only Common Measures as the method of accomplishing the integration.

With approval of the waiver, the State is not required to, and has not negotiated performance level for, the following WIA core measures: WIA Adult and Dislocated Worker Employment and Credential Rates, participant and employer customer satisfaction; older youth measures, and younger youth measures.

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WIA Negotiated Performance Targets and Results

In PY 2013 the State exceeded all negotiated outcomes relating to Adult employment retention, and average earnings among dislocated workers. Maryland met, within the 80%-100% threshold negotiated outcomes relating to entered employment rate for Wagner Peyser, adults and dislocated workers. Maryland exceeded all youth negotiated outcomes, as reflected below. The State exceeded nine (9) of its twelve (12) negotiated performance targets.

WIA Assurance Statement

The State of Maryland assures the U.S. Department of Labor that all required elements of the PY2013 WIA Annual Report have been reported accurately and uniformly to permit state-by-state comparisons across WIA programs. The State assures DOL that the WIA Annual Report complies with the Act and federal regulations.

<i>Summary of Maryland's - WIA Title I Performance</i>				
<i>Performance Measure</i>		Standard	State Perform.	% Standard
<i>Entered Employment Rate</i>	Adults	82%	80.3%	98.0%
	Dislocated Workers	87%	85.0%	97.8%
	Labor Exchange	55%	51.1%	93.0%
<i>Retention Rate</i>	Adults	87%	88.4%	101.7%
	Dislocated Workers	91%	91.4%	100.4%
	Labor Exchange	81%	82.4%	101.7%
<i>Average Earnings</i>	Adults	\$15,800	\$16,328.7	103.3%
	Dislocated Workers	\$18,500	\$20,126.8	108.8%
	Labor Exchange	\$15,000	\$15,041.0	100.3%
<i>Youth Attainment of Degree or Certificate</i>		70%	80.1%	114.5%
<i>Youth Placement in Employment or Education</i>		67%	77.2%	115.2%
<i>Youth Literacy/Numeracy</i>		69%	78.7%	114.0%
<i>Performance Key</i>				
	= Exceed Standard (Performed at or above 100% of standard)			
	= Meeting Standard (at least 80% of standard)			
	= Failing Standard (Performed below 80% of standard)			



WIA Adult Program Highlights

The WIA Adult Program helps thousands of adult workers receive workforce preparation assistance. Local workforce investment programs help employers find skilled workers and assist workers to obtain employment and training activities. The Adult Program serves the broadest range of individuals, including Unemployment Insurance claimants, people with disabilities, public assistance recipients, veterans, and migrant seasonal farm workers.

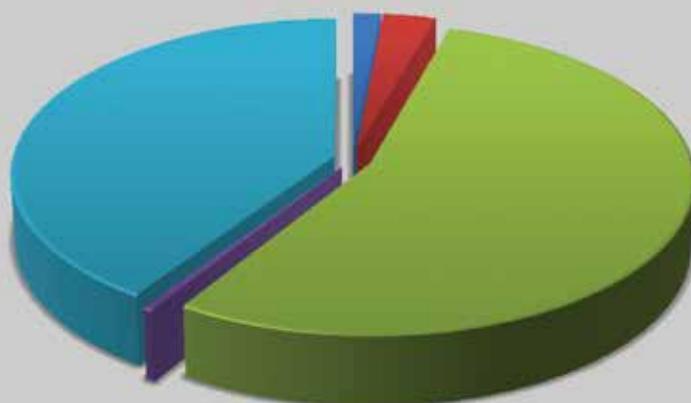
Analysis

- The number of adults enrolled in the WIA Adult Program decreased from 3,980 in PY2012 to 3,831 in PY2013.
- Of the 3,831, 49.1% are African Americans, followed by White at 36.5%.
- Of the 3,831 participants served, 61.5% were low income, and 79.5% were not employed
- The number of participants receiving training services in PY2013 is 2572, overall 67% of Adults served received or are receiving training
- 1230 adults who were unemployed at participation obtained employment the quarter after exit
- The Adult Program met the Entered Employment Rate and exceeded the Employment Retention Rate and met Six- Month Average Earnings goal for PY 2013

WIA ANNUAL REPORT 2013

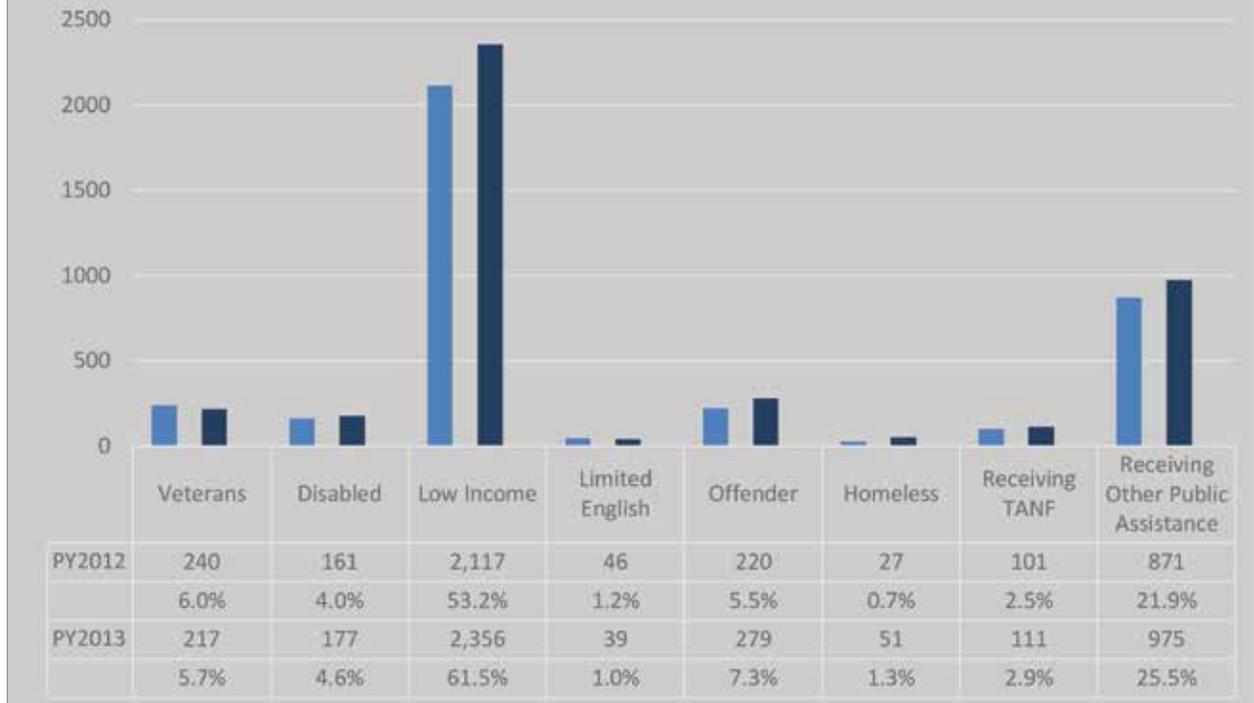
- The performance measures that were below the negotiated goal were the Entered Employment Rate at 80.3 percent
- The Employment Retention Rate for PY 2013 was 88.4 percent, which reflects a decrease of 1.2 percentage points when compared to PY 2012
- At \$ 16,329, the Six-Month Average Earnings for PY 2013 was 103.3 percent of standard when compared to the negotiated goal of \$15,800

Race of Adult Served

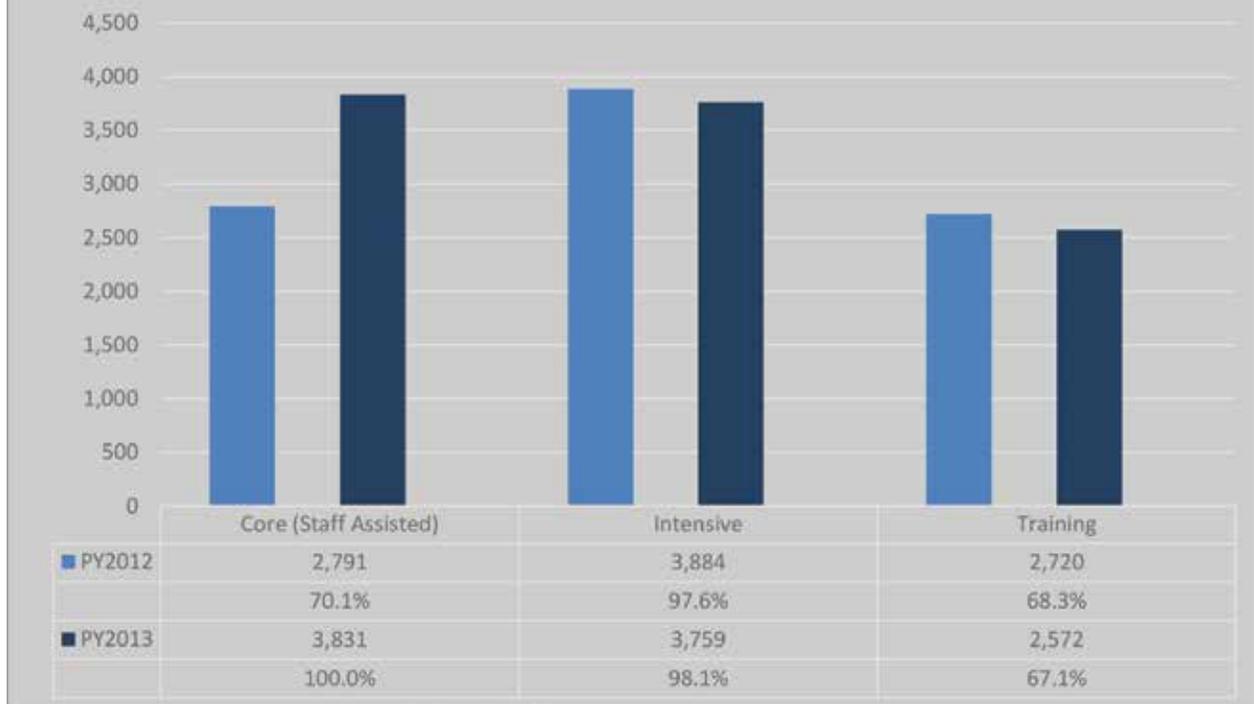


■ Native American ■ Asian ■ African American ■ Pacific Islander ■ White

Adult Program Characteristics



Adult Program Services



WIA Dislocated Worker Program Highlights

The WIA Dislocated Worker Program's intent is to quickly re-employ laid-off workers and increase their earnings by enhancing their occupational skills. The program also aims to increase the employment and retention of dislocated workers by increasing their work readiness, educational attainment, and occupational skills and by connecting them to jobs in demand.

Analysis

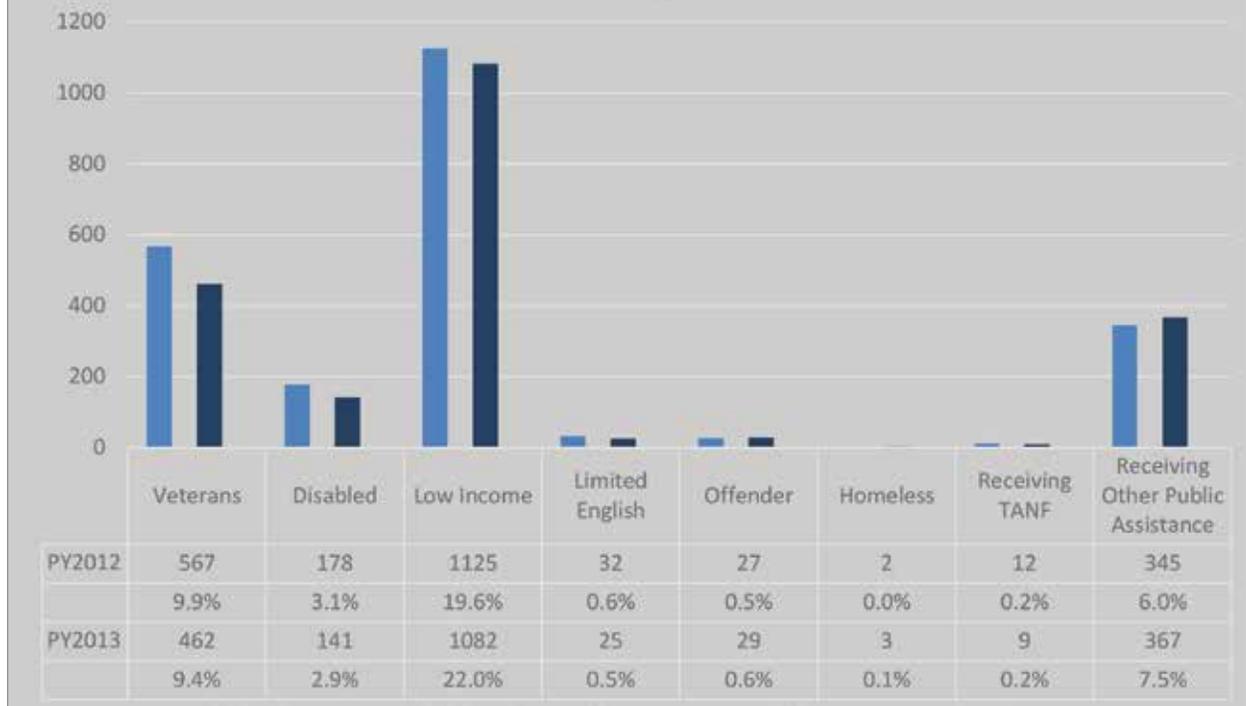
- The number of dislocated workers enrolled in the WIA Dislocated Worker Program decreased from 5,748 in PY2012 to 4,924 in PY2013
- Of the 4,924 participants served, 52% were females. 48.4% participants White followed by 37.1% African American. 63.8% of participants served were over the age of 44, with 33.9% between the ages of 45-54
- Of the 4,924 participants served, 3,396 received or are receiving training; overall 69% received or are receiving training
- 1,894 dislocated workers who were unemployed at participation and obtained employment the quarter after exit
- The Dislocated Worker Program met or exceeded all of its three performance goals for PY 2013
- The performance measures that were below the negotiated goal were the Entered Employment Rate at 85.0 percent.

Race of WIA Dislocated Workers Served



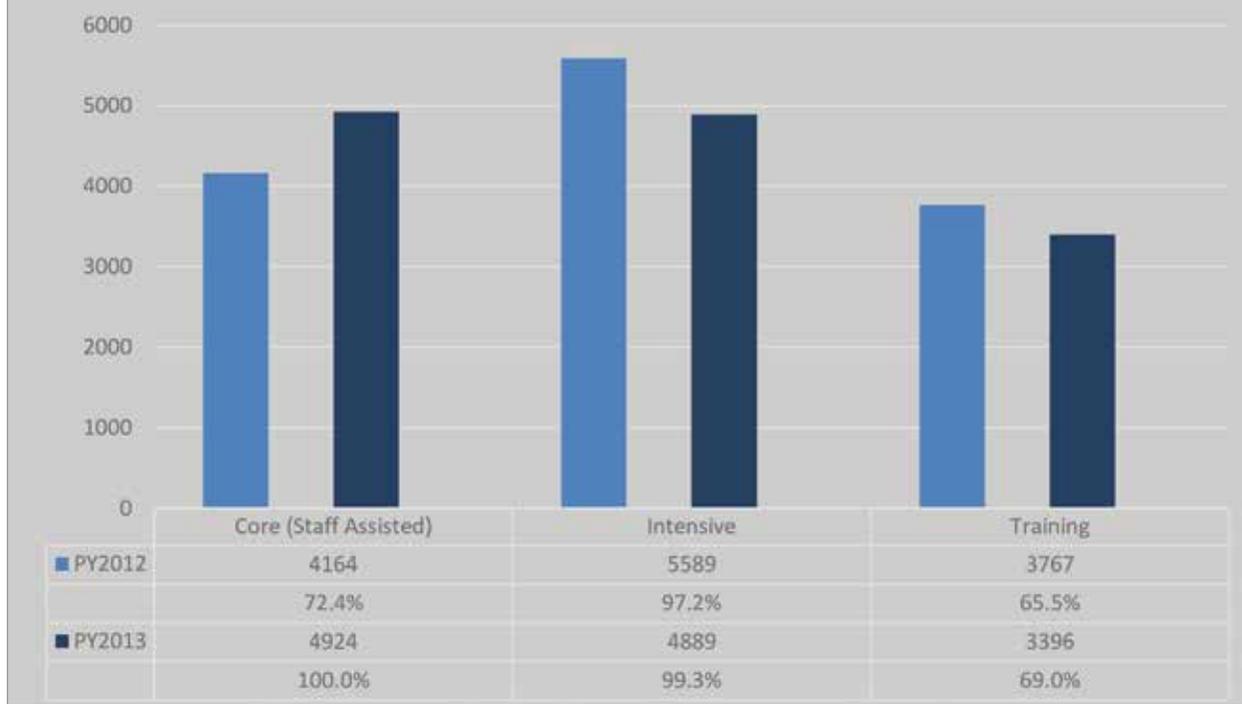
Native American Asian African American Pacific Islander White

Dislocated Worker Program Characteristics



- The Employment Retention Rate for PY2013 was 91.4% an increase of .8 from PY2012
- At \$20,127, the Six-Month Average Earnings measure was 108.8 percent of standard achieved above the negotiated goal of \$18,500

Dislocated Worker Program Services



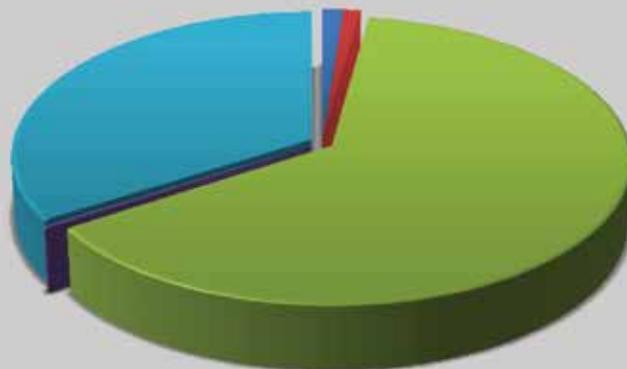
WIA Youth Program Highlights

The WIA Youth Program provides employment and education services to eligible low-income Youth, ages 14 to 21 who face barriers to employment. Service strategies, developed by Maryland's LWIB's, prepare youth for employment and/or post-secondary education through strong linkages between academic and occupational learning. The program serves youth with disabilities, basic literacy skills deficient, school dropouts, pregnant or parenting, and homeless as well as others who may require additional assistance to complete an educational program or enter employment

Analysis

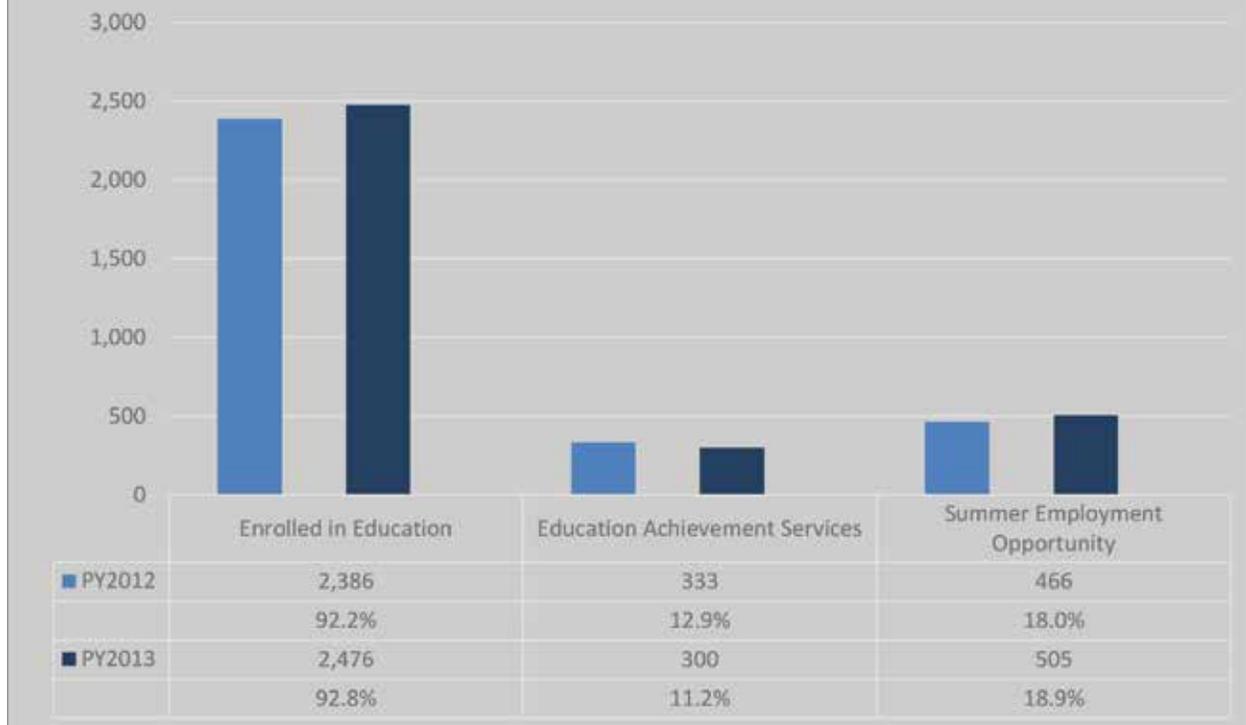
- During PY 2013, 2,669 youth were served in the year-round Youth Program. Of the participants served there were roughly the same percentage of male (51.3) and females (48.7), with males being 2.6% higher. 54.1% served were African American youth, followed by 29% white.
- Of the 2,669 participants served, 94.5% were low income, 27.5 had a disability, 31.4% were receiving other public assistance, and 84.5% were receiving additional assistance
- Of the 2,669 participants served, 92.8% are Enrolled in Education, 100% are receiving Employment services, and 39.3% receiving Leadership Development
- The Youth Program exceeded all performance goals for PY 2013
- The program achieved a 77.2 percent result for the Placement in Employment or Education Measure

Race of WIA Youth Served

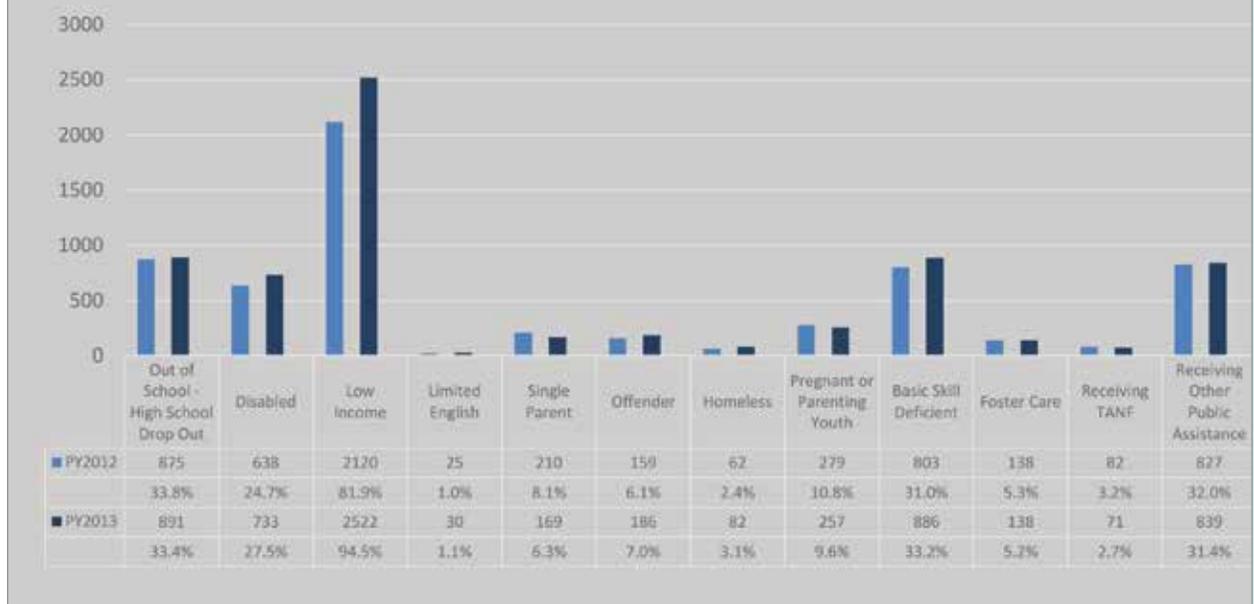


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Highlighted Youth Program Services



Youth Program Characteristics



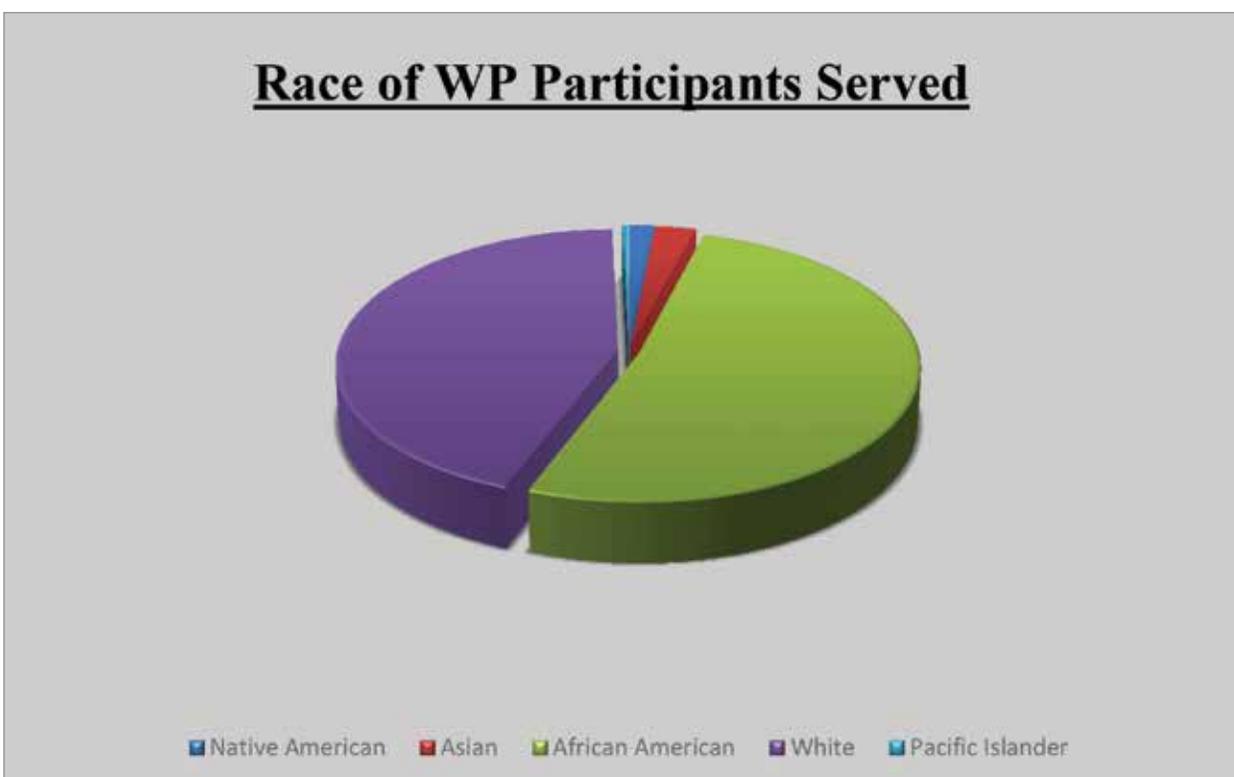
- On the Attainment of a Degree or Certificate measure, the state achieved a result of 80.1 percent, which is 10.1 percentage points higher than the negotiated goal
- For the Literacy/Numeracy measure, Maryland achieved a result of 78.7 percent, which is well above the negotiated goal of 69 percent

Wagner-Peyser (WP) Program Highlights

The WP Program helps thousands of adult workers receive employment services. These programs help employers find skilled workers and assist workers to obtain employment and refer for training activities. WP serves the fullest range of individuals, including Unemployment Insurance claimants, people with disabilities, public assistance recipients, veterans, and migrant seasonal farm workers.

Analysis

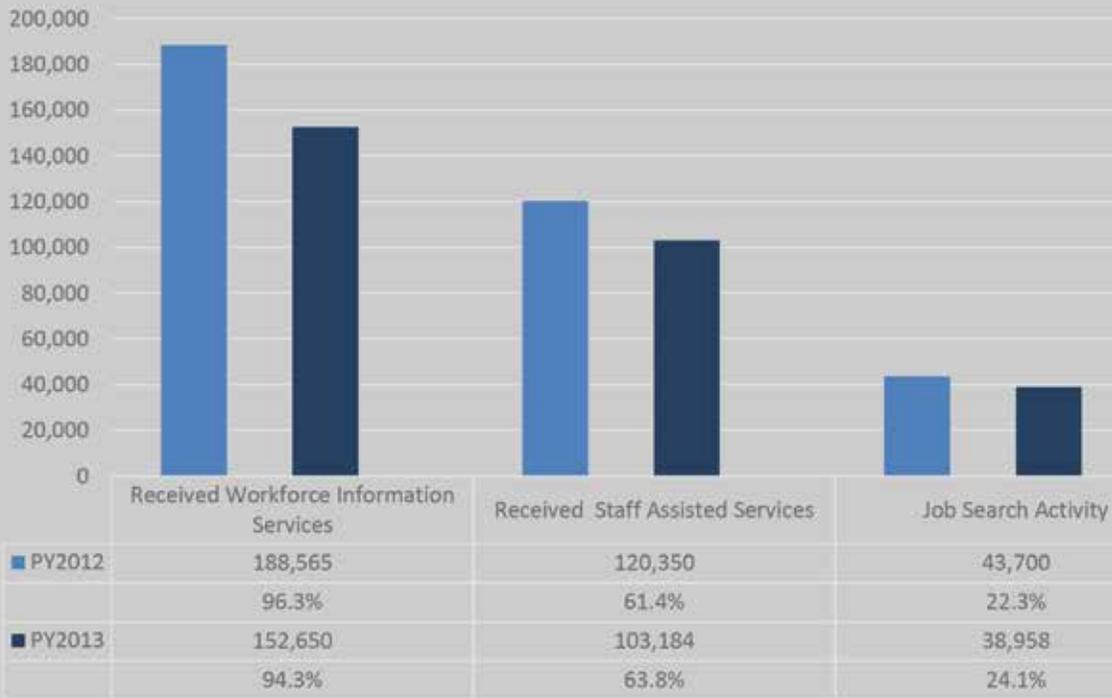
- During PY 2013, 161,843 participants were served. Of the participants served there were roughly the same percentage of male (48.1) and females (50.9), with females being 2.8% higher. 45.7% served were African American youth, followed by 38.6% white.



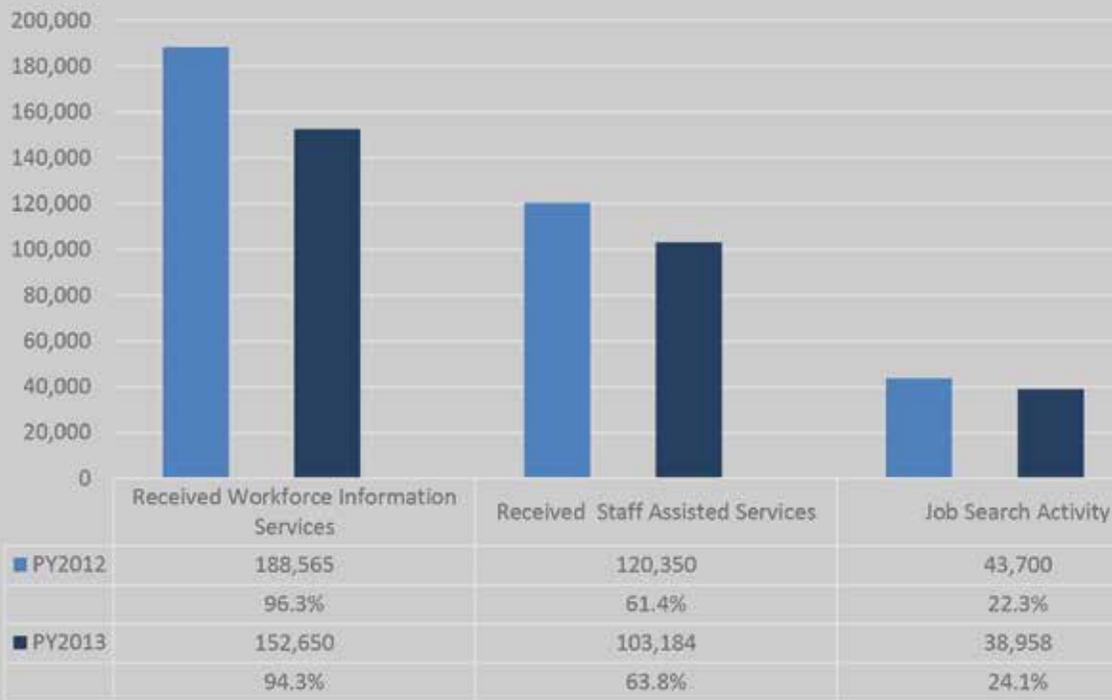
- The performance measures that were below the negotiated goal were the Entered Employment Rate at 51.1 percent
- The Employment Retention Rate for PY2013 was 82.4% , 101.7 percent of standard achieved above the negotiated goal of 81%
- At \$15,041, the Six-Month Average Earnings measure was 100.3 percent of standard achieved above the negotiated goal of \$15,000

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Highlighted Wagner Peyser Program Services



Highlighted Wagner Peyser Program Services



WIA ANNUAL REPORT 2013

OMB Approval No.: I205-0420
Expires: 5/31/2015

WIA Annual Report (ETA Form 9091)
State Name: MD
Date Submitted: September 15, 2014
WIA Title IB
Annual Report Form (ETA 9091)

I. Narrative Section

- A. A discussion of the cost of workforce investment activities relative to the effect of the activities on the performance of participants.
- B. A description of State evaluations of workforce investment activities, including:
 1. The questions the evaluation will/did address;
 2. A description of the evaluation's methodology; and
 3. Information about the timing of feedback and deliverables

II. Table Section

Table B - Adult Program Results

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	82.0%	80.3%	1230
			1531
Employment Retention Rate	87.0%	88.4%	1,431
			1,618
Average Earnings	\$15,800	\$16,328.70	22,027,420
			1,349

Table C - Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	82.1%	252	76.5%	75	62.5%	35	76.1%	162
		307		98		56		213
Employment Retention Rate	89.3%	283	91.2%	83	88.0%	44	91.4%	160
		317		91		50		175
Average Earnings	\$11,085.51	2,959,831	\$22,921.99	1,856,681	\$18,094.16	778,049	\$16,777.22	2,550,138
		267		81		43		152

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Table D - Outcome Information by Service Level for the Adult Program

Reported Information	Individuals Who Only Received Core Services		Individuals Who Only Received Core and Intensive Services		Individuals Who Received Training Services	
Entered Employment Rate	68.1%	47	77.0%	352	82.7%	831
		69		457		1005
Employment Retention Rate	85.2%	86	87.4%	388	89.2%	957
		101		444		1073
Average Earnings	\$12,958.79	1,101,497	\$16,164.92	5,981,021	\$16,716.89	14,944,902
		85		370		894

Table E - Dislocated Worker Program Results

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	87.0%	85.1%	1,894
			2,227
Employment Retention Rate	91.0%	91.4%	1,777
			1,944
Average Earnings	\$18,500	\$20,126.79	33,390,344
			1,659

Table F - Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
Entered Employment Rate	78.4%	131	81.3%	61	76.3%	350	60.0%	6
		167		75		459		10
Employment Retention Rate	88.6%	140	93.4%	57	90.0%	331	88.9%	8
		158		61		368		9
Average Earnings	\$25,596.16	3,301,905	\$22,582.20	1,264,603	\$20,429.73	6,190,209	\$19,410.00	77,640
		129		56		303		4

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Table G- Outcome Information by Service Level for the Dislocated Worker Program

Reported Information	Individuals Who Only Received Core Services		Individuals Who Only Received Core and Intensive Services		Individuals Who Received Training Services	
	Entered Employment Rate	81.6%	31 38	83.6%	515 616	85.7%
Employment Retention Rate	82.4%	42 51	91.0%	527 579	91.9%	1208 1314
Average Earnings	\$16,342.36	686,379 42	\$20,013.46	9,906,663 495	\$20,318.45	22,797,302 1122

Table H.1 - Youth (14 - 21) Program Results

Reported Information	Negotiated Performance Level	Actual Performance Level	
		Placement in Employment or Education	67.0%
Attainment of Degree or Certificate	70.0%	80.1%	762 951
Literacy or Numeracy Gains	69.0%	78.7%	258 328

Table H.1.A - Outcomes for Youth Special Populations

Reported Information	Public Assistance Recipients		Veterans		Individuals with Disabilities		Out-of-School Youth	
	Placement in Employment or Education Rate	75.1%	208 277	0%	0 0	70.5%	155 220	81.1%
Attainment of Degree or Certificate Rate	71.7%	198 276	0%	0 0	88.6%	202 228	72.6%	353 486
Literacy Numeracy Gains	78.2%	68 87	0%	0 0	71.4%	55 77	78.7%	258 328

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Table L - Other Reported Information

Reported Information	12 Month Employment Retention Rate		12 Month Earning Increase (Adults and Older Youth) or 12 Months Earning Replacement (Dislocated Workers)		Placements for Participants in Non-traditional Employment		Wages At Entry Into Employment For Those Individuals Who Entered Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	87.3%	1,482	\$4,910.89	7,808,317	4.6%	56	\$7,502.14	8,694,977	33.6%	279
		1,698		1,590		1,230		1,159		831
Dislocated Workers	88.2%	1,690	100.2	32,675,745	5.8%	110	\$10,093.19	18,127,369	38.1%	514
		1,916		32,610,604		1,894		1,796		1,348

Table M - Participation Levels

Reported Information	Total Participants Served	Total Exiters
Total Adult Customers	154,772	149,696
Total Adult (self-service <u>only</u>)	147,154	146,368
WIA Adult	150,985	148,109
WIA Dislocated Worker	4,924	2,156
Total Youth (14-21)	2,669	1,016
Out-of-School Youth	1,332	578
In-School Youth	1,337	438

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Table N Cost of Program Activities

Program Activity		Total Federal Spending
Local Adults		\$8,570,679.75
Local Dislocated Workers		\$11,163,237.12
Local Youth		\$10,099,990.05
Rapid Response (up to 25%) WIA Section 134(a)(2)(B)		\$2,611,469.80
Statewide Required Activities (up to 15%) WIA Section 134(a)(2)(B)		\$1,704,730.81
Statewide Allowable Activities WIA Section 134(a)(3)	Capacity Building	\$27,584.36
	Incumbent Worker Training	\$0
Total of All Federal Funding Listed Above		\$34,177,691.89

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Table O - Local Performance

Local Area Name Anne Arundel County	Total Participants Served	Adults	12,100	
		Dislocated Workers	287	
		Youth (14 - 21)	110	
ETA Assigned # 24055	Total Exiters	Adults	12,029	
		Dislocated Workers	155	
		Youth (14 - 21)	45	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	78%	
	Dislocated Workers	87.0%	78%	
Retention Rates	Adults	87.0%	92%	
	Dislocated Workers	91.0%	95%	
Average Earnings	Adults	\$20,108	\$22,055	
	Dislocated Workers	\$24,158	\$24,529	
Placement in Employment or Education	Youth (14-21)	67.0%	74%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	79%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	69%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Baltimore City	Total Participants Served	Adults	17,038	
		Dislocated Workers	241	
		Youth (14 - 21)	387	
ETA Assigned # 24060	Total Exiters	Adults	17,873	
		Dislocated Workers	120	
		Youth (14 - 21)	142	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	73%	
	Dislocated Workers	87.0%	70%	
Retention Rates	Adults	87.0%	78%	
	Dislocated Workers	91.0%	83%	
Average Earnings	Adults	\$12,212	\$11,525	
	Dislocated Workers	\$14,168	\$12,918	
Placement in Employment or Education	Youth (14-21)	67.0%	79%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	90%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	86%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Baltimore County	Total Participants Served	Adults	24,334	
		Dislocated Workers	1,137	
		Youth (14 - 21)	402	
ETA Assigned # 24010	Total Exitters	Adults	23,908	
		Dislocated Workers	215	
		Youth (14 - 21)	187	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	74%	
	Dislocated Workers	87.0%	80%	
Retention Rates	Adults	87.0%	95%	
	Dislocated Workers	91.0%	89%	
Average Earnings	Adults	\$21,634	\$20,923	
	Dislocated Workers	\$19,005	\$20,390	
Placement in Employment or Education	Youth (14-21)	67.0%	80%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	80%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	81%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Frederick County	Total Participants Served	Adults	5,798	
		Dislocated Workers	316	
		Youth (14 - 21)	90	
ETA Assigned # 24015	Total Exiters	Adults	5,343	
		Dislocated Workers	147	
		Youth (14 - 21)	25	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	85%	
	Dislocated Workers	87.0%	85%	
Retention Rates	Adults	87.0%	91%	
	Dislocated Workers	91.0%	92%	
Average Earnings	Adults	\$19,166	\$20,486	
	Dislocated Workers	\$21,218	\$21,616	
Placement in Employment or Education	Youth (14-21)	67.0%	82%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	72%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	85%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Lower Shore Consortium	Total Participants Served	Adults	8,052	
		Dislocated Workers	30	
		Youth (14 - 21)	192	
ETA Assigned # 24035	Total Exiters	Adults	7,618	
		Dislocated Workers	10	
		Youth (14 - 21)	71	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	80%	
	Dislocated Workers	87.0%	53%	
Retention Rates	Adults	87.0%	91%	
	Dislocated Workers	91.0%	91%	
Average Earnings	Adults	\$9,659	\$9,797	
	Dislocated Workers	\$13,949	\$17,430	
Placement in Employment or Education	Youth (14-21)	67.0%	50%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	65%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	57%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
		X		

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Table O - Local Performance

Local Area Name Mid-Maryland Consortium	Total Participants Served	Adults	8,493
		Dislocated Workers	951
		Youth (14 - 21)	169
ETA Assigned # 24065	Total Exiters	Adults	8,828
		Dislocated Workers	639
		Youth (14 - 21)	55
Reported Information		Negotiated Performance Level	Actual Performance Level
Entered Employment Rates	Adults	82.0%	83%
	Dislocated Workers	87.0%	91%
Retention Rates	Adults	87.0%	94%
	Dislocated Workers	91.0%	95%
Average Earnings	Adults	\$17,981	\$14,683
	Dislocated Workers	\$20,988	\$22,908
Placement in Employment or Education	Youth (14-21)	67.0%	81%
Attainment of Degree or Certificate	Youth (14-21)	70.0%	83%
Literacy or Numeracy Gains	Youth (14-21)	69.0%	50%
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA	
Overall Status of Local Performance		Not Met	Met
			Exceeded
			X

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Table O - Local Performance

Local Area Name Montgomery County	Total Participants Served	Adults	13,172	
		Dislocated Workers	488	
		Youth (14 - 21)	270	
ETA Assigned # 24020	Total Exiters	Adults	12,817	
		Dislocated Workers	162	
		Youth (14 - 21)	99	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	85%	
	Dislocated Workers	87.0%	88%	
Retention Rates	Adults	87.0%	90%	
	Dislocated Workers	91.0%	89%	
Average Earnings	Adults	\$16,614	\$19,685	
	Dislocated Workers	\$20,301	\$21,739	
Placement in Employment or Education	Youth (14-21)	67.0%	81%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	93%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	71%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Prince George's County	Total Participants Served	Adults	20,656	
		Dislocated Workers	573	
		Youth (14 - 21)	220	
ETA Assigned # 24025	Total Exiters	Adults	19,853	
		Dislocated Workers	211	
		Youth (14 - 21)	84	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	90%	
	Dislocated Workers	87.0%	95%	
Retention Rates	Adults	87.0%	90%	
	Dislocated Workers	91.0%	90%	
Average Earnings	Adults	\$14,714	\$20,067	
	Dislocated Workers	\$24,353	\$28,179	
Placement in Employment or Education	Youth (14-21)	67.0%	81%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	88%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	60%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Southern Maryland Consortium	Total Participants Served	Adults	10,200	
		Dislocated Workers	119	
		Youth (14 - 21)	127	
ETA Assigned # 24050	Total Exiters	Adults	9,823	
		Dislocated Workers	101	
		Youth (14 - 21)	65	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	67%	
	Dislocated Workers	87.0%	74%	
Retention Rates	Adults	87.0%	78%	
	Dislocated Workers	91.0%	88%	
Average Earnings	Adults	\$12,645	\$10,572	
	Dislocated Workers	\$18,375	\$17,855	
Placement in Employment or Education	Youth (14-21)	67.0%	61%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	59%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	58%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
			X	

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Table O - Local Performance

Local Area Name Susquehanna Region Consortium	Total Participants Served	Adults	9,401
		Dislocated Workers	375
		Youth (14 - 21)	208
ETA Assigned # 24045	Total Exiters	Adults	9,347
		Dislocated Workers	208
		Youth (14 - 21)	88
Reported Information		Negotiated Performance Level	Actual Performance Level
Entered Employment Rates	Adults	82.0%	81%
	Dislocated Workers	87.0%	85%
Retention Rates	Adults	87.0%	93%
	Dislocated Workers	91.0%	93%
Average Earnings	Adults	\$16,978	\$17,449
	Dislocated Workers	\$17,731	\$17,358
Placement in Employment or Education	Youth (14-21)	67.0%	93%
Attainment of Degree or Certificate	Youth (14-21)	70.0%	61%
Literacy or Numeracy Gains	Youth (14-21)	69.0%	90%
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA	
Overall Status of Local Performance		Not Met	Met
			Exceeded
			X

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Table O - Local Performance

Local Area Name Upper Shore Consortium	Total Participants Served	Adults	6,329	
		Dislocated Workers	153	
		Youth (14 - 21)	150	
ETA Assigned # 24040	Total Exiters	Adults	5,576	
		Dislocated Workers	37	
		Youth (14 - 21)	63	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	96%	
	Dislocated Workers	87.0%	95%	
Retention Rates	Adults	87.0%	81%	
	Dislocated Workers	91.0%	87%	
Average Earnings	Adults	\$10,627	\$8,738	
	Dislocated Workers	\$12,218	\$13,450	
Placement in Employment or Education	Youth (14-21)	67.0%	85%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	90%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	100%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table O - Local Performance

Local Area Name Western Maryland Consortium	Total Participants Served	Adults	12,559	
		Dislocated Workers	254	
		Youth (14 - 21)	344	
ETA Assigned # 24030	Total Exiters	Adults	12,384	
		Dislocated Workers	151	
		Youth (14 - 21)	92	
Reported Information		Negotiated Performance Level	Actual Performance Level	
Entered Employment Rates	Adults	82.0%	86%	
	Dislocated Workers	87.0%	95%	
Retention Rates	Adults	87.0%	93%	
	Dislocated Workers	91.0%	94%	
Average Earnings	Adults	\$14,813	\$13,913	
	Dislocated Workers	\$15,829	\$14,877	
Placement in Employment or Education	Youth (14-21)	67.0%	75%	
Attainment of Degree or Certificate	Youth (14-21)	70.0%	85%	
Literacy or Numeracy Gains	Youth (14-21)	69.0%	94%	
Description of Other State Indicators of Performance (WIA Section 136(d)(1))		NA		
Overall Status of Local Performance		Not Met	Met	Exceeded
				X

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Table P – Veteran Priority of Service

	Total	Percent Served
Covered Entrants Who Reached the End of the Entry Period	9136	
Covered Entrants Who Received a Service During the Entry Period	9136	100.0
Covered Entrants Who Received a Staff-Assisted Service During the Entry Period	126	1.38

Table Q – Veterans’ Outcomes by Special Populations

Reported Information	Post 9/11 Era Veterans		Post 9/11 Era Veterans who Received at Least Intensive Services		TAP Workshop Veterans	
Entered Employment Rate	69.8%	37	69.8%	37	0%	0
		53		53		0
Employment Retention Rate	86.5%	32	86.1%	31	0%	0
		37		36		0
Average Earnings	\$26,593.97	824,413	\$26,564.93	796,948	\$0	0
		31		30		0

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS UNEMPLOYMENT INSURANCE

To Management

Maryland Unemployment Insurance Trust Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Maryland Unemployment Insurance Trust Fund (the Fund), an enterprise fund of the State of Maryland, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Fund's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2013 and 2012, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As discussed in Note 1, the financial statement present only the Fund and do not purport to, and do not, present fairly the financial position of the State of Maryland as of June 30, 2013 and 2012, and the change in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Hunt Valley, Maryland
October 1, 2013*

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Statements of Net Position As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 1,978,936	\$ 1,998,757
Cash on deposit with Federal Unemployment Trust Fund	986,763,745	804,697,311
Accounts receivable, net	<u>230,623,089</u>	<u>274,821,066</u>
Total Assets	<u>1,219,365,770</u>	<u>1,081,517,134</u>
LIABILITIES		
Bank overdrafts	918,783	792,442
Accounts payable for unemployment benefits	<u>62,930,638</u>	<u>64,390,351</u>
Total Liabilities	<u>63,849,421</u>	<u>65,182,793</u>
Net Position		
Restricted for unemployment benefits	<u>\$ 1,155,516,349</u>	<u>\$ 1,016,334,341</u>

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Statements of Revenue, Expenses, and Change in Net Position For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Revenue		
Charges for services and sales	\$ 925,345,899	\$ 1,156,834,977
Provision for allowances for uncollectible accounts	<u>25,978,107</u>	<u>20,158,048</u>
Operating Revenue, net of provision	<u>899,367,792</u>	<u>1,136,676,929</u>
Operating Expenses		
Benefits - State	780,622,872	825,453,453
Benefits - Federal	<u>465,884,514</u>	<u>760,041,767</u>
Total Operating Expenses	<u>1,246,507,386</u>	<u>1,585,495,220</u>
Operating Loss	<u>(347,139,594)</u>	<u>(448,818,291)</u>
Non-Operating Revenue		
Federal grants	465,366,582	761,601,557
Interest	<u>20,955,020</u>	<u>14,608,735</u>
Total Non-Operating Revenue	<u>486,321,602</u>	<u>776,210,292</u>
Change in net position	139,182,008	327,392,001
Net position, beginning of year	<u>1,016,334,341</u>	<u>688,942,340</u>
Net Position, End of Year	<u>\$ 1,155,516,349</u>	<u>\$ 1,016,334,341</u>

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Statements of Net Position As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Receipts from employers	\$ 943,565,769	\$ 1,114,882,690
Payments to claimants	<u>(1,247,967,099)</u>	<u>(1,558,308,539)</u>
Net Cash From Operating Activities	<u>(304,401,330)</u>	<u>(443,425,849)</u>
Cash Flows From Investing Activities		
Interest income	<u>20,955,020</u>	<u>14,608,735</u>
Cash Flows From Non-Capital Financing Activities		
Receipts from Federal grants	465,366,582	761,601,557
Bank overdrafts, net	<u>126,341</u>	<u>(261,904)</u>
Net Cash From Non-Capital Financing Activities	<u>465,492,923</u>	<u>761,339,653</u>
Net Change in Cash and Cash Equivalents	182,046,613	332,522,539
Cash and cash equivalents, beginning of year	<u>806,696,068</u>	<u>474,173,529</u>
Cash and Cash Equivalents, End of Year	<u>\$ 988,742,681</u>	<u>\$ 806,696,068</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (347,139,594)	\$ (448,818,291)
Net changes in non-cash operating assets and liabilities:		
Accounts receivable	44,197,977	(21,794,239)
Accounts payable for unemployment benefits	<u>(1,459,713)</u>	<u>27,186,681</u>
Net Cash from Operating Activities	<u>\$ (304,401,330)</u>	<u>\$ (443,425,849)</u>

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NOTES Financial Statements

1. Reporting Entity

The accompanying financial statements present only the Maryland Unemployment Insurance Trust Fund (the Fund), an enterprise fund of the State of Maryland, and do not present the financial statements of the State of Maryland as a whole. The Fund is not a separate legal entity from the State of Maryland.

The administrative costs related to the Fund are not reported in the financial statements of the Fund. The administrative costs are reported in the State of Maryland General Fund, as assessments earned from employers are not designed to recover the costs of administration.

2. Fund Description

Historical Background

Unemployment Insurance (UI) provides temporary relief for the time that an able-bodied worker is involuntarily unemployed. The goal of such insurance is to provide a minimal livelihood to unemployed workers until they are once again employed.

The United States of America introduced an unemployment insurance program, along with other welfare programs, with the passage of the Social Security Act of 1935. Over the years, Congress has extended the program to many workers initially not covered. Amendments to the Social Security Act provided unemployment insurance for Federal civilian employees (1954) and for ex-servicemen (1958). By 1994, more than 96% of all workers were covered by unemployment insurance. Each state has its own unemployment insurance law and operates its own program.

The total cost is borne by employers in all but a few states. Employers with relative experience of less unemployment (that is, with fewer unemployment benefits paid to their former workers) are rewarded with lower rates. This financing arrangement is intended to promote economic stability by encouraging employers to retain a skilled workforce. The surge in unemployment benefit payments also provides an economic stimulus to the local economy during a recession.

During periods of high unemployment in a state, Federal-State extended benefits are available to workers who have exhausted their regular benefits.

Unemployment Insurance Financing

Payroll taxes are paid by employers to support UI. There are both Federal and state UI payroll taxes. The State of Maryland UI tax is assessed quarterly based on a rate determined annually per individual employer. The range of rates effective January 1, 2011 and January 1, 2012 was 2.2% to 13.5% on the first \$8,500 of each employee's wages during a calendar year. The range of rates effective January 1, 2013 was 1.0% to 10.5% on the first \$8,500 of each employee's wages during a calendar year. Employers must also pay an annual Federal Unemployment Insurance Tax (FUTA) on the first \$7,000 of each employee's wages during a calendar year. For employers that pay their state UI taxes in a timely manner, the FUTA rate was 0.6% for calendar year 2012 and 2013. Employers that fail to pay state UI taxes were required to pay a FUTA tax using a 6.0% rate for calendar year 2012 and 2013.

Contributions by Maryland employers for state UI are deposited into the Fund's account maintained at the U.S. Treasury. Maryland has one of the 53 state accounts that are the source of monies for paying regular UI benefits and the state share of extended benefits (EB). Contributions by Maryland employers for FUTA are deposited into the Federal Employment Security Administration Account (ESAA). This account finances the administrative costs of UI and the Employment Service programs in the states. The Federal share of EB is paid from a second Federal account and a third Federal account makes loans to states with insolvent trust funds.

Under current law, excess monies in the Federal trust funds are slated for return to the states under the Reed Act. Excess Federal trust fund balances are distributed according to each state's share of Federal taxable UI wages. Reed Act distributions may be used to offset the administrative costs related to the Fund or for unemployment benefits. There was no such allocation for the years ended June 30, 2013 and 2012.

Local Perspective

Maryland employers remit state UI payments directly to a bank lock box. The Maryland Office of Unemployment Insurance (OUI) wires each day's opening available balance in this depository account to the Fund at the Federal Treasury. Additionally, officials in the Maryland OUI determine the amount of funds required for each day's benefit payment account. Only nominal balances are maintained in both the depository (clearing) and benefit payment accounts.

Both the amounts of taxes paid by Maryland employers, and the amount of benefits received by Maryland's unemployed, are products of the economic climate. Benefit payments will usually increase during a recession. Charging those benefits to employer accounts will elevate individual employer tax rates, driving an increase in the payment of employer state UI taxes.

3. Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The financial statements of the Fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 (GASB 62) Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements which intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The requirements of GASB 62 are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The Fund has implemented GASB 62 and it did not have a material impact on the financial statements.

The Fund distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the Fund's principal ongoing operations. Revenue and expenses not meeting this definition are reported as non-operating revenue and expenses. The principal operating revenue of the Fund is assessments from employers.

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Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

An enterprise fund accounts for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to the general public, or where sound financial management dictates that periodic determinations of results of operations are appropriate.

The Fund accounts for the deposit of monies for the Maryland Unemployment Insurance Trust Fund held by the U.S. Treasury for payment of unemployment benefits. The Maryland Unemployment Insurance Trust Fund is an enterprise fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Taxes receivable in the Fund represents unemployment taxes due at year-end, net of an allowance for uncollectible amounts. The uncollectible amounts are based on collection experience and a review of the status of existing receivables.

Operating Revenue

Revenue is recorded when earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenue is inclusive of provision for allowances for uncollectible accounts.

Net Position

The net position of the Fund is reported as restricted net position, as the laws of the State of Maryland restrict the use of the Fund for payment of unemployment benefits only.

4. Deposits

Collateral Risk

The Fund has \$986,763,745 and \$804,697,311, on deposit with the U.S. Treasury as of June 30, 2013 and 2012, respectively, which represents book and bank balances. Because these balances are on deposit with the U.S. Treasury, these amounts are not categorized in accordance with GASB Statement No. 3, Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements or Statement No. 40, Deposits and Investment Risks Disclosures.

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Additionally, the Fund maintains escrow, clearing, benefit payment, and other miscellaneous accounts with local financial institutions. As of June 30, 2013 and 2012, the book balances of these accounts were \$1,025,389 and \$1,191,187 and the associated bank balances were \$2,087,430 and \$2,055,211, respectively, of which \$500,000 was collateralized by depository insurance, and \$1,587,430 and \$1,555,211, were collateralized by securities held by pledging financial trust department or agent in the Fund's name. For cash management purposes, the Fund seeks to keep a zero balance in this account; so excess funds can be placed on deposit with the U.S. Treasury.

The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the State in each such institution. The amount of collateral to be pledged shall be established by rules and regulations promulgated by the State Treasurer.

Interest Rate Risk

Amounts on deposit with the U.S. Treasury are not subject to interest rate risk.

5. Accounts Receivable

Accounts receivable balances as of June 30, 2013 and 2012, have been disaggregated by type and presented separately in the table below:

	2013	2012
Employer taxes receivable	\$ 257,135,820	\$ 291,353,648
Benefit overpayments receivable	227,573,063	211,194,105
Other receivables	2,288,000	2,669,000
Total accounts receivable	<u>486,996,883</u>	<u>505,216,753</u>
Less: allowance for uncollectible	256,373,794	230,395,687
Total accounts receivable, net	<u>\$ 230,623,089</u>	<u>\$ 274,821,066</u>

6. Contingencies

The employer contribution operations and benefit payment functions of the Fund are subject to Federal compliance audits and related oversight. In addition, the Fund receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantor. Any disallowances as a result of these audits and audits of the employer contribution operations and benefit payment functions become a liability of the Fund. As of June 30, 2013 and 2012, Fund management does not anticipate that material liabilities will result from such audits.

The financial assistance received from the U.S. Government to fund the administrative costs of the Fund is subject to audits. However, any disallowances resulting from these audits would be liabilities of the State's general fund and not the Fund as administrative costs are borne by the State's general fund.

7. New Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements, in December 2010, effective for financial statement periods beginning after December 15, 2011. In November 2010, the GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, effective for periods beginning after December 15, 2011 and June 15, 2012, respectively. In addition, in June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for periods beginning after December 15, 2011. UI has implemented the above GASB statements, and they have no material effect on the financial position of UI.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, and Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, effective for periods beginning after December 15, 2012. In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, and Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, effective for periods beginning after June 15, 2013, and 2014, respectively. In January 2013, GASB issued Statement No. 69, Government Combination and Disposals of Government Operations, effective for periods beginning after December 15, 2013. In April 2013, GASB issued Statement No. 70, Accounting and Financial Reporting for Non-exchange Guarantees, effective for periods beginning after June 15, 2013. UI will implement these statements as of their effective dates. UI is still in the process of determining the effect of implementing these GASB statements

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