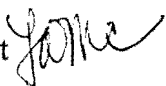


PHED COMMITTEE #3
July 27, 2015

MEMORANDUM

July 23, 2015

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Briefing and Discussion: Transfer of Workforce Development Function to WorkSource Montgomery, Inc.**

At this session, Tom Street, Assistant Chief Administrative Officer, will provide the Committee with an overview briefing on the proposal to move the County's workforce development program from the Department of Economic Development (DED) to the non-profit WorkSource Montgomery, Inc. and to revise the membership and duties of the Workforce Investment Board (WIB) to reflect the new provisions in the Workforce Innovation and Opportunities Act (WIOA) which requires the seating of a Workforce Development Board (WDB) in place of the WIB. Mr. Street will be joined by a member of the Board of *The Montgomery County Workforce Investment Board, Inc.* the current legal name of the entity that is expected to be WorkSource Montgomery, Inc.

Background

On July 21st the Council received a memo from the County Executive recommending that the management of workforce development programs be transferred to a 501(c)3 organization that would be "the single, readily identifiable organization to lead, elevate, and coordinate a comprehensive and demand-driven system of workforce development for Montgomery County." The Executive's memo is attached at ©1-2. He notes that with two exceptions (budget and continued FY16 support from DED), he is endorsing recommendations provided to him from the Workforce Strategies Steering Committee (WFSC). He further notes that these recommendations complement the move of economic development functions to the private sector.

The report of the WFSC is attached at © 18-42. At page 7 of the report (© 24), the WFSC says that the mission of the workforce development system in Montgomery County is: (1) to meet the talent attraction, development, and retention needs of strategic industries; (2) to meet the needs of the underemployed and unemployed; and (3) to develop career pathways that lead to sustainable wage jobs and support a thriving economy. Just prior, on © 22-23, the WFSC outlines the role and structure for the organization.

The WFSC also makes recommendations regarding a three to five year strategy (© 25-26) that has three goals.

1. Align all programmatic and strategic workforce efforts throughout the county to provide comprehensive workforce solutions to businesses and jobseekers (including the emerging workforce).
2. Deliver accessible, efficient, and effective workforce services that are industry-driven, data informed, skills-oriented, and population-specific
3. Launch a new brand and a communication and marketing strategy for the system that results in increased awareness and use among business leaders and the community.

The Executive proposes making this transition by October 15, 2015 and says, if the Council concurs, he will direct staff to take six actions (©2) that include revising the Executive Order for the WDC, preparing contracts with WorkSource Montgomery, Inc. and gaining approval from the State to transfer federal funds. WorkSource Montgomery, Inc. has amended its bylaw in anticipation of this transition (© 9-15 and description of board members at © 7).

Under the proposal, the WDB (current WIB) will be nominated by the Executive and confirmed by the Council. It will be the organization responsible for establishing workforce development **policy**. WorkSource Montgomery, Inc. will implement policy developed by the WDC. While it is a 501(c)3, the proposed Board of Directors includes the WDC Chair and a representative of the County Executive.

Budget

The Executive's proposed FY16 budget for this transition is included at © 8. While the summary shows a cost of \$442,772, Council staff understands that there should be no new County funding needed in FY16 as these funds will be re-directed from the Department of Economic Development.

Council Staff Questions

- Should the Council designate the Workforce Development entity the way it will the Economic Development entity and the way it does the Local Management Board? In these examples, the Council adopted legislation outlining the purpose of the entity, the

requirement for designation by resolution, and, in the case of the Local Management Board, a time period after which the Council must re-designate.

- If the Council does not want to have legislation, should the Council adopt a resolution stating its concurrence and/or differences and affirming the non-profit organization to serve as the workforce development entity?
- The proposal is for the Executive to get approval to make WorkSource Montgomery, Inc. the fiscal agent for the WIOA funding. The information in FAQ #7 (© 5) notes that the County Executive still remains liable for the federal funds disbursed. FAQ #9 (© 6) describes some of the accountability requirements as do © 33-34, however it is not clear that they are public reports that would be regularly provided to the Council. Should the Council require annual, or semi-annual reports to the Council on the activities of WorkSource Montgomery and the use of federal funds and other contributions?
- As a part of its work, the Committee looked at workforce entities in other jurisdictions. Summaries of Anne Arundel County and Portland are attached at © 43-46. Does the PHED Committee want to have further discussion about other models and how this recommendation might compare?



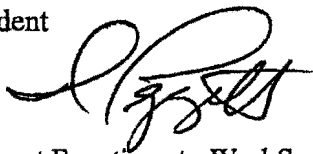
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

July 21, 2015

TO: George Leventhal, Council President

FROM: Isiah Leggett, County Executive 

SUBJECT: Transfer of Workforce Development Functions to WorkSource Montgomery, Inc.

On May 18, 2015, the Workforce Strategies Steering Committee (WFSC) submitted recommendations to me regarding how to create a comprehensive system for workforce management programs in the County. These recommendations are complementary to our initiative to abolish the County Department of Economic Development (DED) and transfer the majority of its functions to the private sector.

The WFSC's overarching recommendation is to utilize a not-for-profit 501(c)(3), specifically WorkSource Montgomery, Inc., as the single, readily identifiable organization to lead, elevate, and coordinate a comprehensive and demand-driven system of workforce development for Montgomery County. This comprehensive workforce development system will align with the county's comprehensive economic development strategy. It will support the County's identified strategic target industries in meeting their workforce needs, and meet the needs of residents in finding good jobs. The WFSC's report is attached.

After reviewing the WFSC's report, I am recommending that the Council take the following actions:

1. Endorse the recommendations of WFSC contained in its May 18, 2015 report with the following adjustments:
 - a. Transfer responsibilities from DED to WorkSource Montgomery, Inc. on October 1, 2015 as proposed by the WFSC, but provide continued support from DED staff to train new WorkSource Montgomery, Inc. staff on federal and state fiscal compliance reporting requirements and programmatic monitoring and support of existing programs (See Attachment 1 for estimated fiscal impacts);
 - b. Adjust the WFSC's FY16 budget request from approximately \$612,000 to approximately \$443,000 which is the currently approved FY16 budget for workforce services to reflect changes in 1(a) above.

George Leventhal, Council President

July 21, 2015

Page 2

2. Endorse the attached draft by-laws for WorkSource Montgomery, Inc. that redefine its mission and provides for a reconfigured Board of Directors (See Attachment 2);

If you concur with my recommendations, I will direct Executive Branch staff to take the following actions:

- a. Prepare an Executive Order that transitions the County from the provisions of the old federal Workforce Investment Act (WIA) to the new Workforce Innovation and Opportunities Act (WIOA) by creating a Workforce Development Board (WBD) and abolishing the Workforce Investment Board (WIB);
- b. Prepare a recommendation to the County Council to include WorkSource Montgomery, Inc. on the non-compete grant list;
- c. Prepare a contract between the County and WorkSource Montgomery, Inc. that prescribes the requirements for receiving County funds;
- d. Prepare the legal documents needed to re-delegate fiscal compliance duties from the Department of Economic Development to WorkSource Montgomery, Inc.;
- e. Prepare contracts that will establish WorkSource Montgomery, Inc. as the County's fiscal agent for workforce development contracts now administered by the Department of Economic Development; and
- f. Validate that the state will allow the County to transfer federal grant fiscal compliance responsibilities from DED to WorkSource Montgomery, Inc., during the current program year.

Either I or my staff are available to respond to your questions regarding these recommendations and to provide the assistance necessary to implement them.

IL:ts

Attachments

FREQUENTLY ASKED QUESTIONS
MONTGOMERY COUNTY WORKFORCE DEVELOPMENT INITIATIVE
July 17, 2015

1. What is WorkSource Montgomery, Inc.?

WorkSource Montgomery is a 501c3 corporation created by the Montgomery County Workforce Investment Board (WIB) to increase the funds available for workforce services in Montgomery County. Further, it is the organization recommended by the County Executive and Workforce Strategies Steering Committee (WFSC), (a volunteer group comprised of community leaders that made recommendations to the County Executive regarding the appropriate future of County workforce development programs) to be the implementation arm of the County's new Workforce Development Board (formerly the WIB and the primary public advisory body responsible for developing workforce development policy in the County.) WorkSource Montgomery, Inc. is also the organization recommended by the County Executive and WFSC to assume workforce development responsibilities previously conducted by the County's Department of Economic Development.

2. Who is on the Board of Directors of WorkSource Montgomery, Inc., how many Board members are there, and how are they selected?

The current organization by-laws had placed the number of board members at no more than 11. **The reconfigured board will be no more than 19.** The County Executive, or his designee has a seat on the board. The Workforce Development Board (WDB) Chair is also a designated member. Eleven are business members and are elected by the existing Board of Directors. The remaining six seats are designated, one each for:

- Montgomery College,
- Montgomery County Public Schools,
- the CEO of the Montgomery County Economic Development Corporation,
- the CEO of WorkSource Montgomery, Inc.,
- a representative of higher education, and
- a community-based organization representative.

The board of WorkSource Montgomery, Inc. is intentionally small with a majority for business representation to represent strategic industries and also to fulfill one of the core functions of any not-for-profit board, which is to raise funds for the corporation. The corporation recruits, nominates and votes on its own members, except where otherwise specified as a designated seat. The chair of the corporate board appoints a nominating committee and the nominating committee makes recommendations to the Executive Committee, who then brings those chosen nominations to the full board for a vote of approval.

3. Will the WorkSource Montgomery, Inc. Board replace the Workforce Investment Board?

The County will continue to have a Workforce Investment Board (WIB), renamed the Workforce Development Board (WDB). The WDB name is a requirement of the new federal Workforce Innovation and Opportunities Act. The WDB will be the organization responsible for developing workforce development policy for the County. WorkSource Montgomery, Inc. will be the organization that implements that policy. The WDB members will be nominated by the County Executive and confirmed by the County Council. The Board of Directors for WorkSource Montgomery, Inc. will be largely appointed by the existing Board of Directors. Some board members are designated (see question 2 above).

4. How will WorkSource Montgomery obtain County and private sector funds?

County funding will be put into the County Executive's recommended budget as a line item which then must be approved by the County Council during its annual budget deliberations. The corporation may also provide a service to other agencies by providing oversight to their workforce vendors. The corporation would get an overhead rate for conducting this service.

One major strategy will be to partner with strategic industry associations, e.g., the auto industry, to either solicit funds from government for innovative training programs and/or that the industry will fund innovative training programs that meet its needs. In addition, the corporation will solicit grants or other funds from foundations or philanthropic sources to advance workforce development programs.

5. How will WorkSource Montgomery become the fiscal agent for federal workforce development dollars?

To become the fiscal agent for the federal dollars, the County Executive, the Local Elected Official (LEO) per the federal legislation, has to assign that role to the corporation. This is usually done thru the plan the local workforce areas have to submit to the state. It can also be done by the LEO writing a letter to the Governor informing him that the corporation will be the fiscal agent and grant recipient.

6. Will the mission and bylaws change to accommodate the new mission and role of WorkSource Montgomery?

Yes. The board of the corporation is currently reviewing the bylaws, and mission of the corporation. It appears as if only slight revisions will need to be made. Most of the revisions will be made to the composition and size of the board of directors. (see question 1)

7. What is the role of the county government in workforce development programs?

Two perspectives can be offered here:

1. The Workforce Innovation and Opportunity Act (WIOA) lays out a substantial role for Local Elected Officials, not necessarily 'government'. Primarily, in partnership with the local Workforce Development Board (WDB, formerly the WIB) they provide oversight to the system. In Montgomery County, the County Executive nominates the WDB members who are then confirmed by the County Council. The County Executive and County Council promote the vision for the workforce development system; approve local plans; in partnership with the WDB they develop and approve the budget.

As the grant recipient/fiscal agent WorkSource Montgomery, Inc.:

- Disburses funds for work activities based upon WDB direction;
- May appoint another local grant recipient or fiscal agent (must get Governor's approval);
- The Local Elected Official (the County Executive) still remains liable for the federal funds disbursed.

2. Beyond the legislation, in local areas with robust workforce development systems the local elected official(s) use the federal funds to leverage other resources to build and sustain a workforce system connected to economic development. The local elected official promotes the vision and engages businesses to become partners in the system. As an example, in NYC and Baltimore – the Mayor promotes a campaign for youth that ensures that all youth who want a summer job get one. There are not enough federal dollars to make this promise, so the Mayor recruits businesses to contribute to the campaign by either donating funds to pay wages or by becoming a worksite during the summer.

8. How will workforce development programs integrate to the new, non-profit Economic Development Organization?

This will be an evolving process as both organizations continue to develop their strategies and their plans. Initial conversations have focused on 3 areas:

Governance: The CEO of each corporation will serve on each other's boards.

Strategy: The workforce corporation will develop strategies, tactics and programs that support the economic development target/strategic industries as defined in the County's Comprehensive Economic Strategy.

Location: Staff of both corporations could be co-located to foster communication and partnership.

9. What accountability mechanisms will be established to assure workforce development programs undertaken by WorkSource Montgomery are achieving success?

This will also have to evolve based on stakeholder input. However, initial thoughts include:

- WIOA – there are mandatory performance outcome measures that all WIOA funded programs will have to meet.
- The Workforce Development Board (WDB) currently has a dashboard of ‘critical measures’ that helps the board look at real time measures from a balanced scorecard perspective. The newly appointed WDB should examine these measures and create a dashboard of critical ‘driver’ measures.
- A conversation will have to ensue with stakeholders not funded by WIOA or county funds as to what outcome measures they will be willing to report.
- In many areas of the country implementing organizations (like WorkSource Montgomery, Inc.) certifies vendors against a set of ‘quality standards’ based on and adapted from the Malcolm Baldrige Quality Award standards. The current WIB’s Quality Assurance Committee has been examining developing a similar system, one that evaluates the quality of the organization’s delivery system in addition to the outcomes achieved.

10. What will the relationship be between WorkSource Montgomery and workforce development providers?

There are three levels of relationships:

Vendor – for the federal funds, all providers must be competitively procured. The county may also decide to funnel workforce dollars through the corporation as they do with the Literacy Coalition. For those who are vendors to the corporation, at times the corporation will be their monitor to ensure that the funds being spent comply with federal requirements.

Convener – the corporation will convene all the players in the workforce development space for the purposes of coordinating services and ensuring that customers (jobseekers and businesses) have easy access to the services.

Knowledge Developer – the corporation will conduct research and share information on evidence based best practices nationally, as well as collects data on local best practices.

11. Why is the County Executive recommending this change?

This action will met the dual goals of ensuring that the County’s investments in workforce development are coordinated and that its programs are using innovative, high-quality approaches. This new entity will take the lead in ensuring that businesses have access to the talent they need to thrive and that residents have access to opportunities.

Worksource Montgomery, Inc.

Nominating Committee

Final Board Composition Report and Recommendation Accepted by the
WorkSource Montgomery Inc. Board on

July 8, 2015

(Members: Gerry Murphy, Chair; Susan Leggett Johnson; Susan Heltemes)

- Workforce Development Board Chair (1)
- County Executive's Appointee (1)
- Economic Development CEO (1)
- Workforce Development CEO (1)
- Health Care Representative (2)
- Hospitality/Hotel (1)
- Cyber Security (1)
- Utility (1)
- Biotech (1)
- Financial Services (1)
- Construction Trades (1)
- Industry Association (1)
- Research Organization (1)
- Entrepreneur (1)
- Montgomery College (1)
- Montgomery County Public Schools (1)
- Community Based Organization (CBO) * (1)
- Higher Education ** (1)

19 Total Members

* Members of CBOs on the Workforce Development Board will work with Non-Profit Montgomery to choose an organization to be a representative to Worksource Montgomery, Inc. The representative is expected to keep CBOs in Montgomery County apprised of the actions of the Board.

** The College representative on the Workforce Development Board will convene a meeting of the heads of all 4 -year colleges in Montgomery County to choose a representative to Worksource Montgomery, Inc. The representative is expected to keep the colleges apprised of the actions of the Board.

ATTACHMENT 1

WORKFORCE DEVELOPMENT - FY'16 ESTIMATED FISCAL IMPACTS

Personnel Costs (Total)		\$ 281,597	
President	\$ 112,500	President (starts Dec. 2015)	\$ 87,500
Two high-level professional staff	\$ 150,000	Two high-level professional staff (starts February 2016)	\$ 83,333
Two support staff	\$ 98,000	Two support staff (starts February 2016)	\$ 54,444
Fringe Benefits	\$ 90,125	Fringe Benefits	\$ 56,319
Operating Expenses		\$ 161,175	
Finance and Accounting, Consultants	\$ 79,500	Finance and Accounting, Consultants	\$ 79,500
Office Space (2000 sf @\$30)	\$ 45,000	Office Space (2000 sf @\$30)	\$ 45,000
Office Supplies, utilities, technology(PC), telephones/cell phones, website	\$ 18,375	Office Supplies, utilities, technology(PC), telephones/cell phones, website	\$ 18,375
Publications+printing+postage	\$ 3,300	Publications+printing+postage	\$ 3,300
Travel	\$ 1,500	Travel	\$ 1,500
Meeting costs	\$ 750	Meeting costs	\$ 750
Professional fees (audit)+bank fees+insurance	\$ 9,000	Professional fees (audit)+bank fees+insurance	\$ 9,000
Misc./Other	\$ 3,750	Misc./Other	\$ 3,750
Total FY16		\$ 442,772	
Montgomery College - Workforce Training Scholarships			
<p>Note: This assumes that the new entity starts operating by October 2015 and three DED staff will be reassigned to other departments but detailed back to DED.</p>			

**BYLAWS OF THE MONTGOMERY COUNTY WORKFORCE INVESTMENT BOARD, INC.
FINAL – Approved 11.5.13
As Amended and Adopted on August 4, 2015**

ARTICLE I - NAME AND LOCATION

SECTION 1: The name of this organization shall be The Montgomery County Workforce Investment Board, INC, hereinafter referred to in these By-laws as the Corporation.

SECTION 2: The principal office of the Corporation shall be 111 Rockville Pike, Suite 800 Rockville, Maryland 20850.

ARTICLE II - PREAMBLE

The Montgomery County Workforce Investment Board (the "WIB") was established as an unincorporated association pursuant to the Agreement between the WIB and the Montgomery County Executive and described in the WIB-LEO Agreement of May 2007 in connection with and to fulfill the requirements of the federal Workforce Investment Act of 1998 (P.L. 105-220) (WIA). The Corporation was formed, upon the determination of the WIB, as a Maryland non-stock, non-profit corporation, for the purposes set forth in the Articles of Incorporation of the Corporation.

In general, it is the purpose of the Corporation to assist the Workforce Development Board (WDB) in implementing the policies regarding workforce development as may be determined from time to time by the WDB, to assist the WDB in implementing WIA and to assist the WDB in fundraising to further the policies and goals of the WDB. In furtherance of these purposes, the Corporation shall assist the WDB in developing a workforce development system for Montgomery County, MD (the "Area") by marshaling resources for workforce development from public and private sources and integrating those resources and services in implementing a workforce development system consistent with the vision, mission and strategic goals stated in the WDB's Strategic Plan adopted by the WDB on September 29, 2010 (the "Strategic Plan").

ARTICLE III – NON-PROFIT STATUS

SECTION 1: The Corporation is dedicated to and is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation shall receive contributions and fees, and shall distribute its funds for civic, charitable, and/or educational purposes, as set forth in its Articles of Incorporation. In carrying out its corporate purposes, the Corporation shall have all the powers allowed corporations by the Maryland General Corporation Law, which applies to both stock and nonstock corporations, unless a specific provision or the context of a provision clearly provides or suggests otherwise; provided, however, that the Corporation shall not have or exercise any power inconsistent with or prohibited by the Articles of Incorporation of the Corporation.

SECTION 2: As limited by Section 501(c)(3) of the Code, it is expressly not the purpose of the Corporation, and the Corporation is not empowered, to participate or intervene in (including the publication or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office, nor to devote more than an insubstantial part of its activities to carrying on propaganda. The Corporation may only act to influence legislation to the extent permitted by the provisions of the Code for organizations exempt from Federal income taxes pursuant to Section 501(c)(3) of the Code.

SECTION 3: No part of the net earnings of the Corporation shall inure to the benefit of any private shareholder or individual, and the Corporation shall not carry on any activities denied to a corporation described in Section 501(c) of the Code, including activities to the extent prohibited by Section 501(m) of the Code.

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ARTICLE IV – FUNCTIONS, RESPONSIBILITIES AND POWERS OF THE CORPORATION

SECTION 1: Among its responsibilities, the Corporation shall be responsible to perform the following:

- (1) To coordinate workforce investment activities in the Area with economic development strategies and develop other employer linkages with such activities; and
- (2) To promote the participation of private sector employers in the Area and ensure the effective provision of connecting, brokering and coaching activities, through intermediaries such as one-stop operators or through other organizations, and to assist such employers in meeting hiring needs.
- (3) To conduct and carry on its work exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (reference herein to sections or provisions of the Code shall be deemed to include and refer to, to the extent applicable, any similar sections or provisions of any subsequent Federal tax laws);
- (4) To implement policies as determined by the WDB, formed by the County under Executive Order 159-02 or its successor, whose purpose is to implement WIA;
- (5) To promote and implement workforce investment systems and workforce investment activities beyond those required under WIOA;
- (6) To develop and implement integrated workforce development strategies and systems;
- (7) To help businesses succeed through workforce services which result in increases in the employment, retention and earnings of employees in the Area, and increases the occupational skills and quality of the workforce, and reduces welfare dependency;
- (8) To promote and assist the WDB in implementing the purposes of WIOA and other county workforce priorities;
- (9) To accept, aid, support and assist grants, donations and gifts by contributions or otherwise, by governmental entities, other corporations and entities of all nature, individuals, and community chests, funds and foundations and enter into contracts or memoranda of understanding with any and all such entities, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation;
- (10) To do any and all lawful activities which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms associations, trusts, institutions, foundations, or government bureaus, departments or agencies;
- (11) To direct disbursement of funds for workforce investment activities;
- (12) To employ staff;
- (13) To solicit and accept grants and donations from sources other than Federal funds made available under WIA;

ARTICLE V – BOARD OF DIRECTORS; MEMBERSHIP; RESPONSIBILITIES OF MEMBERS

SECTION 1: The activities, responsibilities and affairs of the Corporation shall be managed and governed by a Board of Directors (the "Board"), comprised as set forth in this Article V. The Board shall

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ATTACHMENT 2

govern the conduct and activities of the Corporation directly, through such committees of the Board as the Board may determine to be necessary or convenient, through elected officers and, if so determined by the Board, through a Chief Executive Officer (CEO), whom the Corporation shall employ. The size of the Board shall be not more than Nineteen (19) voting members, who shall be comprised, appointed or elected, as follows: (i) the Chairman and the Chief Local Elected Official (CLEO) or the CLEO's representative each of whom is a member of the WDB and each of whom shall automatically be a member of the Board of the corporation by virtue of their position on the WDB, (collectively, the "Appointed Directors"); (ii) not more than Eleven (11) members of the business or professional community of the Area (collectively, the "Elected Directors"), who shall be recommended to the Board by the Executive Committee and elected by a majority vote of the members of the Board of Directors at a meeting at which a quorum is present, with notice of such meeting having been provided at least ten (10) days in advance of the meeting date; (iii) the remaining six (6) seats on the board shall be comprised as follows: a representative of Montgomery College, Montgomery County Public Schools, the CEO of the Economic Development Corporation, and the CEO of WorkSource Montgomery, Inc. and not more than one (1) representative of higher education who shall be chosen among all 4 -year colleges in Montgomery County in a meeting of the heads of all 4 -year colleges in Montgomery County convened by the College representative on the Workforce Development Board and not more than one (1) representative of community based organizations who shall be chosen by the CBO members on the Workforce Development Board who shall work with Non-Profit Montgomery to select a CBO representative to the WorkSource Montgomery, Inc. board

The Elected Directors should reflect the diversity of the Area and exhibit the abilities to accomplish the goals of the Corporation. In addition, the Board may also have as non-voting members such non-voting ex officio members representing certain community organizations (e.g., chambers of commerce, public/private partnerships involved in business and workforce issues, etc.) as the Executive Committee, with the concurrence of the Board, may designate.

SECTION 2: The term of each Appointed Director shall be coincident with such Director's term of office as an officer of the WDB. The term of each Elected Director shall be two (2) years or until his or her successor is elected and qualified. The terms of the Elected Directors shall be established so that at least two (2) of such Elected Directors shall complete their terms each year. The term of the immediate Past-Chair shall be one (1) year.

SECTION 3: Removal; Vacancies. The Executive Committee of the Board of Directors or the Board of Directors may remove any Elected Director, with or without cause, but only at a meeting called for that purpose, and the notice of the meeting must state that the purpose or one of the purposes, of the meeting is the removal of the Elected Director. The WDB may remove any Appointed Director with or without cause, but only at a meeting of the full Executive Committee of the WDB, which meeting shall be called pursuant to the procedures set forth in the Operating Guidelines of the WDB. A vacancy on the Board of Directors, including a vacancy resulting from the removal of a Director or an increase in the number of directors, shall be filled by the entity responsible for appointing or electing, as the case may be, such Director and may, in the case of a resignation that will become effective at a specified later date, be filled before the vacancy occurs but the new Director may not take office until the vacancy occurs.

SECTION 4: Meetings. The Board of Directors may hold regular or special meetings at such place, either within or without Montgomery County, as may be provided in the notice of the meeting and approved by the Chair, the Vice Chair or the Board of Directors and in compliance with the laws of Maryland. If no such place is designated in the notice of a meeting, it shall be held at the principal office of the Corporation.

SECTION 5: Notice of Meetings. Notice of regular and special meetings of the Board of Directors shall be in compliance with the laws of Maryland and shall be given to each Director, in the case of regular meetings, not less than seven (7) days before the meeting, and in the case of special meetings, not less than ten (10) days before the meeting, by delivering the same to the Director in person or to the Director's residence or business address (or such other place as the Director may have directed in writing) by mail,

ATTACHMENT 2

messenger, E-mail, or other means of written communication. Any such notice shall set forth the time and place of the meeting.

SECTION 6: Waiver of Notice. A Director may waive any notice required by law, the Articles of Incorporation or these By-laws before or after the date and time stated in the notice, and such waiver shall be equivalent to the giving of such notice. Except as provided in the next paragraph of this section, the waiver shall be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records.

A Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless the Director at the beginning of the meeting or promptly upon the Director's arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

SECTION 7: Quorum; Voting. One-half of the number of then-sitting voting members of the Board of Directors shall constitute a quorum for the transaction of business at a meeting of the Board of Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A Director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless (i) the Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding it or transacting specified business at the meeting, or (ii) the Director votes against, or abstains from the action taken.

SECTION 8: Each voting member of the Board shall be entitled to one vote during any regular or special meeting of the Board at which said member is present and which meeting has been duly called at which a quorum is present and acting throughout, except where a real or perceived conflict of interest occurs. Only the Appointed Directors, Elected Directors and immediate Past-Chair shall be allowed to vote; proxy voting shall not be allowed.

SECTION 9: Conflict of interest, real or perceived, will not be tolerated. Any duality of interest or real or perceived conflict of interest on the part of any Board member shall be disclosed to other Board members and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action. Any Board member having a duality of interest or conflict of interest, real or perceived, on any matter shall not vote or use his/her personal influence on the matter. The minutes of the meeting shall reflect that a disclosure was made and the abstention from discussion and voting. The conflict of interest policy shall be reviewed annually for the information and guidance of Board members. Any new members of the Board shall be advised of the policy upon entering the duties of his/her office. There shall be an annual submission of disclosure regarding possible conflict of interest.

SECTION 10: Minutes of each Board meeting shall be distributed to all Board members.

ARTICLE VI- OFFICERS

SECTION 1: The Board shall elect from among its membership a Chair, a Vice Chair and a Treasurer, and, in the discretion of the Board of Directors, such other officers as may be deemed necessary or advisable to carry on the business of the Corporation. Any two or more offices may be held by the same person, with the exception of Chair and Vice Chair.

SECTION 2: Election; Term; Resignation. Officers shall be elected by the Board of Directors. They shall hold office, unless removed, until the earlier of (a) the expiration of their term on the Board of Directors or (b) the date when their successors are elected. Any officer may resign at any time upon written notice to the Board of Directors, and no acceptance of a resignation shall be necessary to make it effective.

SECTION 3: Removal of Officers. The Board of Directors may remove any officer at any time, with or without cause.

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SECTION 4: Duties of Chair and Vice Chair. The Chair shall be the chief executive officer of the Corporation. He or she shall have general charge of and be charged with the duty of supervision of the business of the Corporation, shall preside at all meetings of the Board and perform such other duties as the Board shall assign from time to time. The Vice Chair of the Board shall, at the request of or in the absence of the Chair, preside at meetings of the Board and, when requested to do so by the Board, shall perform all of the functions of the Chair of the Board during the absence or incapacity of the latter. The Treasurer of the Board shall be the chief financial officer with the general charge of oversight of the finances of the Corporation inclusive of all funds held by the Corporation.

SECTION 5: Duties of Other Officers. The other officers of the Corporation shall have such authority and perform such duties as may be prescribed by the Board of Directors or by officers authorized by the Board of Directors to appoint them to their respective offices. To the extent that such duties are not so stated, such officers shall have such authority and perform the duties which generally pertain to their respective offices, subject to the control of the Chair, the Vice Chair or the Board of Directors.

SECTION 6: Authority to Speak on Behalf of Corporation. The Chair and the CEO of the Corporation shall be the only persons authorized to speak to parties outside of the Corporation, including but not limited to the media, for and on behalf of the Corporation, unless otherwise specifically so authorized by the Board of Directors of the Corporation.

ARTICLE VII – CHIEF EXECUTIVE OFFICER

SECTION 1: The Corporation shall employ a CEO, who shall be hired by and serve at the pleasure of the Board. Notwithstanding any other provision in these By-laws to the contrary, the Corporation may compensate the CEO and in the event that the CEO also holds office as an officer of the Corporation, he or she shall not be barred from receiving compensation in the position of Executive Director. A sub-committee of the Board, appointed by the Chair, shall evaluate the performance of the CEO annually and establish his or her compensation at that time.

SECTION 2: The CEO shall serve as chief operating officer and have responsibility for the day-to-day operations and affairs of the Corporation, including supervision of all staff. He or she shall, in the execution of approved corporate plans and programs, represent and assist the Chair and the Board in carrying out the purpose and objectives of the Corporation.

SECTION 3: The CEO shall be a voting member of the Board, Executive Committee and all committees.

ARTICLE VIII – COMMITTEES

SECTION 1: Committees. The Board of Directors may create one or more committees, including an Executive Committee, and may appoint members of the Board of Directors to serve on them. Each committee shall have three or more members who serve at the pleasure of the Board of Directors. The creation of a committee shall be approved by a majority of Directors in office when the action is taken. The Chair shall appoint each committee chairperson. Notwithstanding any of the foregoing, the Executive Committee, if created, shall be comprised as set forth in Section 3 below.

SECTION 2: Authority of Committees. To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors, except that a committee may not (i) fill vacancies on the Board of Directors or on any of its committees; (ii) amend the Articles of Incorporation; (iii) adopt, amend or repeal these By-laws; (iv) approve a plan of merger or consolidation; (v) approve the sale, lease or exchange, or the mortgage, pledge or other disposition of all, or substantially all, of the property and assets of the Corporation; (vi) approve revocation of voluntary dissolution proceedings; or (v) approve or execute any contract or other obligation in the name of the Corporation or otherwise contractually bind the Corporation.

SECTION 3: Executive Committee. The Board of Directors may appoint an Executive Committee consisting of not more than five (5) Directors, who shall include the Chair, Vice Chair, Treasurer and CLEO. The Chair of the WDB shall also be a member of the Executive Committee if they have not been

elected to an officer position of the Corporation. The Chair shall serve as the chairperson of the Executive Committee. The Executive Committee shall have and may exercise all the powers of the Board of Directors when the Board of Directors is not in session, and shall meet at such time and upon such cause as the Executive Committee shall prescribe.

SECTION 4: Advisory Committees. Other committees not having and exercising the authority of the Board of Directors may be constituted and members thereof appointed by a resolution adopted by a majority of the Directors present at a meeting of the Board of Directors at which a quorum is present.

SECTION 5: Committee Meetings; Miscellaneous. The provisions of these By-laws which govern meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors shall apply to all committees of Directors and their members as well.

ARTICLE IX – ARTICLES OF INCORPORATION

All references in these By-laws to the Articles of Incorporation shall be deemed to refer to the Articles of Incorporation of the Corporation as amended and in effect from time to time. In the event of any conflict between the provisions of the Articles of Incorporation and these By-laws, the provisions of the Articles of Incorporation shall control.

ARTICLE X – NET REVENUES AND DISSOLUTION

The net revenues of the Corporation shall be devoted exclusively to civic, charitable and educational purposes. Subject to the requirements of law, in the event of the dissolution of the Corporation, the Board shall designate, as recipient of the Corporation's property remaining after paying or making provision for payment of all liabilities of the Corporation, any organization or organizations which are exempt from taxation under section 501(c)(3) of the Code and which, in the sole discretion of the Board, most nearly furthers the purposes for which the Corporation is organized.

ARTICLE XI – FISCAL MATTERS: CONTRACTS, LOANS, CHECKS, DEPOSITS AND EMPLOYMENT

SECTION 1: Contracts. The Board may authorize any officer or officers, agent or agents to enter into any contract, or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or limited to specific instances.

SECTION 2: Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or limited to specific instances.

SECTION 3: Checks, Drafts, Etc. All checks, drafts or other orders of payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer of officers, agent or agents of the Corporation as authorized by vote and resolution of the Board.

SECTION 4: Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time in the name of the Corporation in such banks, trust companies or other depositories as the Board may designate.

SECTION 5: Financial Dealings Generally. All purchases or expenditures for supplies, equipment or services, for the benefit of the Corporation, whether by contract or not, shall adhere to laws, policies and standards governing purchases and expenditures by a not-for-profit organization, subject in all instances to laws and requirements deemed by the Board of Directors, upon the advice of counsel, to be applicable to the Corporation, including the provisions of Workforce Investment Act WIA Grant Agreements Between the state of Maryland and Montgomery County, dated July 1, 2013, and any amendments or renewals thereof. No Director, officer, employee, servant or agent of the Corporation shall have any interest, financial or otherwise, direct or indirect, in any purchases or sale of goods or services by the Corporation, without timely and full disclosures thereof to the Board.

ATTACHMENT 2

SECTION 6: Agent, Employees, Consultant, Professional Service. Persons or firms other than officers of this Corporation may from time to time be engaged or employed to assist the Corporation in carrying out its program and purposes. Any such employment must be by action of the Board or the CEO, and may be implemented by the CEO, upon terms and conditions, including payment for services, set forth by the Board.

ARTICLE XII – CORPORATE RECORDS

The original or attested copies of the Articles of Incorporation, By-laws and records of all meetings of the Board and committees shall be kept at the principal office of the Corporation, or at an office of its registered agent, and shall be open at all reasonable times to inspection by any interested party.

ARTICLE XIII – MISCELLANEOUS PROVISIONS

SECTION 1: Corporate Seal. The corporate seal of the Corporation shall be circular and shall have inscribed thereon, within and around the circumference, "Montgomery County Workforce Investment Board, Inc." In the center shall be the word "SEAL".

SECTION 2: Liability. The Board is authorized to seek and obtain liability insurance policies for its officers, employees, volunteers, and members with legal defense of claims thereunder to be provided in accordance with the terms of the policies of insurance.

SECTION 3: Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the WDB.

SECTION 4: Interpretation. For the purpose of construing these By-laws, unless the context indicates otherwise, words in the singular number shall be deemed to include words in the plural and vice versa, and words in one gender shall be deemed to include words in other genders.

SECTION 5: Amendments. These By-laws shall be adopted by the Board of Directors and may be altered, amended, restated or repealed and new By-laws may be adopted at a regular or special meeting of the Board of Directors provided that no such action shall be taken if it would in any way adversely affect the Corporation's qualification under Section 501(c)(3) of the Code.

ARTICLE XIV – EFFECTIVE DATE

These By-laws shall become effective as of the date of adoption by the Board. Such adoption shall require a vote of a majority of the voting Board members present at a duly-convened meeting at which a quorum is present and acting throughout.



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

May 18, 2015

The Honorable Isiah Leggett
Montgomery County Executive
101 Monroe Street, 2nd Floor
Rockville, Maryland 20850

Dear Mr. Leggett:

On behalf of the Workforce Strategies Steering Committee (WFSC), I am pleased to transmit to you the committee's consensus recommendations on how to build a consolidated workforce system in Montgomery County that aligns with the county's comprehensive economic development strategy. These recommendations were developed in response to your charge to us to develop a community-wide consensus regarding how to execute a vision and mission for the county's workforce development activities that will put us in a position of national leadership in this area.

The recommendations in this document combine the best ideas from recent reports issued by Montgomery Moving Forward, the Workforce Investment Board and WorkSource Montgomery, Inc, and the Department of Economic Development. Each report called for alignment and coordination within the system and across various programs.

The WFSC generated one overarching recommendation: to utilize a not-for-profit as the single, readily identifiable structure to lead a comprehensive and demand-driven system of workforce development for Montgomery County. From there, the WFSC derived five additional recommendations:

- The system should be **organized and governed by two boards**: one an incorporated board serving as the operating entity; the other, an unincorporated board serving as the policy-setting entity.
- The not-for-profit should **adopt and execute a 3-5 year strategy** for aligning workforce development activities in the county.
- The not-for-profit should be **led by an executive** with a compelling combination of qualities, characteristics, and skills.
- The newly transformed entity should **carry out a series of first-year implementation steps** to execute the vision and intent of the recommendations in this report.
- The organization should **receive the budget necessary** to build the organization's infrastructure, rebrand the system, and convene stakeholders around a transformed workforce development system.

The Honorable Isiah Leggett
May 18, 2015
Page 2

Thank you for your leadership and vision to consolidate and unify the various parts of our workforce development efforts into an innovative system that places Montgomery County at the forefront of successful workforce development regionally and nationally. The WFSC looks forward to working with you and the County Council in the coming months to execute the vision in this report and aligning Montgomery County's workforce development system with the county's overall economic development efforts.

Sincerely,



Thomas J. Street
Assistant Chief Administrative Officer

TSt:jw

Attachment

cc: George Leventhal, Council President
Nancy Floreen, Councilmember

RECOMMENDATIONS FOR A CONSOLIDATED WORKFORCE DEVELOPMENT SYSTEM ALIGNED TO ECONOMIC DEVELOPMENT IN MONTGOMERY COUNTY

*FROM THE WORKFORCE STRATEGIES STEERING COMMITTEE
TO COUNTY EXECUTIVE ISIAH LEGGETT*

MAY 2015

SECTION I: INTRODUCTION AND PROCESS OVERVIEW

In his December 2014 inaugural address, County Executive Isiah Leggett outlined a six-point economic development plan designed to position Montgomery County for the future. One key initiative mentioned in the address was to consolidate all workforce programs and to develop innovative ways to address both community workforce needs and market demands. The Workforce Strategies Steering Committee (WFSC) was charged by the County Executive to develop a community-wide consensus on how to consolidate these programs and how to execute a vision and mission that will place the county in a position of national leadership for workforce development. In the context of these recommendations, *consolidate* means to unify the separate parts of the workforce system into a coordinated whole. It is used to imply that the system will be transformed to be easy to navigate and easy to access by businesses and individuals alike.

This report outlines one overarching recommendation and six specific recommendations from the WFSC on how to unify the workforce development system, as well as long- and short- term goals and objectives for what the refined system should achieve. The WFSC includes community leaders from the public, private, education, and nonprofit sectors. It includes representatives from the business community, Montgomery College, Montgomery County Public Schools (MCPS), Montgomery Moving Forward (MMF), community-based organizations, the Workforce Investment Board (WIB), executive branch staff, and WorkSource Montgomery, Inc., which is the WIB's 501(c)(3). A list of the Steering Committee members can be found in **Appendix A**.

Prior to the County Executive's initiative to consolidate all Montgomery County workforce development programming, several reports on the county's workforce development system were delivered to the County Council and the County Executive:

- *Call to Action: Fueling our Future with Skilled Workers and Good Jobs* issued by Montgomery Moving Forward (MMF)
- *Recommendations for a High Performing Workforce Development System* issued by the Montgomery County Workforce Investment Board (WIB)
- *Addressing Workforce Development in Montgomery County: An Economy at a Crossroads* issued by the Montgomery County Department of Economic Development (DED)

Each report calls for the consolidation of the various workforce development programs that make up the system. Each report, to varying degrees, outlines the lack of alignment and coordination within the system and across programs. Each points out how this lack of alignment makes accessing the system difficult for businesses seeking talent or trying to create a specific workforce solution to meet their business needs. Each report also addresses how this lack of coordination makes it difficult for the unemployed and underemployed to find workforce services, skills training, and employment and career opportunities.

While each report recommends different possible methods, strategies, and tactics needed to achieve consolidation, the consistent message from each report is clear: consolidation is needed if the county is to leverage its human and institutional assets to build a strong economy and thriving community. The convergence of the message from the three reports laid the foundation for the process that followed between January and May 2015, which led to the recommendations

in this document.

During January and February 2015, a workgroup made up of representatives from MMF, the WIB, and WorkSource Montgomery, Inc., held a series of meetings to discuss how to move forward with implementing recommendations from the aforementioned reports. During those meetings, a consensus was reached that the best approach for next steps was to explore the creation or utilization of an existing not-for-profit entity that was designated to facilitate, coordinate, and align an innovative workforce development system for the county. The group also agreed that to truly establish a community-wide consensus, a deliberate process that involved more stakeholders was required. Thus, the WFSC was formed.

The WFSC was specifically charged to provide leadership and direction to examine the best practices outlined in the DED report and consider all options, including the further development of a not-for-profit entity designated to facilitate, coordinate, align, and innovate workforce development throughout the county. The WFSC was tasked with delivering a single set of recommendations for how to accomplish this to the County Executive by May 2015.

Workforce Strategies Steering Committee Approach and Process

The WFSC met five times to develop the recommendations contained in this report. Four workgroups also met 2-3 times each. These workgroups were tasked with making recommendations to the WFSC on:

- Defining the role, function, and structure of the entity. The group discussed several key questions to develop the role and structure of the entity (Recommendation One), including:
 - The entity's primary function (i.e., to facilitate, convene, coordinate, or consolidate);
 - The entity's role in providing a connection to the county's strategic industry sectors;
 - The entity's connection to DED, the WIB, educational institutions (K-12 and post-secondary), non-profit and for-profit workforce development organizations, small businesses, and other major workforce development partners; and
 - The entity's role in implementation of the county's comprehensive economic development plans and initiatives, with focus on areas of those plans and initiatives that are specific to workforce development.

- Development of a five-year strategic plan, including:
 - Goals and strategies that move the system forward over the next 3-5 years;
 - Actionable priorities for the organization to support its mission, goals, and strategies; and
 - Metrics by which both the system and the organization will be held accountable.

- Board composition, first-year implementation plan, and one year budget, including:
 - Recommendations regarding Board size and membership;
 - Development of the first year's budget to launch the organization; and
 - Development of a first year implementation plan for the organization and the system as a whole.

- Criteria for the executive staff recruitment process.

As part of conducting due diligence on all options from previous reports for how to unify the system and the programs, the WFSC examined several sets of data, both qualitative and quantitative, including:

- Counties and cities identified as having a “best practice approach” to workforce development aligned to economic development with significant outcomes.
- Results of interviews with three coordinating entities in the county:
 - Montgomery Coalition for Adult English and Literacy
 - Primary Care Coalition
 - Montgomery County Collaboration Council for Children, Youth, and Families
- An analysis of the key points of agreement and possible divergence between the three reports.

Throughout the process the WFSC was regularly updated regarding the direction of the comprehensive economic development planning process underway by the County Executive to ensure structural, systemic, and programmatic alignment between the recommendations in this report and the final economic development plan. Once accepted, the workforce goals and strategies recommended in Section II of this report will be integrated into the comprehensive economic development strategy.

The WFSC examined the options contained in each report for how to approach structuring a single, readily identifiable workforce development entity. These involved:

- Consolidation of all workforce development programs and services under a single office of Workforce Development and Continuing Education housed at Montgomery College;
- Consolidation by creating a new stand-alone 501(c)(3) not-for-profit;
- Consolidation through a new WIB as the 501(c)(3) single entity; and
- Consolidation through a new WIB as a broad policy body, with policy implementation being performed by the current WorkSource Montgomery, Inc., with reconfigured board membership for the incorporated entity as a private not-for-profit providing operational oversight.

These discussions led to the recommendations contained in the following Section II of this report.

SECTION II: RECOMMENDATIONS

OVERARCHING RECOMMENDATION

The WFSC's overarching recommendation is to utilize a not-for-profit [501(c)(3)] as the single, readily identifiable structure to lead, elevate, and coordinate a comprehensive and demand-driven system of workforce development for Montgomery County. This comprehensive workforce development system will align with the county's comprehensive economic development strategy, support the strategic target industries in meeting their workforce needs, and meet the needs of residents in finding good jobs.

The specific recommendations below flesh out what the entity will do to support the mission of the newly defined workforce system and facilitate the development of data-driven, evidence-based programs and practices throughout the county that match the workforce to businesses by providing development of the right knowledge and skills at the right time.

The recommendations below support the mission of the workforce development system in Montgomery County, which is:

- To meet the talent *attraction, development, and retention* needs of strategic industries;
- To meet the needs of the underemployed and unemployed; and
- To develop career pathways that lead to sustainable wage jobs and support a thriving economy.

RECOMMENDATION ONE: ROLE AND STRUCTURE

Given the County Executive's call to consolidate workforce services in the county, MMF's Call to Action, and two separate reports that called for an identifiable structure through which workforce services would be aligned, coordinated, and integrated, the overarching recommendation is to utilize a not-for-profit corporation [a 501(c)(3)] to become that entity. The Steering Committee recommends the following roles and functions for the entity, which are required for effective governance of a coordinated system, as well as the following structure for how the 501(c)(3) ought to carry out its work.

The roles the organization should play are included in the strategy presented in Recommendation Two and include:

- Act as a focal point for businesses and individuals with workforce needs;
- Catalyze change to build an effective workforce system;
- Facilitate and convene stakeholders; and
- Act as an intermediary and broker between the supply and demand sides of the workforce system.

The functions and responsibilities essential for meeting the system's strategic priorities outlined in Recommendation Two include:

- Actively engage with strategic industries to clearly understand their workforce needs;
- Create a clearinghouse of the workforce development resources (both programmatic and systems-building) in the county;

- Conduct, analyze, and disseminate research and predictive analytics on what type of workforce *will be* needed (i.e., closely tied to the economic development strategy and the strategic industries);
- Strategize with the county's economic development arm to ensure the types of enterprises the county wants to attract align with the values of the county;
- Execute workforce strategy and policy aligned to the county's economic development strategy and strategic industry needs;
- Connect to and advocate for the broader systems that support individuals in becoming economically independent (e.g., transportation and housing);
- Ensure that *ALL* individuals who are currently in the workforce and those who will enter the workforce have access to the training and education services needed to help them get the skills they need, no matter where they start on the continuum of skill development and education;
- Encourage career awareness and disseminate career exploration resources among community organizations;
- Provide a conduit for county funding accountable for the outcomes of the providers of workforce services;
- Raise new funds and leverage existing resources;
- Articulate the return on investment (ROI) of the system;
- Collect, analyze, and disseminate data on outcome metrics of programs in the network, quality of programs, and best practices;
- Promote and use evidence-based practices to continually improve the quality of the system;
- Convene workforce development organizations and stakeholders regularly; and
- Set workforce policy.

The WFSC recommends an *organizational structure* comprised of two boards: one an incorporated board serving as the operating entity; the other, an unincorporated board serving as the policy-setting entity that directs such policy that the operating entity executes. Together, the two boards will facilitate the roles, functions, and strategic initiatives the organization needs to execute. This structure will foster an environment of checks and balances between the operational and policy functions of the organization. Because this is a new organization, the County Executive and his staff will examine it regularly to determine its efficiency and effectiveness and to avoid immediate institutionalization of the established structure. Establishing this new organization is and will continue to be an organic process: if it is determined that the organizational structure does not work, the possibility remains that the two boards might be merged into one oversight and implementation mechanism for the organization.

The WFSC further recommends the use of the current WorkSource Montgomery, Inc., as the 501(c)(3) for all workforce development as described in these recommendations. This will necessitate the reconfiguration of the board of WorkSource Montgomery, Inc., to include more representation from the system's stakeholders, while keeping the board small enough so the organization can be nimble and flexible in responding to businesses workforce needs. The county's current workforce development mission will be adopted by the new entity:

The mission of the workforce development system in Montgomery County is:

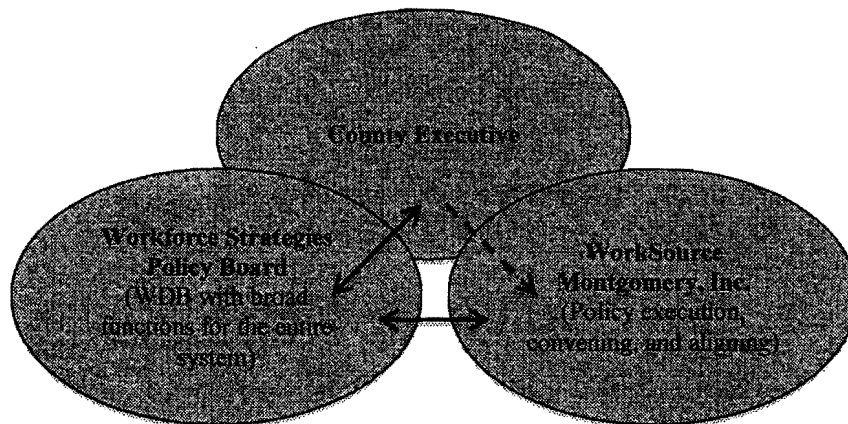
- To meet the talent *attraction, development, and retention* needs of strategic industries;
- To meet the needs of the underemployed and unemployed; and
- To develop career pathways that lead to sustainable wage jobs and support a thriving economy.

One key function required for effective governance of the system is the policy setting function. It is recommended that the policy setting function be separate from the roles and functions required to execute the policy (i.e., through the incorporated entity). The rationale for this organizational structure is to ensure that the not-for-profit board and organization are seen as a neutral entity among all stakeholders, executing the policy and providing operational direction and oversight to the system as opposed to setting policy. This configuration also separates governance and oversight for system-wide policy issues from execution of operations and oversight of the work required to build, sustain, and grow the system.

To accomplish this, it is recommended that the County Executive utilize the unincorporated Workforce Investment Board as the policy setting body.¹ The new WDB will meet the requirements set forth for board composition in the WIOA and will also include other entities to ensure multiple voices are represented. In this capacity, the WDB will provide oversight for the federal funds and set policy for the system as a whole.

Furthermore, the boards will each follow a committee structure (e.g., program oversight, performance accountability, and specific policy areas). The policy body should be larger than the board of the corporation to ensure all stakeholders are at the table, either on the policy board itself or on committees.

The WFSC further recommends that staff from the incorporated entity be co-located with staff from the county's private economic development arm currently being formed. Co-locating staff will facilitate alignment of workforce development resources with economic development priorities for the county. It is also recommended that the President of WorkSource Montgomery, Inc., be the Executive Director of the WDB and the staff of the corporation staff the WDB as well. The structure would look like the following:



¹ Under the Workforce Innovation and Opportunity Act (WIOA), the WIB will be renamed the Workforce Development Board (WDB) in 2015.

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RECOMMENDATION TWO: 3-5 YEAR STRATEGY

To effectively launch a strategy to consolidate workforce services in the county will require a two-pronged approach: 1) launching the organization to lead, elevate, and coordinate a comprehensive system of workforce development and 2) developing a unified, one system approach to workforce development. This recommendation includes a plan for the 501(c)(3)'s operational and strategic priorities for the workforce system.

The WFSC developed a strategic approach for both the organization and the system. The recommended strategy includes:

STRATEGIC IMPERATIVE

Become the "go-to place" for all businesses and jobseekers to find solutions to their workforce needs.

STRATEGIC PRIORITIES for 2015 thru 2020 for the Workforce System

- Create a "thick" labor market — one that is deep, not just wide — that can accommodate the need for a specialized workforce;
- Recruit, develop, and sustain a quality and innovative workforce in the county;
- Connect individuals to and/or provide training and skill development services for jobs and careers that provide family-sustaining wages;
- Provide training and skill development services for jobs and careers that provide family-sustaining wages;
- Implement a system of career pathways aligned with strategic industries for economic growth and aligned across workforce and education service deliverers;
- Develop approaches that facilitate regional cooperation;
- Promote entrepreneurs and facilitate the growth and expansion of small businesses;
- Ensure those who are unemployed and underemployed benefit from an accessible and responsive workforce development system; and
- Increase business satisfaction and trust through efficient, effective, responsive, and accountable workforce services.

STRATEGIC GOALS and OBJECTIVES

The following goals and objectives for WorkSource Montgomery, Inc., support accomplishing the system's priorities over the next 3-5 years.

Strategic Goal 1: Align all programmatic and strategic workforce efforts throughout the county to provide comprehensive workforce solutions to businesses and jobseekers (including the emerging workforce).

Strategic Goal 2: Deliver accessible, efficient, and effective workforce services that are industry-driven, data-informed, skills-oriented, and population-specific.²

² "Deliver" is a term of accountability for the system to ensure customers receive needed services efficiently and effectively, regardless of who delivers those services in actuality. WorkSource Montgomery, Inc. will be accountable for connecting customers with needed services and/or delivering those services when appropriate.

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Strategic Goal 3: Launch a new brand and a communication and marketing strategy for the system that results in increased awareness and use among business leaders and the community. The full strategy is included in **Appendix B**.

RECOMMENDATION THREE: EXECUTIVE QUALIFICATIONS, HIRING PROCESS, AND ORGANIZATIONAL STRUCTURE FOR THE CORPORATION

The organization needs to command a high level of support from the community and workforce development stakeholders. It is important that the executive have a compelling combination of qualities, characteristics, and skills, including:

- **Political savvy**, as evidenced by prior experience with successful public/private sector partnerships and as evidenced by having achieved a significant goal that required political support;
- **Strong project management skills** as evidenced by prior success building and managing diverse coalitions to achieve specific outcomes; and
- High degrees of **motivation, good judgment, and self-direction** to achieve organizational goals.

A recommended position announcement is included in **Appendix C**.

The following steps are recommended for the recruitment and selection process:

- Advertise the position widely and nationally, including through national workforce associations;
- Establish a selection committee through the board of the corporation of no more than seven individuals, including board members, the County Executive's representative who sits on the board, and other stakeholders;
- Allow the selection committee to devise questions and conduct interviews;
- Allow the selection committee to choose the top three candidates to forward to the full board;
- Conduct background and reference checks prior to interviews with Board Chair, County Executive, and other board members; and
- Select the final candidate by vote of the board.

The single entity envisioned, as stated in the Overarching Recommendation, is a not-for-profit corporation. To accomplish the strategic priorities for the system set out in Recommendation Two, the organization must focus on three key areas:

- Aligning with and supporting the county's comprehensive economic development strategy and outcomes;
- Collecting, evaluating, and disseminating data, information, and knowledge; and
- Delivering workforce services to businesses, primarily by developing innovative workforce solutions in partnership with other agencies and business and coordinating those services to meet businesses needs.

In addition, to increase the funding available for workforce services in the county, the organization should focus on raising funds from sources in addition to the county, including corporations, foundations, and state and federal government sources.

To capture these functions, a recommended high-level organizational chart is included as **Appendix D**.

RECOMMENDATION FOUR: FIRST YEAR IMPLEMENTATION STEPS

The staff for the operating entity should be given the latitude necessary to carry out the vision and intent of the recommendations in this report. To facilitate that goal, within the first 60 days of adopting these recommendations, the WFSC recommends:

- Appointment of appropriate stakeholders to the Workforce Strategies Policy Board;
- Expansion of the board of WorkSource Montgomery, Inc., as appropriate to carry out the intent of the recommendations from this report; and
- Hiring of staff for the operating entity, per Recommendation Three in this report.

Once staff for the operating entity is hired, they should report to the boards how they plan to carry out the WFSC's recommendations. The plan should establish two six-month intervals to ensure the boards and staff have enough time to shift direction if needed. While staff will have flexibility to determine an iterative plan that works well for them, the WFSC recommends the plan address the following issues:

- Development of robust connections with the business community;
- Data collection regarding activities in county workforce development, service quality, analytics for service improvement, etc.;
- Identification, convening, and aligning of all stakeholders according to the priorities of the operating and policy entities;
- Alignment of these recommendations and workforce strategies with the county's comprehensive economic development strategy when it is issued; and
- Identification and prioritization of objectives from the strategic plan (**Appendix B**).

RECOMMENDATION FIVE: FIRST YEAR IMPLEMENTATION BUDGET

The WFSC recommends that the organization's full first year budget be \$814,900. This includes five staff members, consisting of a President, two high-level professional staff members, and two support staff members.

It is recommended that in the first year staff primarily focus on building the organization's infrastructure, building awareness to rebrand the system, and convening stakeholders to begin the work of coordinating the system's players to achieve the strategic priorities, goals, and objectives in the 3-5 year strategy identified in Recommendation Two.

It is expected in year two that development and execution of program initiatives in conjunction with stakeholders would begin. Within 2-3 years, the staff may grow to between 7 and 10 FTEs, depending on the types of programs, services, and coordinating activities underway.

A detailed recommended first year budget is attached as **Appendix E**.

**APPENDIX A
WORKFORCE STRATEGIES STEERING COMMITTEE (WFSC) MEMBERS AND
STAFF**

MEMBERS

Uma Ahluwalia, Department of Health and Human Services
Kevin Beverly, Social & Scientific Systems
Shirley Brandman, Education Advocate
Donna Cooper, Pepco
Sol Graham, Quality Biological, Inc.
Susan Heltemes, Community Activist
Mike Knapp, SkillSmart
Susan Leggett-Johnson, Kaiser Permanente
Luisa Montero-Diaz, Maryland Multicultural Youth Centers
Gerry Murphy, Washington Area New Auto Dealers Association
Maria Navarro, Montgomery County Public Schools
Manny Ocasio, Holy Cross Health
Marta Brito Perez, Adventist Health Care
DeRionne Pollard, Montgomery College
Lily Qi, Montgomery County Executive's Office
Sally Sternbach, Department of Economic Development
Thomas Street, Montgomery County Executive's Office
Michael Sullivan, Pepco
Diego Uriburu, Identity, Inc.

STAFF

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Investment Board

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President, Strumpf Associates: Center for Strategic Change, Workforce Consultant

Allison Wakefield
Project Analyst, Offices of the County Executive



**APPENDIX B
STRATEGIC PLAN**

**MONTGOMERY COUNTY WORKFORCE SYSTEM
VISION, MISSION AND VALUES**

VISION: Economic development, education, and the system of talent development are aligned to prepare the current and future workforce in the County.

MISSION: The mission of the workforce development system in Montgomery County is:

- To meet the talent *attraction, development, and retention* needs of strategic industries;
- To meet the needs of the underemployed and unemployed; and
- To develop career pathways that lead to sustainable wage jobs and support a thriving economy.

Value

Proposition: **We offer easy access to all workforce services for businesses and jobseekers in Montgomery County; we understand our collective impact when our system functions with unity, and we provide an exceptional service experience for our customers.**

Primary

Customers: Business, Industry, and Employers

Role: The not-for-profit organization [501(c)(3)] organization will play several roles in furtherance of the system's vision and mission:

- Act as the focal point for businesses and individuals with workforce development needs.
- Endeavor to catalyze change in the community to elevate and build an effective workforce development system.
- Serve as a community facilitator and convener to identify issues and act collaboratively with partners to address them quickly and effectively.
- Act as an intermediary/broker between the supply and demand sides of the workforce system regarding current and future skill needs to ensure mutually beneficial relationships and outcomes.

ORGANIZATIONAL CORE VALUES

Our Common Values:

We believe in and are passionate about the following shared principles, beliefs and priorities:

LEADERSHIP. We will have the courage to lead from the front and shape the future. We believe in our role as stewards of the public trust and the future of the people we serve.

CHANGE. We believe in bringing to bear all relevant talents and resources to provide opportunities for our customers to succeed and thrive, one person and one business at a time.

SERVICE EXCELLENCE. We will give the best and world-class service and achieve excellence each passing day.

INCLUSIVITY. We believe the whole community benefits when all county residents have equitable and inclusive access to resources and are able to actualize their potential for contributing to a high quality of life.

INTEGRITY. We believe in living our values every minute of every day. We believe in doing the right thing right the first time for our customers and always honoring our commitments.

OPERATING PRINCIPLES

The following principles define the way the organization will operate with regard to its goals and strategies. The core processes employed by the organization to accomplish these goals will operate in the following fashion:

- We will align all efforts in ways that support and enhance the comprehensive economic development plan of the county.
- We will continuously ensure that we are deliberate in our strategic decisions regarding what industries and occupations we support and deliberate in meeting the changing needs and expectations of our customers and the marketplace.
- We will ensure access for all and attend to the diverse needs of our customers in all aspects of our service delivery.
- We will use the principle of data-driven and fact-based decision-making in the operational end of all systems and processes.
- We will conduct ongoing evaluations to provide data to continuously assess the outcomes and efficacy of programs and delivery systems for which we will hold ourselves accountable.
- We will develop strategic alliances with community organizations, education, government, not-for-profits, and industry within the community on all workforce development initiatives.

STRATEGIC PRIORITIES AND GOALS

PLANNING ASSUMPTIONS

- The system's strategic approaches and priorities will be industry-driven with ongoing feedback from business and industry alike.
- There needs to be a single not-for-profit entity [501(c)(3)] in the county that owns and is accountable for workforce development.
- Implementing the planning and strategy development of the Workforce Development Board is a key function of the 501(c)(3).
- The workforce strategy will be designed to support the county's comprehensive economic development strategy and will be embedded within that plan to create one planning document.
- The strategy will include mechanisms to verify that all players (education, community organizations, etc.) are doing what they say they are doing.

STRATEGIC IMPERATIVE

Become the "go-to place" for all businesses and jobseekers to find solutions to their workforce needs.

STRATEGIC PRIORITIES for 2015 thru 2020 for the Workforce System

- Create a "thick" labor market that can accommodate the need for a specialized workforce.
- Recruit, develop, and sustain a quality and innovative workforce in the county.
- Connect individuals to and/or provide training and skill development services for jobs and careers that provide family-sustaining wages.
- Provide training and skill development services for jobs and careers that provide family-sustaining wages.
- Implement a system of career pathways aligned with strategic industries for economic growth and aligned across workforce and education service deliverers.
- Develop approaches that facilitate regional cooperation.
- Promote entrepreneurs and facilitate the growth and expansion of small businesses.
- Ensure those who are unemployed and underemployed benefit from an accessible and responsive workforce development system.
- Increase business satisfaction and trust through efficient, effective, responsive, and accountable workforce services.

STRATEGIC GOALS and OBJECTIVES

The following goals and objectives for WorkSource Montgomery, Inc. support accomplishing the system’s priorities over the next 3-5 years.

Strategic Goal 1: Align all programmatic and strategic workforce efforts throughout the county to provide comprehensive workforce solutions to businesses and jobseekers (including the emerging workforce).

Key Objectives:

- Create robust partnerships with all sectors, including education, business, and not-for-profits; and convene regularly to coordinate, align, and leverage workforce strategies, programs, and funding.
- Determine the organization’s value-add to economic development and become a key member of the county’s economic development team.
- Design programs that implement the workforce development component of the county’s comprehensive economic development strategy.
- Provide a place for county dollars focused on workforce development to reside and manage the RFP process to select workforce service deliverers.
- Use data to forecast workforce needs and improve the quality of the delivery system.
- Conduct data collection, analysis, and dissemination in two realms — one on the current operations in Montgomery County and one on evidence-based practices elsewhere.
- Produce a study on return on investment (ROI) every 2 years.
- Align workforce development with the education system (K-12 and post-secondary).

Strategic Goal 2: Deliver accessible, efficient, and effective workforce services that are industry-driven, data-informed, skills-oriented and population-specific.³

Key Objectives:

- Understand the life cycle of businesses and create systems and strategies that can adapt to respond to their specific needs at different points in that cycle.
- Conduct a gap analysis on an identified set of critical elements (e.g., current and future skills needs, pathways, access to services, services currently delivered, quality of services).
- Conduct career mapping in strategic industries and develop a user-friendly way to publish the career maps.
- Facilitate the on-ramps to career pathways for jobseekers and develop methods for employers to reach into the pathways to find qualified individuals.
- Develop and expand work-based learning opportunities that enable individuals to build 21st Century skills and provide them the ability to earn while they learn.
- Align relevant regional resources around a common vision and approach for workforce services.

³ “Deliver” is a term of accountability for the system to ensure customers receive needed services efficiently and effectively, regardless of who delivers those services in actuality. WorkSource Montgomery, Inc. will be accountable for connecting customers with needed services and/or delivering those services when appropriate.

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Strategic Goal 3: Launch a new brand and a communication and marketing strategy for the system that results in increased awareness and use among business leaders and the community.

Key Objectives:

- Create a brand to foster a stronger public image and increase public awareness:
 - Research the market and consumers.
 - Identify brand values.
 - Create brand messages and brand image.
- Create a strategic marketing and communication plan to raise internal and external awareness of the quality and outcomes of programs in the workforce system:
 - Develop messages focused on ease of access to all the system's resources to provide workforce solutions.
- Deepen relationships with businesses, not-for-profit organizations, education, and government to understand needs and to increase awareness.
- Create an organizational culture that demands exceptionally responsive service from its employees.

OUTCOMES OF THE STRATEGY

Structuring the growth and evolution of WorkSource Montgomery, Inc., around these strategic goals and objectives will lead to measurable outcomes for success. The system will be evaluated regularly during its initial growth phases and periodically after the first year. Certain outcomes will rely on anecdotal and experiential feedback from customers and stakeholders engaged by the system, and other outcomes must be metrics-based. A balance will ensure proper evaluation of measurable milestones and the manner in which these outcomes are reached. Outcomes are broken into qualitative and quantitative categories.

Qualitative:

- Clear pathways for unemployed and underemployed to access training and jobs in the trades..
- Clear pathways for youth who are not going to college — and who may have dropped out of high school — to receive skills development training for jobs that do not need four- or even two-year degrees.
- Identifiable continuum of progress with easily accessible doorways for individuals to enter, advance, exit and reenter as necessary.
- Communication channels to articulate pathways and options for both employers and customers.
- Scalable structures to ensure capacity can increase as needs increase.
- The programs and system in Montgomery County are transferable to other parts of the region (i.e., other counties in the region).
- Correlation by which the county goals and objectives of the comprehensive economic development plan are met via workforce development programs.

Quantitative:

- Number of employers in the targeted industries who find qualified workers from Montgomery County.

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- Number of training-related job placements.
- Number of individuals placed in jobs.
- Number of individuals who are placed in jobs with family-sustaining wages.
- Number of employers who report that finding qualified workers within the county was efficient.
- Number of employers or individuals who have located training and education resources through the online training resource directory.
- Number of community-based organizations that have drawn on career resources of the corporation.
- Number of employer requests that have been addressed within a stated time period.
- “Quick” response time to changes in skills needs with regard to gathering input from employers and making changes needed to training, curricula, and other resources.

APPENDIX C
President and CEO
Workforce Strategies Corporation

Sample Qualities of the President

The ideal candidate for the corporation possesses:

- **Political savvy**, as evidenced by prior experience with successful public/private sector partnerships and as evidenced by having achieved a significant goal that required political support.
- **Strong project management skills** as evidenced by prior success building and managing diverse coalitions to achieve specific outcomes.
- High degrees of **motivation, good judgment, and self-direction** to achieve organizational goals.

In addition, strong candidates will demonstrate the following characteristics:

- **Community Leader** – Has a passion for workforce development, economic development, and education, as well as an understanding of where the three sectors intersect toward developing a robust workforce development system. Able to effectively communicate the local vision and engage and receive full buy-in from other stakeholders.
- **Visionary** – Looks beyond business as usual and pushes the envelope with foresight, innovative ideas, and creativity.
- **Strategic Decision Maker** – Able to “think big” to see the broader context of workforce issues and their implications, as well as set institutional directions and expectations through leadership rooted in the mission and strategic objectives of the county, customer needs and expectations, resources, and programs.
- **Positive Change Agent** – Celebrates change, welcoming challenges as an opportunity for continuous quality improvement and a chance to shape the future of the workforce.
- **Team Player** – Able to effectively engage and mobilize business leaders, community partners, workforce stakeholders, coalition members, corporate board members and the community.
- **Administrator and Manager** – Able to manage people, tasks, and projects by executing performance management strategies that hold staff accountable for on-time delivery of quality services and products.
- **Knowledge/Skills/Expertise** – Has a background in workforce development, economic development, program management, or other related field. Successful candidates possess the following knowledge, skills, attitudes, and attributes:
 - Leadership and a demonstrated desire to get things done
 - Willingness to work with others and respect their views

- Ability to gain new resources and leverage resources
- Excellent communication skills, both written and verbal
- Good organizational skills
- Ability to work in a fluid environment and demonstrate flexibility
- Process management and project management
- Confident with numbers
- Comfortable with IT and integrating IT into problem solving and execution of strategies
- Negotiating skills
- Collaboration skills
- Ability to challenge the status quo and find viable new alternatives
- Honesty and fairness in dealing with other people
- Ability to drive initiatives and lead in a highly diverse, multi-cultural environment
- A commitment to the ideals of quality and equity in delivering workforce development services
- Knowledge of federal and state workforce and education legislation, including the Workforce Innovation and Opportunity Act of 2014
- Determination, motivation, and commitment

Core Values

Successful candidates believe in and are willing to promote an organizational culture that has the following core values:

LEADERSHIP. We will have the courage to lead from the front and shape the future. We believe in our role as stewards of the public trust and the future of the people we serve.

CHANGE. We believe in bringing to bear all relevant talents and resources to provide opportunities for our customers to succeed and thrive, one person and one business at a time.

SERVICE EXCELLENCE. We will give the best and world-class service and achieve excellence each passing day.

INCLUSIVITY. We believe the whole community benefits when all county residents have equitable and inclusive access to resources and are able to actualize their potential for contributing to a high quality of life.

INTEGRITY. We believe in living our values every minute of every day. We believe in doing the right thing right the first time for our customers and always honoring our commitments.

Responsibilities and Tasks

Responsibilities and tasks include, but are not limited to, the following:

Change Agent

- Works with other entities in the county to create a "one system" approach to workforce development as envisioned in the County Executive's workforce strategy.
- Positions the corporation as the single entity through which workforce development is coordinated, funded, and aligned for the county.
- Develops and executes mechanisms for communicating the one system approach and its "entry points" to all stakeholders and the community at large.

Growth and Sustainability

- Facilitates building and sustaining relationships with foundation, corporate, and government funders.
- Works with board and staff to set fundraising goals designed to support strategic direction and long-term growth and sustainability.

Finances

- Works with staff to develop and manage the budget of \$XX million as well as assist with the preparation of financial statements.
- Works with staff to secure the organization's financial stability, sustainability, and plan for its long-term financial health.
- Acts as the organization's primary contact with the community, businesses, and funders for funding matters.

Programs

- Identifies activities and projects in which the organization should partake, inviting other partners to participate as appropriate and manages implementation of those activities.
- Oversees program evaluation and continual program improvement.
- Maintains a culture of data driven decision-making, manages data collection systems, works with stakeholders to develop a system of common outcome metrics, and uses data to evaluate and analyze delivery systems.
- Coordinates various events and administers special projects as appropriate.
- Meets the needs of the business community in ways that will further the organization's mission.
- Coaches, motivates, supervises, and evaluates 3-4 staff, as well as interns, volunteers, and consultants as needed.

Board of Directors

- Serves as executive staff to the corporate board, supports the policy board, serves as staff to the WIB, collaborates with local elected officials and various leadership committees, and provides leadership and direction for the organization's directing board.
- Works closely with the corporate board chair and the leadership of other workforce organizations to build the "vision" of the organization and works to strategically realize that vision.

Preferred Qualifications:

(1) Bachelor's degree or equivalent experience; (2) Experience in working with the private and nonprofit sectors; (3) Proven ability to manage budgets; (4) Proven ability to grow financial resources; (5) Ability to work with individuals from a variety of backgrounds; (6) Ability to listen and communicate effectively as well as excellent presentation skills; (7) Proven ability to work successfully with teams, handling multiple projects and meeting tight deadlines under pressure; (8) Demonstrated critical thinking and problem solving abilities; (9) Savvy in IT, and (10) A demonstrated understanding of economic and community development, workforce development, and education, as well as how these sectors intersect. It is preferred that candidates have a minimum of ten years experience in leadership roles of a non-profit organization or in an executive position with a private company.

Compensation

Compensation will be commensurate with experience. Salary range is \$X to \$X, plus benefits.

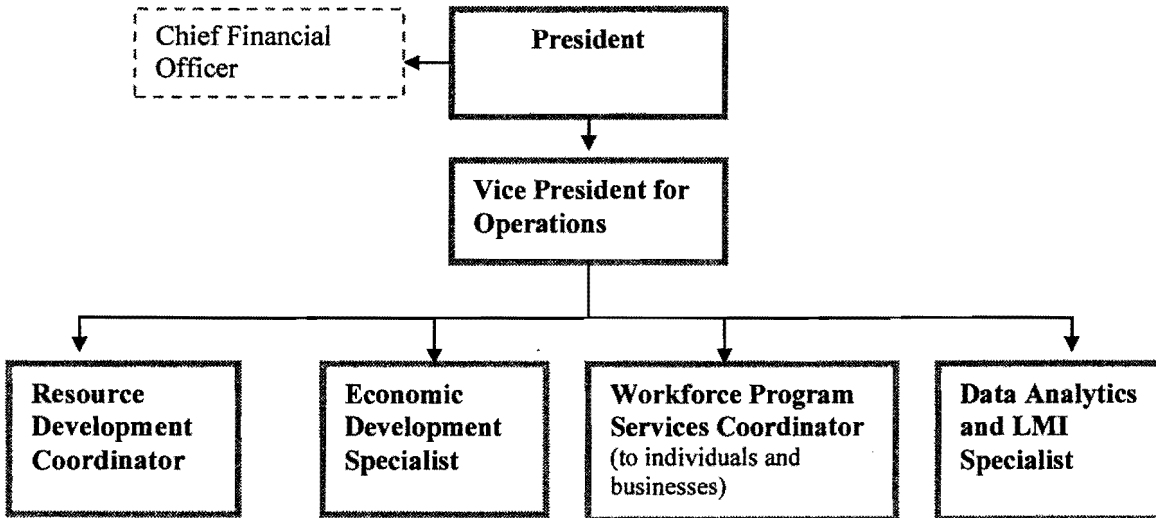
To Apply

Please send cover letter, resume, and salary history and expectations to: _____



**APPENDIX D
ORGANIZATIONAL CHART**

Recommended Organizational Staffing Structure (High-Level)



- Other potential staff positions over time:**
- Chief Financial Officer (accounting and bookkeeping services might be outsourced initially).
 - Staff may grow to 7-10 FTEs in years 2 and 3 to support each “division” identified above.
 - Year one budget recommends 3 professional staff (President and 2 others to be determined) and 2 support staff.

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**APPENDIX E
FIRST YEAR BUDGET**

	Rate	/Units	Units	Total	Total (9 mos.)
I. Salaries and Wages					
Staff	150,000	/year	1	150,000	112,500
Staff	100,000	/year	1	100,000	75,000
Staff	100,000	/year		100,000	75,000
Staff (support)	65,000	/year	1	65,000	49,000
Staff (support)	65,000	/year	1	65,000	49,000
Total Salaries and Wages			5	480,000	360,500
II. Fringe Benefits					
Fringe Benefits	25.00%			120,000	90,125
Total Personnel Costs				600,000	450,625
III. Travel and Transportation					
Travel				2,000	
Total Travel and Transportation				2,000	1,500
IV. Other Direct Costs					
Finance and Accounting (outsourced)		/year		6,000	4,500
Office Space (2000 sq. ft. @ \$30)		/year		60,000	45,000
Meeting Costs		/year		1,000	750
Insurance (Directors and Officers \$3,000; Contents \$2,000)		/year		5,000	3,750
Professional Fees - Audit		/year		6,000	4,500
Duplicating and Printing		/year		1,000	750
Supplies		/year		1,000	750
Utilities		/year		9,000	6,750
Technology (equipment PC)		/year		5,000	3,750
Telephone and Communication (3 cell phones and office answering machine)		/year		3,500	2,625
Publications		/year		3,000	2,250
Website		/year		6,000	4,500
Bank Fees		/year		1,000	750
Moving Expenses		/year		any?	
Postage		/year		400	300
Consultants*		/year		100,000	75,000
Misc./Other		/year		5,000	3,750
Total Other Direct Costs				212,900	159,675
Total Direct Costs				814,900	611,800
TOTAL BUDGET				\$814,900	611,800

*may include marketing and branding; initial staffing if necessary; executive search; and organizational development activities.

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APPENDIX F DEFINITIONS

1. Strategic Industry

These are industries that county leadership considers to be essential to the county's economic development

2. Consolidate

In the context of these recommendations, consolidate means to unify the separate parts of the system into a coordinated whole. It is used to imply that the system will be transformed to be easy to navigate and easy to access by businesses and individuals alike.

3. Governance

The complexity of governance is difficult to capture in a simple definition. The need for governance exists anytime a group of people come together to accomplish an end. Though governance literature proposes several definitions, most rest on three dimensions: *authority, decision-making, and accountability*. A working definition of governance reflects these dimensions: *Governance determines who has power, who makes decisions, how other players make their voices heard, and how account is rendered.*

In general, governance is about the more strategic aspects of steering and making larger decisions about both policy-direction and roles.

In the context of public systems and not-for-profits:

- **Governance** broadly refers to the mechanisms, processes, and relations by which corporations/organizations/systems are controlled and directed.
- **Policy** is the adoption of a strategy, direction, principle, or rule.
- **Oversight** in this context is aligned to “watchful supervision.”

4. Workforce Development⁴

“Workforce development” is an essential component of community economic development in any economic climate. Generally speaking, the term has come to describe a relatively wide range of activities, policies, and programs employed by geographies to create, sustain, and retain a viable workforce that can support current and future business and industry. Beyond this general understanding, it is difficult to gain a consensus as to the definition of workforce development, perhaps because each user of the term approaches it from a different perspective.

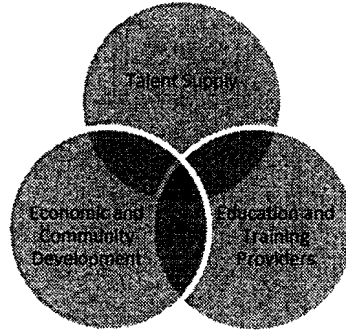
Educational institutions and public and private social service providers, for example, approach workforce development and develop programs from the perspective of the sustainable economic security of the *individual*. Communities and economic developers, on the other hand, approach workforce development from a different view — that which benefits the sustainable economic growth of a *community or region*. Still another group — employers — approach workforce development from an *organizational* perspective, focusing on the skills their businesses or industries need to remain competitive in the global marketplace.

⁴ Adapted from Federal Reserve Bank, 2010

Dr. Robert Jacobs and Joshua D. Hawley, professors of Workforce Development and Education at Ohio State University, sought to bring some continuity to the term by researching and ultimately developing a comprehensive definition. According to Jacobs and Hawley, “Workforce development is the coordination of public and private-sector policies and programs that provides *individuals* with the opportunity for a sustainable livelihood and helps *organizations* achieve exemplary goals, consistent with the *societal* context.”⁵

- An *individual-focused model* centers on training and education.
- The goal of the *societal perspective* is future economic stability and growth
- From the *organizational perspective*, skills training is key to staying globally competitive

For the past 20 years, Strumpf and Associates and others in the workforce field have described workforce development as where three key sectors intersect:



All three perspectives align with county’s vision for a comprehensive workforce development system and are essential to the overall success of the county’s economic development strategy.

⁵ Jacobs, Robert, PhD. et al. Emergence of Workforce Development: Definition, Conceptual Boundaries, and Implications. http://www.economicmodeling.com/wp-content/uploads/2007/11/jacobs_hawley-emergenceofworkforcedevelopment.pdf



Anne Arundel Workforce Development Corp.

Overview

Anne Arundel Workforce Development Corp. (AAWDC) is the WIA entity for Anne Arundel County, Maryland. The organization is set up as a 501c3. AAWDC effectively leverages and highlights the various workforce resources available to both job seekers and employers within the county, regardless of whether or not the programs are run directly through the WIB.

Role

AAWDC is Anne Arundel County's administrator and operator of the federal Workforce Investment Act funded services. Grants from the Workforce Investment Act (WIA) are allocated by Congress to the U.S. Department of Labor and then to the State of Maryland Department of Labor, Licensing and Regulation for distribution to twelve Workforce Investment Areas in the State of Maryland. This is AAWDC's primary source of funding; the Corporation also receives grants from Senior Service America, Anne Arundel County Department of Social Services, Anne Arundel County, the Anne Arundel County Department of Aging, the U.S. Department of Labor, and the Community Foundation of Anne Arundel County.

AAWDC is governed by a seven member Corporate Board of Directors which oversees budget and operations of the Corporation. The Local Workforce Investment Board has the responsibility to provide strategic direction and oversight to the One-Stop Delivery System as well as to leverage resources to support that system.

Programs

- **Cyber Works** program is an industry-lead initiative designed to help Maryland companies fill their cybersecurity needs with qualified candidates, while simultaneously helping individuals start careers. The program relies on strong employer involvement, and helps address the gap between individuals who have received the requisite training in academia but have difficulty entering the cyber industry due to a lack of experience. The program vets candidates up front to ensure a high quality of those presented to employers, and also stipulates that applicants be a Maryland resident and meet one of the following criteria:
 - Have a bachelor's degree in computer science or related field,
 - Hold a minimum certification level of Network +, or
 - Be a veteran with related experience.

Candidates that are selected undertake a 2-week intensive skills training focused on professional and soft skills. Those that connect with an employer engage in a 3 to 12 month training process involving hands-on training and skill building with that employer. Cyber Works reimburses employer for part of cost of training.

AAWDC also obtained a \$10 million grant from U.S. DOL Ready to Work Partnership to provide career coaching and job training programs in information technology and bioscience for thousands of unemployed Marylanders. AAWDC will use the DOL grant funding to create the **Maryland Tech Connection**, which will offer career coaching to unemployed Marylanders and will collaborate with more than twenty local information technology and



bioscience businesses to provide direct job training and employment opportunities in these high-growth industries.

- **TAACCCT Grant** that was obtained by Anne Arundel Community College, totaling \$19.7 million to fund the National STEM Consortium. The Consortium is a collaborative of ten leading community colleges in nine states organized to develop nationally portable, certificate-level programs in STEM and to build a national model of multi-college cooperation in the design and delivery of high quality, labor market-driven occupational programs. Target industries include: Composite Materials Technology; Cyber Technology; Electric Vehicle Technology; Environmental Technology; and Mechatronics. The STEM Credentials range from 12-36 credit hours and all completers receive an industry-validated college certificate.
- **EARN Grant:** Anne Arundel Workforce Development Corp. received an EARN grant for 2014 focused on Cyber - the Central Maryland Cyber / IT Consortium
- **Pathways to Cyber Security:** This program is funded by a \$4.9 million, 3-year grant from the U.S. Department of Labor with the goal of training unemployed, underemployed or dislocated workers in the high-demand field of cyber security, specifically focused on cyber certifications such as CISSP, CCNA and Network +. 1,051 individuals were trained, with 452 earning certifications.
- **Occupational Training:** Eligible individuals requiring further education and training to prepare for FAST-related occupations will be connected to post-secondary short-term job training leading to certifications or On-the-Job Training. AAWDC plans to serve 95 individuals through occupational training.

Population: 555,700

Number of Job Seekers Served: 47,000 (2012)

Structure:

- Non-profit
- Helps provide job seekers an access point to a wide variety of programs (TAACCCT, EARN, etc.) that are not WIA funded.
- Strong industry involvement with the Cyber Works and Maryland Tech Connection programs proactive works with county employers to meet their need for trained professionals - two industries that are high-growth for the county.
 - Data was not available as to outcomes of these two programs.
 - List of business partners for Cyber Works: <http://www.cyberworksmd.org/join-us.html>



WorkSystems Portland Oregon

Overview

Worksystems, Inc. is a 501(c)3 non-profit that works to improve the quality of the workforce in the City of Portland, Multnomah and Washington Counties, Oregon. The organization develops policies and designs workforce development programs and services delivered through a network of local partners to help people get the skills, training and education they need to go to work or to advance in their careers.

Role

Staffed and supported by Worksystems, the WIB's primary goal is to build a workforce system that is flexible, responsive, customer-focused and locally managed. The WIB is responsible for developing, implementing, and evaluating the regional workforce strategic plan and guiding investments to achieve the following plan goals:

- The regional workforce system is aligned, provides integrated services, and makes efficient use of resources to achieve better outcomes for businesses and job seekers
- Workers have the skills they need to fill current and emerging, high-wage, high-demand jobs
- Youth have the academic and core competencies required by employers
- Employers have the skilled workers they need to remain competitive

Programs/Outcomes

- **Code Oregon** - Worksystems partnered with Treehouse, an online provider of technology training programs, to develop and launch **Code Oregon**—an initiative to train over 10,000 Oregonians in computer programming and coding that was developed in response to a projected shortage of 8,000 technology workers over the coming decade. Individuals around the state will be taught in-demand skills in web design, app design and programming. Worksystems will place graduating Treehouse students in jobs with leading technology companies with the help of The Technology Association of Oregon.
- **Manufacturing Regional Career Technical Education Advisory Board** is focused on increasing the quality and quantity of home-grown talent to fill the industry's need for new workers by helping to align and strengthen CTE programs across the region.
- **Advanced Manufacturing, Healthcare & Technology Industry Teams** are sector-focused partnerships between Worksystems and the local office of Economic Development that convenes monthly to address recruitment, training, and placement initiatives and opportunities across each of the targeted sectors.
- **Advanced Manufacturing Initiative** aims to certify manufacturing skills competencies for 200 youth with the goal of establishing a manufacturing hiring pool of 2,000 individuals who meet industry standards.
- **Reboot Northwest** is a training program designed to prepare 1,000 Portland-area residents (850 long-term unemployed and 150 veterans) for careers in advanced manufacturing and information technology. This initiative is funded by a \$8.5 million Federal grant and targets jobs in region that employers have a hard time filling with



local talent. Occupations include: engineers, engineering technicians, machinists, computer programmers, software engineers, support specialists and network and system administrators. Job seekers undertake formal training programs before gaining additional on-the-job experience during internships at area employers. The grant will reimburse employers for wages of the trainees in exchange for employer-provided training.

- **Talent Link** is an effort to reorganize job placement and employer fulfillment services across Worksource Portland Metro by focusing on skills preparation and validation that meets employers hiring needs. Over 200 WorkSource and community partners staff were trained and over 900 job seekers were progressed towards Talent Link certification.
 - For entry-level job candidates: Talent Link certifies that you have the basic work skills and competencies valued by local business across industries.
 - For experienced workers: Talent Link demonstrates your skills and commitment to finding work, and supports WorkSource staff's efforts to find positions that match to your goals and experience.
 - For job seekers changing careers: Talent Link assures priority consideration for on-the-job training opportunities, and priority consideration for occupational training scholarships supporting healthcare, information technology and advanced manufacturing occupations.
- The **Professional Skills Training and Employment Project (ProSTEP)** is funded via three federal grants (non-WIA) to provide training for key occupations in the IT/Software and Advanced Manufacturing sectors. The project is being led by Worksystems in partnership with the Columbia Willamette Workforce Collaborative. To date, over 1,000 individuals have engaged in training with this program.
- The **Aligned Partner Network (APN)** connects the public workforce system and local agencies (both public sector and non-profit) to provide a coordinated progression of services that help individuals move into career-track employment.

The Aligned Partner Network provides a solution for social service and public agency partners that reduces duplication, increases effectiveness, and enables all parties to address collaboratively the increasing need for services in an era of declining resources.² Overview of the program can be found here:

<http://www.worksystems.org/sites/default/files/Aligned%20Partner%20Network%20Model.pdf>

Population: 1.93 million

Number of Job Seekers Served: 117,000

Structure:

- Non profit
- Effectively leverages large Federal dollars outside of WIA -
- Leverage private-sector contributions that go directly towards meeting that industry's needs
- Workforce Investment Board members can be found here:
http://www.worksystems.org/sites/default/files/WIB%20Roster_0.pdf

² For further information and a list of partners, refer to:

<http://www.worksystems.org/sites/default/files/Aligned%20Partner%20Network%20Model.pdf>