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ANTHONY G. BROWN, Lt. Governor  
THOMAS E. PEREZ, Secretary

Governor's Workforce Investment Board  
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April 9, 2009

Martin O'Malley, Governor  
State of Maryland  
State House  
100 State Circle  
Annapolis, Maryland 21401

Dear Governor O'Malley:

The American Recovery and Reinvestment Act (ARRA) of 2009 will provide Maryland's public workforce system with an unprecedented level of workforce development funding. Maryland will gain almost \$35 million in additional Workforce Investment Act (WIA) and Wagner-Peyser Act (WP) funds to assist workers in retooling their skills and re-establishing themselves in viable jobs, with career paths. As Maryland's chief policy making body for workforce development, the Governor's Workforce Investment Board (GWIB) is pleased to submit the attached policy framework to guide Maryland's implementation of ARRA's workforce priorities.

GWIB's ARRA guidance flows from broad guidance recently issued by the U.S. Department of Labor (USDOL). This guidance provides a framework and set of recommendations to ensure that the Maryland Department of Labor, Licensing and Regulation Division of Workforce Development (DLLR DWD), local workforce investment boards (LWIBs) and other state agencies and workforce partners are successful in meeting the goals of Recovery Act – transparency and accountability, timely spending of Recovery Act funds and implementation of activities, increasing workforce system capacity and service levels, and using data and workforce information to guide strategic planning and service delivery. It should be noted that the proposed guidance and recommendations are not intended to serve as an all encompassing set of policy directives to cover every section of the Act, but rather as a policy guide identifying priorities for GWIB's vision for Maryland's workforce activities as they relate to economic recovery plans.

Much of this guidance was inspired by your vision for workforce creation and increasing the skills of Maryland's workforce and also aligns with your goal of building a robust green economy and preparing a workforce for new green jobs. Further, the GWIB views the use of these one-time ARRA funds as an opportunity to considerably increase participation in post-secondary education, training and apprenticeships and propel a significant number of our citizens forward with the education and skills needed to compete in the national and global economy. Our policy guidance encourages returning workers to jobs, an increased investment in training, education and "up-skilling," providing access to newly created jobs, and increasing training partnerships with business and industry.



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As discussed during the March 11, 2009, GWIB Quarterly Board Meeting, the guidance was presented to, reviewed, and approved by the GWIB Executive Committee, and subsequently shared with the entire Board for review, comment and approval. To that end, the policy guidance reflects the voice of the Board as it seeks to provide comprehensive recommendations to DLLR, local workforce investment boards and other partners, as they begin providing services to Maryland's citizens as a result of the infusion of Recovery Act funds.

We hope you find these recommendations helpful in addressing Maryland's economic recovery needs. Should you have any questions or comments, please do not hesitate to contact GWIB directly.

Sincerely,



William G. "Bill" Robertson  
Chair, Governor's Workforce Investment Board  
President and CEO, Adventist HealthCare, Inc.



Eric M. Seleznow  
Executive Director  
Governor's Workforce Investment Board

enclosure

CC: Secretary Thomas Perez, MD Department of Labor, Licensing and Regulation  
Assistant Secretary Andrew Moser, MD Department of Labor, Licensing and Regulation  
Governor's Workforce Investment Board Members  
All Local Workforce Investment Board Chairs  
All Local Workforce Investment Board Directors



April 6, 2009

GOVERNOR'S WORKFORCE INVESTMENT BOARD

POLICY GUIDANCE FOR IMPLEMENTATION OF  
WORKFORCE INVESTMENT ACT AND WAGNER- PEYSER ACT FUNDING IN THE  
AMERICAN RECOVERY AND REINVESTMENT ACT

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**Background**

The American Recovery and Reinvestment Act (ARRA) of 2009 will provide Maryland's public workforce system with a nearly unprecedented level of workforce development funding. Maryland will gain almost \$35 million in additional Workforce Investment Act (WIA) and Wagner-Peyser Act (WP) funds to assist workers in retooling their skills and re-establishing themselves in viable jobs and career paths. As Maryland's chief policy making body for workforce development, the Governor's Workforce Investment Board (GWIB) is issuing this policy framework to guide Maryland's implementation of ARRA's workforce priorities.

Maryland will receive approximately \$28 million in WIA formula funds which is intended to serve adults, dislocated workers, and youth. Maryland will receive an additional \$6.7 million in WP funds to be used for labor exchange activities. Approximately 85 percent of the WIA funds (\$21 million) must be distributed to local workforce investment boards (LWIBs) using a pre-determined federal formula, with the remaining funds retained for use by the Department of Labor, Licensing and Regulation's (DLLR) Division of Workforce Development (DWD). These WIA and WP funding streams are generally focused on the following activities:

- adult employment and training activities;
- dislocated worker employment and training activities;
- youth activities, including summer employment for youth and services for out-of-school youth; and,
- Wagner-Peyser labor exchange and infrastructure activities.

An additional \$750,000,000 is forthcoming in national competitive opportunities for worker training and placement in the high-growth and emerging industry sectors of energy efficiency and healthcare. In addition, there are several other state agencies and partners who will also receive ARRA funds for workforce related activities in energy, weatherization, education, and vocational rehabilitation.

States and localities must plan now for their One-Stop systems and other workforce programs to make immediate use of the Recovery Act funds as intended. Initial guidance from the US Department of Labor (USDOL) indicates that State and Local Workforce Investment Boards should ensure:

- Transparency and Accountability;
- Expedited and effective use of funds, with expenditures made concurrently with regular formula funds;

- Ensuring that efforts are transformational and demonstrate the workforce/one-stop systems capacity to innovate;
- Funds are primarily spent on services and training, with administrative expenditures kept to a minimum;
- Ensuring that supportive services and needs-related payments are available to support the employment and training needs of priority populations;
- Investments are connected to economic growth – regional sector strategies (health care, and advanced manufacturing), and focused on the job seeking and business customer;
- Investments in programs and projects that could create “greener jobs;”
- Taking advantage of partnership opportunities and integrate strategies to ensure sustainability beyond June 30, 2011, where possible;
- Focusing on immediate needs and strategies that support long-term economic recovery; and,
- Identifying summer employment for youth, with a particular interest in these funds being used to create summer employment opportunities for youth, as well as year round youth programs.

The GWIB supports and encourages the following U.S.D.O.L. principles to further guide the workforce system in successfully meeting the goals of the Recovery Act:

- Substantial increase in numbers of customers served and receiving training;
- Investments connected to economic growth objectives through regional sector strategies aligned with economic development, education, including community colleges, business and labor organizations, and other partners for high-growth industries such as green jobs, healthcare, and advanced manufacturing;
- Dual customer focus: supply-side workers and demand-side business needs for skills and talent; and,
- Approaches to reach low-income and under-skilled customers, as well as disconnected youth, veterans, individuals with disabilities, ex-offenders, and others with barriers to employment, so they may share in economic prosperity, including engaging with community-based organizations.

***Policy Guidance Recommended by the GWIB***

While the USDOL continues to issue guidance on the use and administration of ARRA funds, the GWIB has developed a series of policy recommendations, consistent with the above principles, to guide state and local workforce policy makers. These recommendations are not intended as an all encompassing set of policy directives to cover every section of the Act, but rather as a policy guide identifying GWIB’s vision and priorities for workforce activities related to economic recovery plans.

The following recommendations are based on the initial guidance from USDOL and the stated intent of Congress.

**1. Maryland’s One Stop Workforce System and Newly Created Jobs**

Maryland maintains a robust workforce system designed to match qualified workers with employers. Maryland’s system of 33 “One-Stop” workforce centers, located in every county, has the tools and resources required for training, preparing and placing workers into jobs. The one-stop system is designed to serve dislocated workers, unemployed (and underemployed) adults and youth entering the workforce. The one-stop system also maintains sophisticated data collection systems that are able to specifically track employment outcomes.

### **Policy Recommendations:**

- New ARRA Job Opportunities Should be Posted on Maryland's Public Labor Exchange: Employers receiving state contracts funded by ARRA should post all new job openings on the state's public labor exchange system known as the *Maryland Workforce Exchange (MWE.)* This will enable all job seekers to view and, if appropriate, pursue new jobs created, as well as assist job placement coordinators in identifying ARRA reemployment opportunities for job seekers.
- Encourage **First Choice** Hiring Through Local One-Stop Centers: Employers receiving state contracts with ARRA funds are encouraged to **first** contact the local one-stop workforce center in their area to recruit workers, or seek other workforce/business services, such as worker training programs, tax credits, etc. Maryland's One-Stop workforce system can be a swift and efficient job matching and training resource for employers' attempting to fill jobs created through Recovery Act investment.
- Data Collection through One-Stop Registration: Employers and one-stop centers are encouraged to have all new and potential hires "enrolled" in the MWE to ensure accurate data collection and tracking of employment outcomes.

## **2. Transparency and Accountability**

The Recovery Act emphasizes transparency and accountability at all levels. While the federal government will be establishing policies and procedures to ensure accountability, DLLR will be responsible for implementing accountability measures statewide.

### **Policy Recommendations:**

- Increase Fiscal Monitoring: DLLR's DWD should increase the rigor of its fiscal reporting, to include the most up-to-date information, and adopt a model of increased fiscal monitoring of local workforce areas.
- Provide Quarterly Fiscal Reporting to the GWIB: DLLR's DWD should provide a quarterly fiscal report to the GWIB on the tracking of funds and rates of spending.
- Ensure Accurate and Prompt Fiscal Tracking: In addition to DLLR's usual fiscal monitoring, DWD should ensure timely prompt and accurate reporting to Maryland's [www.recovery.maryland.gov](http://www.recovery.maryland.gov) website.

## **3. Expedited and Effective Use of Funds, with Expenditures Made Concurrently with Regular Formula Funds**

Congress indicates that Recovery Act funds for employment and training "must" be spent quickly and concurrently with standard formula funds to greatly increase the capacity of the workforce system.

### **Policy Recommendations:**

- The GWIB encourages local WIBs to ensure ARRA funds are effectively expended by June 30, 2010.
- DLLR/DWD and local areas should ensure that hiring freezes, procurement delays and other local policies are addressed to facilitate the prompt use of ARRA funds. DLLR and LWIBs should be mindful of the temporary nature of the Recovery Act funding. DLLR/DWD and local areas should further explore expedited procurement processes under current state and local law.
- DLLR/DWD should monitor local expenditures to ensure the continued use and expenditures of regular formula WIA funds, in addition to the added ARRA funds.
- DLLR should evaluate local spending to ensure prompt expenditures. If local ARRA

spending rates are not meeting requirements set forth by DLLR, the agency should provide guidance to the local area to expedite spending. DLLR should consider reallocating funds to other need areas across the state if local spending rates remain below expectations.

- Local workforce areas should submit comprehensive plans to DLLR/DWD for use of Recovery Acts funds. Local workforce areas should provide DLLR with a spending allocation plan, identifying the percentage of ARRA funds targeted to skills training and support services.

#### **4. Training and Innovative Service Delivery**

The ARRA legislation emphasizes the need to increase training and innovative service delivery strategies. The Act also stresses that employment and training funds should be primarily expended on direct services and training, with administrative and infrastructure expenditures kept to a minimum. *Local area service delivery strategies should be focused on innovative training approaches.* ARRA's intent related to the provision of training is consistent with the GWIB's vision to better prepare workers for the 21<sup>st</sup> century economy by encouraging increased participation in post secondary training or apprenticeship opportunities. This strategy will prepare workers for post-recovery employment opportunities and better position Maryland's workforce for the future. The GWIB encourages DLLR and LWIBs to take advantage of the ARRA opportunity to vastly increase the number of Marylander's who have access to skills training.

##### **Policy Recommendations:**

- Increase Investment in Occupational Skills Training: The GWIB encourages DLLR and LWIBs to increase career pathways training that lead to post secondary credentials. Local Workforce Investment Boards are encouraged to allocate a substantial portion of their of their ARRA WIA Adult and Dislocated Worker funds (70%) to career pathway strategies that result in occupational skills training leading to an industry recognized credential/certification. While each local WIB has the flexibility to design its own plan for maximizing employment and training outcomes, the GWIB encourages LWIBs to submit local plans that increase the number of adults and dislocated workers either placed into employment or placed into training programs.
- Spending Plan for Training and Support Services: Local workforce areas should provide DLLR with a spending allocation plan, identifying the percentage of ARRA funds targeted to skills training and support services. While allocating less than 70% of ARRA funds towards training may be necessitated by local needs and conditions, labor market circumstances, or to meet additional support needs of customers, the GWIB strongly encourages LWIBs to meet the 70% training recommendation.
- Increase Training Outcomes and Credentials: GWIB recommends that training strategies lead to, or result in, the achievement of recognized industry credentials, post secondary certifications/degrees, and completion of apprenticeships or pre apprenticeships. Job preparedness, adult basic education and ESOL programs may be considered the beginning of a career pathway when integrated with other skills training that leads towards an industry credential outcome.
- Increase Sector Strategies/Industry Partnerships: Local WIB's are encouraged to allocate at least 20% of their training funds to locally driven sector-based industry partnerships. Under ARRA, DLLR/DWD and local workforce boards should vigorously engage in targeted "sector strategies (or "industry partnerships"), in collaboration with their institutions of higher education, community colleges, other local agencies and training providers' where appropriate. LWIB's and DLLR are encouraged to develop industry partnerships that (1) supply high-demand industry sectors with skilled workers

to meet critical workforce shortages; and (2) provide workers with skills training needed to advance their employment and income opportunities. This effort should align resources and training strategies for a group of employers with a shared industry need. These strategies should be demand-driven and industry-led, preparing jobseekers for real job opportunities.

- DLLR will provide training and technical assistance to local areas to ensure effective implementation of sector initiatives and industry partnerships.
- DLLR/DWD should develop a state wide sector-based grant program: This program should focus on healthcare, energy, manufacturing, construction or other high growth industry sectors identified by the GWIB or the LWIB.
- GWIB, DLLR, LWIBs, and other partners are encouraged to collaborate around the development of training programs, particularly those related to energy and “greener jobs”: Local areas should identify opportunities to prepare workers for “greener jobs” by enhancing existing or developing new training programs that will prepare workers and place them in careers in energy efficient and renewable energy industries. Local areas should also seek opportunities to collaborate with partners that represent other sources of federal funding in support of “greener jobs” initiatives.
- Increase Career Pathways for Adult Education and English Language Learners: LWIBs should increase “career pathway” programs for Adult Education and English Language learners that lead to an industry certification or credential, apprenticeships, and or a job. DLLR should provide training and technical assistance to local areas to ensure effective implementation of adult education career pathways programs.
- Increase Use of Contract, Customized and Incumbent Worker Training: In addition to the usual WIA training strategies employed by the one-stop system, LWIBs should employ training strategies as outlined in **USDOL TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-08**. This guidance provides for increased flexibility in the delivery of training and includes increased use of customized training, direct contracts with institutions of higher education and other eligible training providers, and contracts with community-based organizations for the provision of training, and incumbent worker training. These direct contracts allow for a more efficient and effective use of ARRA funds.
- Training Initiatives Should Support Maryland’s Efforts to Prepare a BRAC Workforce: Training initiatives should consider their linkage to future BRAC employment opportunities.
- Increased Collaboration with Non-Profit Faith and Community Based Organizations: DLLR, LWIBs and faith based and community organizations should collaborate to address the needs of populations that have been heavily impacted by the recession, and have particular challenges in regaining employment.

## **5. Youth Programs and Summer Youth**

ARRA Youth funding provides an unprecedented opportunity to provide almost 6,000 Maryland youth with suitable work and learning experiences, while contributing to economic recovery through immediate payment of wages and subsequent spending. GWIB has long supported youth work experiences through internships, summer jobs, work-based learning and year round programs to support in school and out of school youth, while preparing Maryland’s future workforce.

### **Policy Recommendations:**

- Increase Summer Youth Employment Opportunities and Work Experiences Throughout the Year: GWIB concurs with USDOL’s guidance encouraging local areas to use as much of these funds as possible to operate expanded summer youth employment

programs during the summer of 2009, and to provide as many youth as possible with summer employment, as well as work experiences throughout the year.

- Ensure High Quality Youth Programs: Local areas should ensure that summer employment opportunities and work experiences are high quality and related, when possible, to Maryland's high-growth industry sectors.
- Expend Funds Quickly: Local areas must expend the funds quickly in order to have a stimulative effect on the economy, while ensuring that quality programs are in place.
- Ensure Service to Out-of-School Youth: Local areas must ensure that a minimum of 30 percent of funds are used for serving out-of-school youth. DLLR and LWIBs are encouraged partner with local foster care transition programs, and disability and juvenile service agencies to expand services to disconnected youth.
- Incorporate "Work Readiness" Training: All summer employment activities must contain a locally approved "work readiness" component to ensure youth are prepared with the basic skills to succeed in the workforce.
- Linkages to Apprenticeship: Local youth programs should be linked with pre-apprenticeship or apprenticeship training, and whenever possible high-growth sectors.
- Enlist Business Support and Participation: The GWIB will distribute a letter to statewide business associations and Chambers of Commerce encouraging employers to contact local WIBs to create work opportunities for youth.

#### **6. Increase Local Training Caps and Needs Related Support Payments**

Local WIBs are responsible for determining local policies that guide the use of resources for the purposes of skills training and support payments. Historically, WIB's focused on short-term support payments, which supported short-term training efforts. Given ARRA's focus on longer term training strategies and outcomes, local areas are encouraged to increase local "training caps" to support short and long term training opportunities.

Local WIBs are also responsible for determining needs-related support payments (such as transportation, child care, dependent care, housing, and other services,) which are necessary to enable WIA enrolled adults and dislocated workers to successfully participate in activities authorized under WIA. With the influx of ARRA funds, local areas are also encouraged to increase spending caps on needs-related payments.

#### **Policy Recommendations:**

- Increase Local Training Caps to Support Long Term Skills Training: Local WIBs should increase training caps to support a longer term education and training strategies that lead to credential and/or degree attainment in high-demand occupations or high-demand skills.
- Increase Needs-Related Support Payments: Local WIBs are encouraged to increase the limits of needs-related payments to support and sustain the efforts of customers engaged in longer term training and job seeking activities.

#### **7. Emphasis on Serving Low-income, Displaced and Under-skilled Adults, Disconnected Youth, Veterans, Individuals with Disabilities, Ex-Offenders, and Others with Barriers to Employment**

Several populations have been identified by USDOL that have been heavily impacted by the recession, and have particular challenges in regaining employment. DLLR and local areas should pay particular attention to these populations in the development of implementation strategies for Recovery Act funds.

**Policy Recommendations:**

- Serving Untapped Populations: DLLR and local areas should pay particular attention to serving low-income, dislocated and under-skilled adults, disconnected youth, veterans, individuals with disabilities, ex-offenders, and others with barriers to employment.
- Priority of Service for Veterans: Local areas must continue to incorporate “priority of services” for veterans and eligible spouses sufficient to meet the requirements of 20 CFR Part 1010.
- One Stop Partners Should Support and Participate in One Stop Activities: Other Ones Stop Partners (identified through the Workforce Investment Act or local Operational Plan) that receive ARRA funds, should utilize or leverage their allocation of ARRA funds in support of One Stop efforts. The expenditure of ARRA funds by the One Stop Partners should support the role that the partner’s program plays in the One Stop system whether that is Core, Intensive or Training services. Local Operational Plans and Resource Sharing Agreements provide the mechanism for Local Workforce Investment Boards to incorporate partner ARRA funding into the One Stop system.
- Individuals with Disabilities and Other Untapped Populations Should Receive Needed Supports: Untapped populations may have needs that require significant support and assistance. DLLR and LWIBs are encouraged to provide supports to these populations and to collaborate with existing partners and other community based organizations to ensure service delivery. Training and guidance should be made available to ensure people with disabilities and other untapped populations are adequately served.

The GWIB strongly believes that the policies and principles outlined in this guidance will assist in the productive use of Maryland’s Recovery Act funds, prepare and train more Marylander’s for future careers, and support a sustained economic recovery.