



# Maryland Workforce Development Association

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## MWDA Members

**Anne Arundel County**  
*Anne Arundel Workforce Development Corporation*

**Baltimore City**  
*Mayor's Office of Employment Development*

**Baltimore County**  
*Baltimore County Office of Employment and Training*

**Frederick County**  
*Frederick County Workforce Services*

**Lower Shore**  
*(Wicomico, Worcester, & Somerset Counties)*  
*Lower Shore Workforce Alliance*

**Mid-Maryland**  
*(Carroll & Howard Counties)*  
*Howard County Employment & Training, Carroll County Business & Employment Resource Center*

**Montgomery County**  
*Montgomery County Department of Economic Development, Division of Workforce Investment Services*

**Prince George's County**  
*Prince George's County Economic Development Corporation, Division of Workforce Services*

**Southern Maryland**  
*(Calvert, Charles, & St. Mary's Counties)*  
*Southern Maryland WorkSource*

**Susquehanna Region**  
*(Cecil & Hartford Counties)*  
*Susquehanna Workforce Network, Inc.*

**Upper Shore**  
*(Kent, Queen Anne's, Talbot, Caroline, & Dorchester Counties)*  
*Upper Shore Workforce Investment Board*

**Western Maryland**  
*(Garrett, Allegany, & Washington Counties)*  
*Western Maryland Consortium*

Chief among the indicators of a state's economic vitality is its ability to generate and fill substantial employment opportunities. Maryland has one of the most well educated and highly trained workforces in the nation and enjoys relatively high wages and labor force participation when compared to other states. However, a 2005 report by the Governor's Workforce Investment Board (GWIB) indicates that 20 percent of residents function at the lowest literacy levels, which places Maryland in the lower tier of U.S. adult literacy rates. Equally disturbing is the fact that only 40 to 50 percent of children in 3<sup>rd</sup>, 5<sup>th</sup> and 8<sup>th</sup> grades score at the satisfactory level in reading and writing; this means that nearly half of Maryland's emerging workforce is not learning basic skills while in school. Failure to produce the skill levels demanded by Maryland's high-growth industries will significantly undermine the stability and future of our economy.

In addition to the challenges of literacy and basic skills, Maryland is facing the very serious problem of worker shortages across most industry sectors. And while the Pentagon's Base Realignment and Closure (BRAC) 2005 process will bring thousands of high wage federal and U.S. Department of Defense contractor jobs to Cecil and Harford Counties, the metro Baltimore area, and Prince George's, Montgomery and Anne Arundel Counties, the projected growth of Maryland's economy will necessitate the creation of "on-ramps" to handle the significant job expansion that is anticipated in every jurisdiction of the state over the next five to ten years. Just as compelling is the need to create a continuous pipeline of workers to fill the hundreds of thousands of job vacancies that will occur as our "baby boomer" generation retires.

These issues underscore the need for an expanded investment in worker training in Maryland. While the U.S. Department of Labor (DOL) was the principle investor in Maryland's workforce development system during the 1980s and 1990s, since FFY 2001 Maryland's federal Workforce Investment Act (WIA) allocations have dropped by as much as 65 percent in some areas of the state, and by nearly 40 percent overall since FFY 2003. This trend is expected to continue and will probably accelerate. Clearly Maryland can no longer rely on the federal government to provide the majority of the resources necessary to support the state's local workforce development system.

The state has an unprecedented opportunity to supplement declining federal resources with a permanent source of revenue to support targeted skills training in high-growth, high-demand occupations delivered through Maryland's local one-stop system. Such an investment would complement Maryland's federal workforce dollars and the revenue that local jurisdictions already contribute to support one-stop activities. State funded training would also enable Maryland to respond more directly to businesses with customized programs designed specifically to meet their short- and longer-term workforce needs.

Nationally, states utilize a variety of approaches to invest in their local workforce development system. According to a February 2004 report by the U.S. General

Accountability Office (GAO), ten states use Unemployment Insurance tax offsets, eight apply separate employer taxes and four use penalty and interest funds. Still others use sales tax revenue, tax increment financing, tax abatement, real estate fees, and tax syndication as a means of financing local workforce development and workforce training efforts. Maryland is one of just a few states that do not invest in its local workforce development system.

Maryland's capacity to address both sides of the workforce equation – whether ensuring that businesses have a qualified pipeline of skilled workers or connecting job seekers to good jobs – underscores the vital importance of and highlights the value of the state's local workforce development system.

Maryland's local workforce development system includes a network of thirty-four one-stop career centers. These centers provide customized services to employers to help them meet their workforce training and recruitment needs and are also a vital resource for Maryland's job seekers in retooling their skills for the labor market. Maryland's one-stops operate under the auspices of the state's 12 local workforce investment areas, which are designated by the Governor. The chief elected official or officials that preside over each local workforce area appoint a local workforce investment board, which is chaired by a member of the business community. These high-level advisory boards bring the voice of business to the table and engage area employers and other key stakeholders in the process of developing a comprehensive workforce development strategy that matches that region's economic priorities and workforce development realities.

Each year, Maryland's workforce development system provides professional career and reemployment services to a record number of Maryland residents and assists thousands of employers to meet their staffing and training needs. The system's accomplishments are truly remarkable when viewed in the context of diminishing federal resources. Despite a precipitous decline in federal funding over the past five years, Maryland's one-stops have continued to provide over 100,000 training activities each year. Additionally, many thousands of Marylanders have obtained employment each year as a result of services received through the one-stop system.

In addition to one-stop activity, Maryland's local workforce development system is building our future workforce by preparing our youth for careers in the new, knowledge-based economy. Every year Maryland's local workforce development agencies help thousands of youth obtain the academic and technology skills that are essential in today's job market. Special programs address the needs of young people who have become disconnected from the traditional school system and the mainstream economy. Services are also available to students to keep them on track through high school graduation and beyond. Paid summer work experiences, internships, job shadowing opportunities and mentorships guide their career exploration, promote their attachment to the workforce and help them transition to postsecondary education, training and/or employment.

The local workforce development system works in concert with the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Governor's Workforce Investment Board to ensure that the needs of the state's employers and job seekers are addressed. We have created a strong partnership and have effectively leveraged the federal resources that come to the state in support of a single, comprehensive workforce development system. This system, which is also closely aligned with local economic development efforts, is poised to expand its capacity to leave no one behind and help guarantee the economic stability of the state.

In summary, Maryland's future rests on the strength of our business community, which in turn rests on the competitiveness of our workforce. A well-trained, highly skilled workforce is essential. Federal workforce dollars are declining at an unprecedented rate, while our state's workforce challenges remain significant. The decline in federal funding over the past five years has forced the closure of many of Maryland's local one-stop career centers and has resulted in a decrease to the number of training options available to business customers and job seekers. An investment of state revenue beginning in SFY 2008 is warranted.