

P00
Workforce Development
Department of Labor, Licensing, and Regulation

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$35,522	\$36,638	\$39,212	\$2,574	7.0%
Adjustments	0	132	-323	-455	
Adjusted General Fund	\$35,522	\$36,770	\$38,890	\$2,119	5.8%
Special Fund	12,594	12,830	23,491	10,661	83.1%
Adjustments	0	1,500	-16	-1,516	
Adjusted Special Fund	\$12,594	\$14,330	\$23,475	\$9,145	63.8%
Federal Fund	165,839	191,194	173,626	-17,568	-9.2%
Adjustments	0	-1,500	-266	1,234	
Adjusted Federal Fund	\$165,839	\$189,694	\$173,360	-\$16,334	-8.6%
Reimbursable Fund	5,515	6,454	6,468	14	0.2%
Adjusted Reimbursable Fund	\$5,515	\$6,454	\$6,468	\$14	0.2%
Adjusted Grand Total	\$219,471	\$247,249	\$242,194	-\$5,055	-2.0%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- There are three fiscal 2017 deficiency appropriations in the fiscal 2018 budget. There is a \$132,000 general fund deficiency for the transfer of the Senior Community Service Program from the Department of Aging. There is a \$1.5 million special fund deficiency from the U.S. Department Special Labor Special Distribution and the Special Administrative Expense Fund to backfill the \$1.5 million negative federal deficiency in the Unemployment Insurance Division.
- The adjusted fiscal 2018 allowance decreases by \$5.1 million, or 2%, from the adjusted 2017 working appropriation. General funds increase by \$2.1 million including the 2017 deficiency appropriation, and \$73,000 for the across-the-board contingent reduction for a supplemental pension payment.

Note: Numbers may not sum to total due to rounding.

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P00 – DLLR – Workforce Development

- There is a general fund contingent reduction of \$250,000 for the Maryland Center for Construction Education and Innovation (MCCEI) funding. This was a mandated appropriation beginning in fiscal 2018 but is cut contingent on the enactment of the Budget Reconciliation and Financing Act of 2017.

Personnel Data

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>
Regular Positions	1,248.19	1,163.57	1,142.57	-21.00
Contractual FTEs	<u>82.41</u>	<u>81.03</u>	<u>77.80</u>	<u>-3.23</u>
Total Personnel	1,330.60	1,244.60	1,220.37	-24.23

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	41.13	3.60%
Positions and Percentage Vacant as of 12/31/16	156.50	13.45%

- There are 21.0 vacant abolished regular positions in Workforce Development with 6.0 general funded positions in Corrections Education and 15.0 federally funded positions in the Division of Unemployment Insurance.
- As of December 31, 2016, there are currently 156.5 vacant positions in Workforce Development, which is a turnover percentage of 13.45%. This includes the 21.0 abolished positions.

Analysis in Brief

Major Trends

Unemployment Insurance: As the fiscal climate in Maryland has improved, the number of unemployment insurance recipients has declined. There have also been more Lower Appeals Division cases processed within 45 days, but more Board of Appeals cases have taken longer to process because of staffing.

Issues

GED Testing: The 2016 *Joint Chairmen's Report* (JCR) requested that the Department of Labor, Licensing, and Regulation (DLLR) report on the feasibility and cost of producing a centralized and searchable database for GED and workforce development programs to be accessible on the Internet. This issue outlines the current state of GED testing, GED recruitment, and the feasibility of creating a searchable database. **The Department of Legislative Services (DLS) recommends that DLLR discuss the current status of the GED program and outline any changes in enrollment since the coordination of recruitment efforts through the Maryland Workforce Exchange.**

Adult Basic Education: Adult basic education is a large portion of the Division of Workforce Development and Adult Learning with GED students being a small portion of adult learners. This issue outlines the adult education landscape and its relationship to the current skills gap for employment. **DLS recommends that DLLR submit a report to the committees on the role that adult literacy plays in workforce development, and the strategies DLLR will use to address the specific needs of unemployed or underemployed low-literacy students.**

Employment Advancement Right Now: Employment Advancement Right Now (EARN) is an industry-led coalition-based workforce development program in which industry leaders collaborate with community programs to develop certification programs for the unemployed and underemployed in Maryland. The program is nationally recognized but it is difficult to determine data driven outcomes of the program because data has been provided in a way that is not transparent or easily accessible. **DLS recommends that \$250,000 of the general fund appropriation for EARN be restricted until DLLR submits a report on the demographics and performance of each EARN partnership. The report should include how many students are enrolled with each partnership, their demographic information, county of residence, educational attainment, and if the participant has received reemployment or wage promotion in the partnership industry.**

Recommended Actions

1. Add language restricting \$250,000 in general funds pending receipt of a report outlining the data by partnership for the Employment Advancement Right Now program.
2. Adopt narrative requesting a report on strategies to address unemployment for low-literacy adults.

Updates

Apprenticeships in Maryland: Apprenticeships are seen as an essential tool for workforce success but are extremely underutilized. This update outlines the current apprenticeship programs offered in Maryland, the recently received federal funding to bolster apprenticeships in Maryland, and the impact federal support will have on new and existing programs.

Maryland Center for Construction Education and Innovation: The 2016 JCR required DLLR to submit a report on the framework for establishing two education and innovation centers, which includes proposed membership structure and the framework for a center and education system for cybersecurity and manufacturing. The report outlined the duplicative nature of MCCEI and the Governors Workforce Development Board.

P00
Workforce Development
Department of Labor, Licensing, and Regulation

Operating Budget Analysis

Program Description

The Department of Labor, Licensing, and Regulation (DLLR) includes many of the State's agencies and boards responsible for licensing and regulating various businesses, professions, and trades. The department also administers a variety of employment service and adult learning programs.

This analysis focuses on the department's administrative and workforce development units. The administrative offices include the Office of the Secretary, legal services, equal opportunity and program evaluation, the Governor's Workforce Investment Board, appeals, budget and fiscal services, general services, information technology, and personnel.

The bulk of the department's funding and personnel are within the following divisions:

- ***Division of Workforce Development and Adult Learning:*** operates workforce development programs including job services, Workforce Investment Act, and labor market information programs. It also manages the newly aligned adult education programs, including adult literacy programs and skills training for correctional institutions. Its mission is to support the State's economic growth through a workforce development, education, and training system that is responsive to the needs of adult learners, job seekers, employers, and all system partners.
- ***Division of Unemployment Insurance (DUI):*** operates the federally funded unemployment insurance (UI) programs. Its mission is to provide prompt, temporary, partial wage replacement to eligible individuals who are unemployed, help facilitate their return to work, and collect unemployment insurance tax contributions from employers.

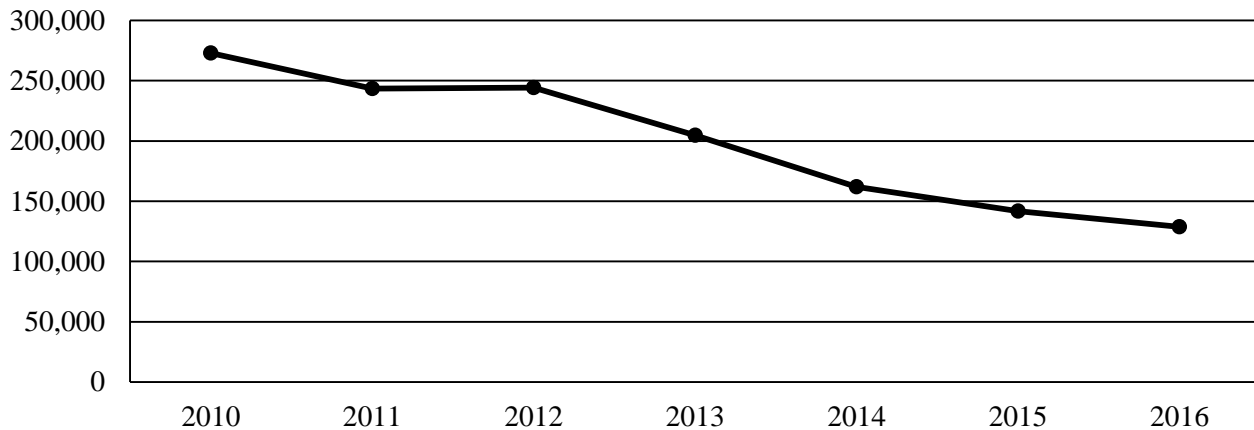
A separate analysis discusses business regulation and occupational licensing functions.

Performance Analysis: Managing for Results

1. Unemployment Insurance

DUI pays unemployment benefits to workers who become unemployed through no fault of their own and meet the necessary eligibility criteria. The purpose of the UI program is to provide temporary financial assistance to workers while they find other employment. **Exhibit 1** shows the number of UI recipients from calendar 2010 to 2016. The decline in UI recipients in the State of Maryland parallels the decline in UI nationally.

Exhibit 1
Number of Recipients of Unemployment Insurance in Maryland
Calendar 2010-2016

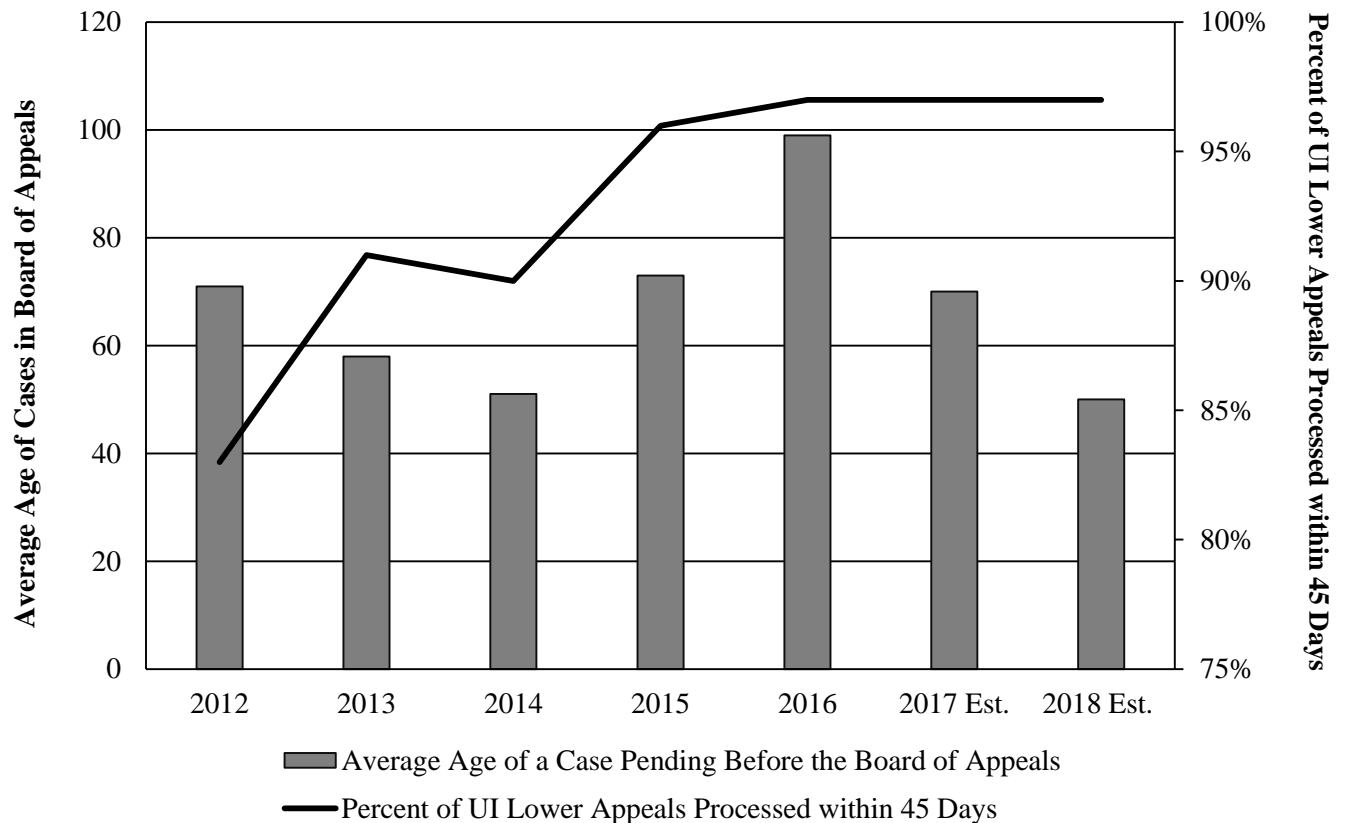


Source: Department of Labor, Licensing, and Regulation

The UI eligibility process is usually completed within the first few weeks after the initial claim. From calendar 2014 to 2016, almost 80% of eligible claimants receive their initial payout within 14 days and 90% of eligible claimants receive their initial payout within 21 days.

There are cases that may take longer for an initial payout, and these cases often involve an initial denial and subsequent appeal(s) by the claimant. If a claimant is denied benefits they can file an appeal in writing within 15 days from the time that the Determination of Eligibility was issued. A hearing date will be scheduled in the Lower Appeals Division with a Hearing Examiner. If a claimant does not agree with the decision from the Lower Appeals Division, they can file another appeal in writing to the Board of Appeals. If the claimant still does not agree with the Board of Appeals decision, they would have to appeal to the circuit court. **Exhibit 2** shows the number of lower appeals that have been resolved within 45 days and the average age of cases pending before the Board of Appeals. While the number of lower appeals processed within 45 days has increased indicating more efficiency in the Lower Appeals Division, the age of cases that are heard by the Board of Appeals has also increased. The difference in processing days for cases in the Lower Appeals Division and Board of Appeals is due, in part, because of staff reductions increasing the workload for the Board of Appeals. The number of cases in the Board of Appeals has fluctuated parallel to the economy. During the Great Recession, caseload numbers peaked. In the years post-recession, those caseload numbers, as well as the federal funding used to support UI, have declined. In fiscal 2015, the Board of Appeals lost staff members and because of the decline in federal funding for UI, those positions were not filled. With the lower number of staff, caseload numbers rose, as did the number of days to process as a case. To combat rising caseload numbers, three Hearing Examiners from the Lower Appeals Division were transferred to the Board of Appeals. By the end of calendar 2016 (which is the middle of fiscal 2017), the average age of cases had decreased by 25 days.

Exhibit 2
Age of Cases in Board of Appeals and Cases Processed in
Lower Appeals within 45 Days
Fiscal 2012-2018 Est.



UI: Unemployment Insurance

Source: Department of Labor, Licensing, and Regulation

Fiscal 2017 Actions

Proposed Deficiency

There is a proposed 2017 deficiency of \$132,312 in general funds for costs associated with the transfer of the Senior Community Service Employment Program from the Department of Aging. There is also a proposed special fund deficiency appropriation of \$1.5 million for DUI to backfill a shortfall of the same amount in federal fund attainment.

Cost Containment

At the November Board of Public Works meeting, the fiscal 2017 appropriation of the Division of Workforce Development in DLLR was reduced by \$13,129 in general funds. The reduction includes \$5,000 for operating costs, \$2,000 for travel costs, and \$6,129 for 1 vacant contractual position.

Section 20 Position Abolitions

Section 20 of the fiscal 2017 budget bill required the Governor to abolish 657 regular positions and cut \$20 million in general funds and \$5 million in special funds. As a part of the abolished positions, DLLR abolished 61.52 positions and cut \$240,000 in general funds and \$160,000 in special funds.

Proposed Budget

As seen in **Exhibit 3**, the adjusted fiscal 2018 budget decreases \$5.1 million, or 2.0%, from the adjusted 2017 appropriation. General funds increase by \$2.1 million, or 5.8%, largely because of a \$3.0 million increase in the general fund appropriation for the Employment Advancement Right Now (EARN) program. Special funds increase by \$9.1 million, or 63.8%, and federal funds decrease by \$16.3 million, or 8.6%.

Exhibit 3
Proposed Budget
Department of Labor, Licensing, and Regulation – Workforce Development
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2016 Actual	\$35,522	\$12,594	\$165,839	\$5,515	\$219,471
Fiscal 2017 Working Appropriation	36,770	14,330	189,694	6,454	247,249
Fiscal 2018 Allowance	<u>38,890</u>	<u>23,475</u>	<u>173,360</u>	<u>6,468</u>	<u>242,194</u>
Fiscal 2017-2018 Amount Change	\$2,119	\$9,145	-\$16,334	\$14	-\$5,055
Fiscal 2017-2018 Percent Change	5.8%	63.8%	-8.6%	0.2%	-2.0%

Where It Goes:

Personnel Expenses

Senior Community Program.....	\$1,001
Turnover adjustments	458
Workers' compensation premium assessment.....	-177
Social Security.....	-270
Other fringe benefit adjustments	-339
Retirement	-825

P00 – DLLR – Workforce Development

Where It Goes:

Employee and retiree health insurance	-1,702
21 abolished positions (Correctional Education and UI)	-1,601
Salary adjustments for shared IT services and Section 20 abolishments	-4,434

Executive Direction Programs

EARN grants for cybersecurity and green jobs	4,000
Small Business Retirement Savings Program – loan for startup costs	405
MCCEI website tracking	250

Workforce Development, Adult Education, Corrections Education, and Aid to Education

WIOA grants	1,421
Aid to education grants	300
GWDB operations	281
Equipment for adult corrections education	123
GED database tracking	46
Instructional supplies	-61
Fewer replacement computers	-245
Grants to adult education providers	-840
Trade assistance adjustment payments	-1,850

Unemployment Insurance and Appeals

Transfer of data into new system	1,148
UI postage	253
Web-based digital telecommunications for lower appeals	195
Office assistance for appeals	-22
Replacement computers	-78
Printers	-120
UI modernization	-1,501

Administrative Offices

Workforce Development section computer usage	233
Subscriptions and association dues	121
Janitorial services	167
Legal services	103
Vehicles	93
Communications	-46
Travel	-96
Infrastructure cost (servers, routers, modems, etc.)	-107
DGS energy performance project	-119
Contractual positions	-136
Web Focus FARS System	-204

P00 – DLLR – Workforce Development

Where It Goes:

Administrative fees and system allocations.....	-367
Rent	-431
Miscellaneous adjustments	-82
Total	-\$5,055

DGS: Department of General Services

EARN: Employment Advancement Right Now

FARS: Finance and Account Reporting System

GWDB: Governor's Workforce Development Board

IT: information technology

MCCEI: Maryland Center for Construction Education and Innovation

UI: Unemployment Insurance

WIOA: Workforce Innovation and Opportunity Act

Note: Numbers may not sum to total due to rounding.

Personnel

There are 21 abolished positions in fiscal 2018, saving \$1.6 million: 6 positions from the Adult Corrections Education program and 15 positions from DUI. The positions abolished in Adult Corrections Education were all vacant teacher positions. The 15 DUI positions were vacant claims center specialist and associates, and the reduction is directly related to the decrease in the federal UI grant. There is an additional \$4.4 million reduction in regular salaries related to the fiscal 2017 transfer of 16 staff (but not positions) to the Department of Information Technology for the Shared Services program and the impact of the position reductions from the Section 20 of the fiscal 2017 budget bill.

There is also a \$1 million increase for the Senior Community Service Employment Program. This program is authorized by the Older Americans Act, and it is a federal workforce training program for low-income and unemployed seniors. The program was transferred from the Department of Aging to DLLR in fiscal 2017. The program currently pays 110 participants \$8.75 per hour.

Turnover

DLLR has a lower turnover expectancy in fiscal 2018 than in previous years. For both the Workforce Development and Business Regulation units of the department, turnover expectancy is below 4%. There are also a large number of vacancies across the department. The combined number of vacancies for Workforce Development and Business Regulation to meet the turnover expectancy is 51 positions. The combined number of vacancies for both sections of the agency is 190 positions. **The Department of Legislative Services (DLS) recommends that DLLR comment on the reduction in turnover expectancy, the high current vacancy rate, and the strategies being used to reduce vacancies.**

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency's share of these reductions is \$73,137 in general funds, \$16,163 in special funds, and \$265,546 in federal funds. This action is tied to a provision in the Budget Reconciliation and Financing Act (BRFA) of 2017.

Maryland Center for Construction Education and Innovation

The Maryland Center for Construction Education and Innovation (MCCEI) is an industry-based public-private partnership that serves to align Maryland's educational resources to promote careers in construction. MCCEI was created in 2010 from recommendations by the Governors Workforce Investment Board (GWIB), which is now the Governors Workforce Development Board (GWDB). Since 2010, MCCEI has received \$225,000 from GWDB annually. The funding for MCCEI ended in fiscal 2016 because the Governor chose not to continue funding. Chapter 34 of 2016 created the Construction Education and Innovation Fund that required the Governor to appropriate \$250,000 annually for MCCEI beginning in fiscal 2018. For fiscal 2017, the General Assembly restricted an appropriation from the Revenue Stabilization Account to be used specifically for MCCEI or reverted to the General Fund and the Governor chose to revert the funds.

The mandated appropriation for MCCEI in fiscal 2018 is reduced contingent on the enactment of the BRFA of 2017. As noted in Update 2, DLLR does not see how MCCEI fits into its vision for Workforce Development.

Executive Direction Programs

There is a \$4 million increase, with \$3 million in general funds and \$1 million in special funds, for the EARN program. This program is an industry-led, workforce development program in which industry leaders partner with community workforce programs to recruit, train, and hire program participants. The \$3 million in general funds are for the addition of cybersecurity-based partnerships for EARN. The \$1 million increase in special funds is for green jobs. This funding is derived from the Exelon waste-to-energy alternative compliance payments received by the Maryland Energy Administration from liquidated damages related to the Exelon merger. These funds will be used specifically to develop jobs that support the development of Tier 1 renewable energy. The EARN program will be discussed in greater detail in the Issues section of this analysis.

There is also a \$405,000 increase for the Small Business Retirement Savings Program, which was established in Chapter 324 of 2016. The Secretary of Labor, Licensing, and Regulation is an *ex officio* member of the board. To support the development of the program, DLLR has been allocated funds to be provided as a loan to the program, once a budget has been prepared and submitted.

Workforce Development, Adult Education, and Corrections Education

There is a \$1.4 million increase in Workforce Innovation and Opportunity Act (WIOA) federal funds for local workforce and youth summer jobs programs in Maryland.

There is a \$300,000 federal fund increase in Aid to Education, which represents competitive grants funds to local instruction providers as outlined in the federal WIOA Title II grants. The funding represented in Aid to Education can be used for a wide variety of programs, including programs assisting in adult literacy, family literacy, English language courses, and civics education. There is a \$281,000 increase for funds allocated to GWDB for operations of the board.

The adult corrections education programs increase by \$123,000 in general funds for occupational equipment replacements including welding gear, a tire pressure monitor, a mortar mixer, and computers with upgraded software.

There is a \$245,000 decrease for one-time cost associated with the purchase of 250 replacement computers. There is also an \$840,000 decrease in workforce and adult education programs because of a reduction in federal funds from the Adult Education-Basic Grants to States funding. This funding is used by local providers that offer workplace literacy, family literacy, English literacy, and civics education. These funds are allocated by the federal government specifically for adults and out-of-school youth.

The largest decrease is a \$1.9 million decrease in the Trade Assistance Agreement (TAA) payouts. This is a federal program that provides training and compensation to workers who have lost their jobs as a result of foreign trade. With improved job prospects, there is a decrease in the payouts. Currently, there are 28 displaced workers still receiving TAA benefits.

Unemployment Insurance

DUI is where the fund swap from federal funds to special funds is most evident. There was a \$12 million decrease in federal funds with an \$8 million increase in special funds. The special funds are from the U.S. Department of Labor Special Distribution Fund which is a federal fund distribution provided to states as an unemployment compensation modernization incentive. These funds are deposited into the Unemployment Insurance Trust Fund (a special fund) and can be used to pay claimant benefits or for program administration.

The fiscal 2018 allowance for the UI modernization project has decreased \$1.5 million in federal funds as costs were lower than projected for the fiscal year. There is also a \$1.1 million increase for the transfer of data from the legacy system to the new UI modernization system.

There is a \$195,000 increase for digital telecommunications in the Lower Appeals Division, which hears any initial disputes of UI eligibility. The telecommunications software allows hearing examiners to record telephone conversations with parties as a part of the case records.

Administrative Offices

In the administrative offices in DLLR, the most significant increase is a \$233,000 for workforce development computer usage. Major decreases in the budget include: \$119,000 because the Energy Performance Project housed in the Department of General Services (DGS) stopped offering grants as an incentive for energy efficiency; \$136,000 for contractual positions; \$204,000 for one-time costs associated with the Web Focus Finance and Account Reporting System for the Office of Budget and Fiscal Services; and \$431,000 for rent because the agency is moving from a DGS-owned building to a DLLR-owned building.

Issues

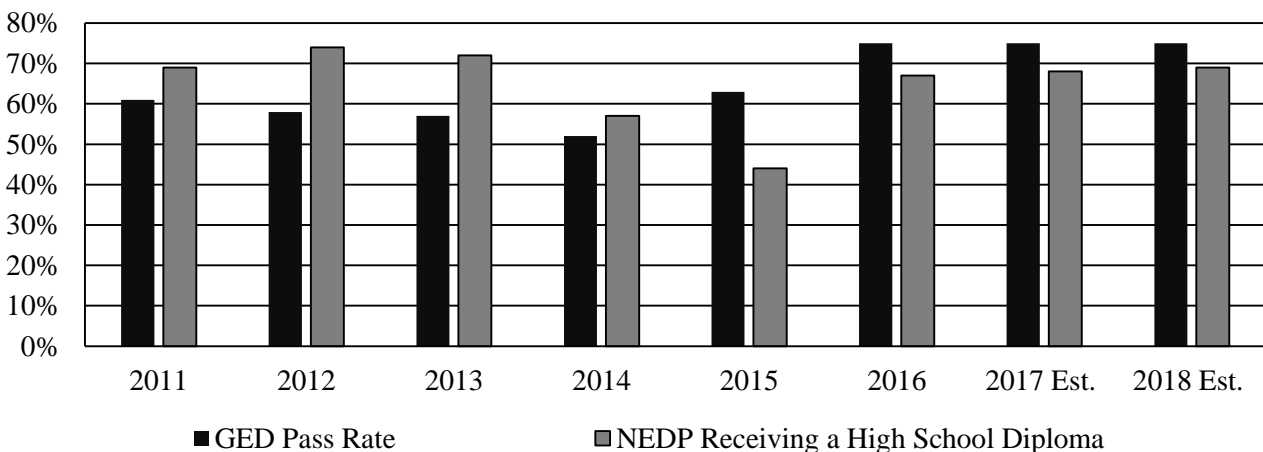
1. GED Testing

The GED is a high school equivalency exam taken by adults that have not completed high school. Successful test completion provides high school equivalency so that test takers are better equipped for other educational and employment opportunities. The *2016 Joint Chairmen's Report* (JCR) requested that DLLR report on the feasibility and cost of producing a centralized and searchable database to be accessible by the public that lists adult education and workforce training opportunities.

Currently, there are two paths outside of traditional high school graduation by which individuals can gain high school equivalency. The first is the National Adult External Diploma Program (NEDP) that requires students to meet periodically with an assessor to develop a portfolio proving they have the skills to be awarded a Maryland high school diploma. This program is largely online and self-directed with academic skill areas that include reading, writing, math, oral communication, critical thinking, and life skills.

The second pathway is through the GED exam. The GED is a commonly used testing tool with tested content in language arts, reading, writing, math, science, and social studies. While there are test preparation courses throughout Maryland, not all GED test takers opt to take preparatory classes before examination. **Exhibit 4** shows the GED pass rate and the percent of adult students in NEDP that received a high school diploma from fiscal 2011 through 2018.

Exhibit 4
GED Pass Rate and High School Diploma Awards
Fiscal 2011-2018 Est.



NEDP: National Adult External Diploma Program

Source: Department of Labor, Licensing, and Regulation

There was a notable decline for both NEDP in fiscal 2015 and GED in fiscal 2014. Both the NEDP process and the GED test changed to a computerized format. In an effort to maximize the chances for success, students rushed to complete either the NEDP or the GED before the changes and the number of program completions declined immediately thereafter as students wanted more time to prepare for the new format.

Since the initial decline, both the numbers of high school diplomas awarded and the GED pass rate have gradually rebounded. The JCR narrative requested success rates for GED test takers who have also taken preparatory classes. DLLR asserts that to disaggregate their current data, they would need to hire a contractor with current estimates of \$12,000 for the services requested.

Recruitment

Most GED recruitment efforts happen at the local level. Local governments in partnership with community organizations develop targeted recruitment strategies tailored to the local population. Also, as a result of the new WIOA, DLLR has worked with GWDB, the Department of Human Resources, and the Maryland State Department of Education's (MSDE) Division of Rehabilitative Services to create recruitment strategies across the board for a wide range of services. Specific recruitment strategies include printing marketing materials and the use of social media to inform the public and increase visibility.

Searchable Database

In terms of a searchable database for adult education and workforce development opportunities, DLLR believes that the existing Maryland Workforce Exchange (MWE) can be adapted. The MWE is currently the central job bank for the State and it allows job seekers to search jobs, create resumes, and find educational and training opportunities. Employers can also post job openings. DLLR is currently working to add all GED test preparation providers and all EARN grantees and the services they provide at each site. **DLS recommends that DLLR discuss the current status of the GED program and outline any changes in enrollment since the coordination of recruitment efforts through the Maryland Workforce Exchange.**

2. Adult Basic Education

Many conversations around adult education revolve around GED testing and test preparation. This is because high school equivalency is often seen as the baseline for other educational and employment opportunities. At the same time, only 10% of the students enrolled in adult education classes are adequately prepared to begin GED preparation classes.

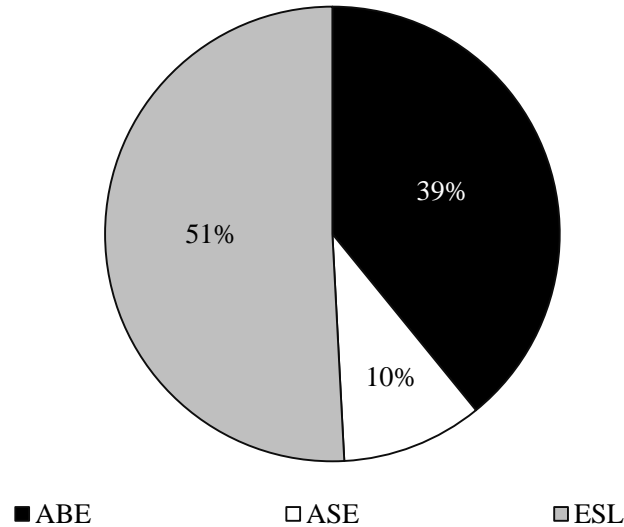
In 1997, the federal government created the National Reporting System (NRS) as a method for measuring and reporting on nationally recognized and approved measures for adult literacy. The NRS methodology is used to assess and divide adult learners into educational functioning levels for Adult Basic Education (ABE) and English as a Second Language (ESL). For both ABE and ESL, there are

six levels that correspond to specific performance in reading, writing, numeracy, and functional and workplace skills. For the low and intermediate levels of ABE and ESL, the skills required are the same. For the Adult Secondary Level (ASE) and the ESL Advanced Level, the criteria diverges with the criteria for ASE being higher than the ESL advanced curriculum. ASE is intended to be the highest level of literacy and usually is designed as the level at which GED preparation or NEDP portfolio development occurs. There are several criteria and indicators used to assess literacy level, but the educational functioning levels loosely correspond to grade level.

To assess educational level at program entry, students are given the Tests of Adult Basic Education (TABE) or the Comprehensive Adult Student Assessment Systems (CASAS) test, both of which are used in several states to assess educational level. The CASAS was developed in 1980 by a nonprofit organization of the same name to assess adult life skills. It was first used in California and is now used in some capacity in all but three states. It is the only assessment system that can be used to assess ABE, ASE, and ESL learners' at all educational levels. The TABE, which was developed in 1967, focuses on key concepts required for vocational training and uses real life scenarios to determine the appropriate instructional level for students.

Based on the test benchmarks, participants are placed in classes that correspond to their educational level. **Exhibit 5** shows the number of students in ABE, ASE, and ESL classes in Maryland. In Maryland, just over half of all adult education students are in one of the four basic ESL levels. When compared to national participant breakdown, Maryland has a higher percentage of ESL students than the national average. This suggests that Maryland has a higher rate of adult education participants with literacy levels below the ninth grade reading and math levels. Maryland has its highest percent of overall ABE students at the ABE Intermediate High Level (sixth to ninth grade) with that percentage being higher than the national average as well.

Exhibit 5
Adult Education Participants by Program
Fiscal 2015



ABE: Adult Basic Education

ASE: Adult Secondary Level

ESL: English as a Second Language

Source: U.S Department of Education

Overall, ABE students in Maryland are largely in the ABE Intermediate Low Educational Level, which is essentially a middle school language and math comprehension level. It is important to note that these adult education students have much higher rates of unemployment than individuals with at least a high school diploma. The unemployment rate of students without a high school diploma or equivalent is about 8.0%, which is almost double the national and Maryland average of 4.2% and 5.0%, respectively, as of November 2016. What is known as a skills gap may in fact be a literacy gap, as students with sixth to ninth grade literacy may need to attend adult education programs for several years before being ready to prepare for a GED exam. With so many of the participants served by DLLR being a part of this demographic, it is important to provide adult education and workforce development programming that is tailored to participants served. **DLS recommends that DLLR submit a report to the committees on the role that adult literacy plays in workforce development and the strategies DLLR will use to address the specific needs of the unemployed or underemployed students with lower literacy levels.**

3. Employment Advancement Right Now

EARN is a State workforce development program established in 2014. The program serves to provide workforce training for participants that is industry led and regionally focused. Industry leaders

P00 – DLLR – Workforce Development

work in partnership with community organizations and nonprofits to develop training for participants to be hired directly by the industry leaders. The model is intended to provide the flexibility necessary to meet the ever-changing demands of the targeted industries. EARN Maryland invests competitive grant money in the strategic partnerships comprised of the industry, community, education, and training leaders.

Potential EARN programs develop proposals through collaborative efforts of all of the strategic industry partners, and the grants are awarded to the partnership as a whole with one of the partner organizations receiving the funding. Strategic partnerships bring together regional groups that may include:

- employers;
- nonprofits;
- institutions of higher education;
- community colleges;
- local boards;
- local governments; or
- any other partner that serves to develop strategies to meet the workforce needs of the targeted industry.

EARN is the flagship program for DLLR and is referenced as a major part of Maryland's new model for providing services both in response to the federal WIOA legislation and for capitalizing on apprenticeships. The focus of the program is to provide employment training and opportunities for the unemployed, the underemployed, and incumbent workers in need of training.

Strengths of the Program

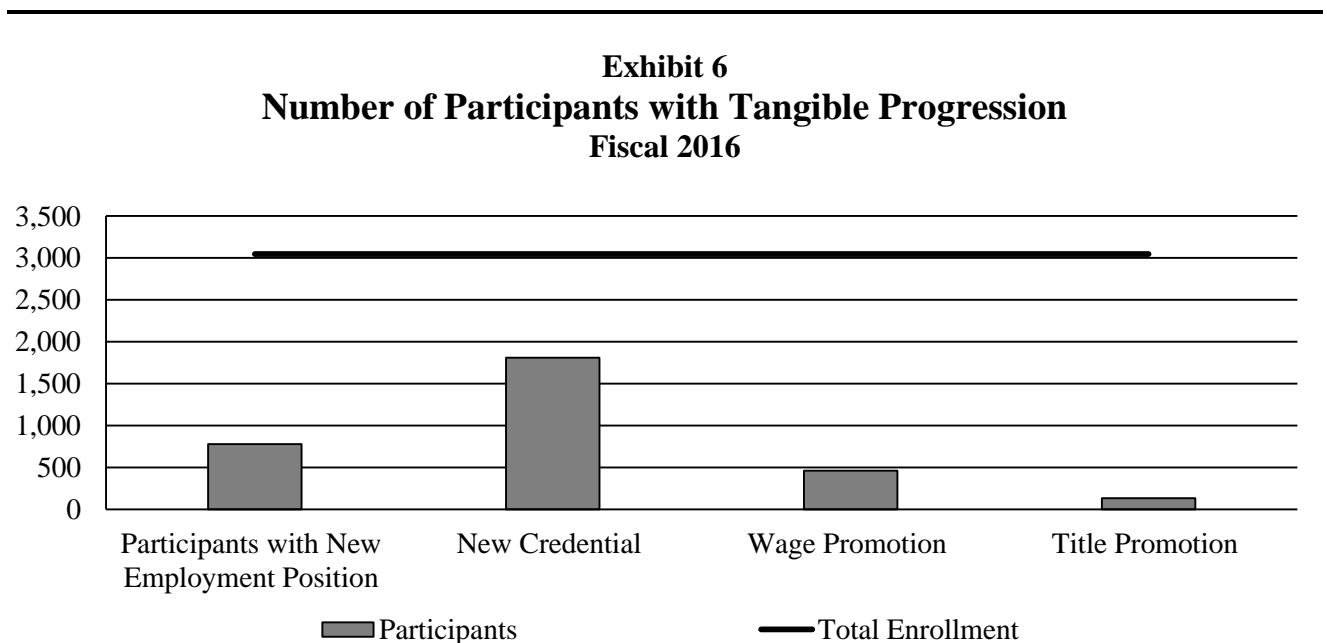
One of the most important elements of EARN is the relationships built from the beginning between the community and the industry leaders. At the beginning of the EARN planning grant process, industry leaders help to identify the certifiable skills most desired in the industry. Through planning, the partnership determines the needs of the industry and tailors the program to meet those employment needs. They also hire the participants of the program and market the EARN program to other industry leaders. Having industry leaders help design the program serves to develop relationships between the workforce and the employers, which is often cited as a point of weakness for traditional workforce development programs. EARN has been nationally recognized by the National Skills Coalition for their attempts to engage employers across sectors. Not only recognized nationally, the program has been lauded by industry leaders and program participants alike. In both the 2015 and 2016

annual reports, there are anecdotes from industry partners and participants as well as personal stories of success.

The department has a contract with the Business Economic and Community Outreach Network (BEACON) to provide third-party assessment of the program. BEACON has also submitted a report showing that the program has return on investments that are significantly higher than comparable workforce development programs with some of the EARN partnerships showing up to a \$79 return for every \$1 spent on the program. Results like these are impressive and deserve recognition and replication where feasible.

Concerns about the Data

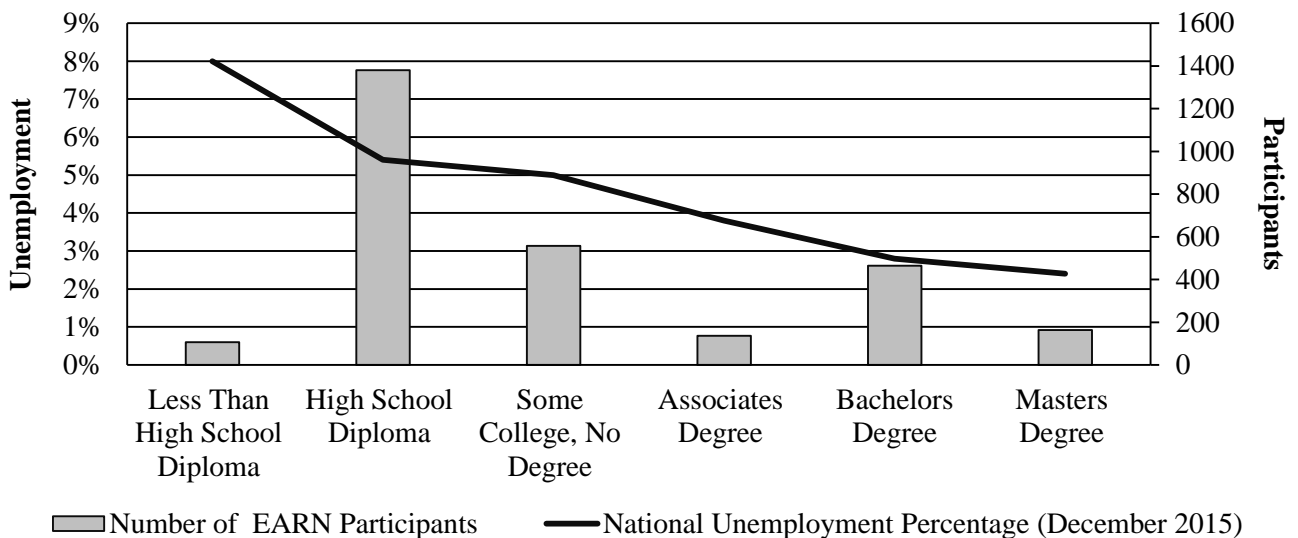
While EARN has been met with positive feedback from its partners, there has been difficulty getting transparent and accessible data to support the anecdotes. Data has been unclear or missing the necessary detail to assess the program. As seen in **Exhibit 6**, there is a gap between the number of participants enrolled and those that have gained employment, received a new credential, or received a wage or title promotion. The largest number of participants, 59%, have received a new credential in 2016. While over half of participants enrolled have received a new credential that does not automatically translate to employment or higher wages. It is also important to note that the participants' achievement is duplicative so participants who have received employment and credentials, or have received credentials with wage or title promotion, may be represented in each of these numbers.



Source: Department of Labor, Licensing, and Regulation

EARN also collects data by education level of participants, as seen in **Exhibit 7**. This data is also important because it outlines who is participating in EARN programs. It also shows to what degree participants in other programs in workforce development are participating in EARN. The available data indicates that EARN primarily targets people with a high school degree or higher. **Given the high unemployment rate for people with less than a high school degree, DLLR should discuss what can be done to prepare adults without a high school degree to participate in EARN. DLLR should also discuss strategies for incorporating this population into EARN, including the potential to concurrently work toward a GED and a professional certificate.**

Exhibit 7
EARN Participants and Unemployment by Education



EARN: Employment Advancement Right Now

Source: Department of Labor, Licensing, and Regulation

Lastly, not included in the annual report but offered as a supplement, is the report completed by BEACON at Salisbury University. The BEACON report notes that in the aggregate, the programs are successful, but the goals have not been met by each partnership.

BEACON also has calculated the return on investment (ROI) of EARN partnerships in comparison to other workforce development programs around the nation. What is not clear is how ROI was calculated, and what other programs were compared to come to these conclusions. In addition, the ROI by partnership is drastically different with several partnerships falling below the national average of \$3 per \$1 spent being used as a comparison. The ROI according to the BEACON is not just salaries but the salary of the participants, combined with other variables including the taxes paid by the newly

P00 – DLLR – Workforce Development

employed or recently promoted and the reduced cost in government benefits like unemployment insurance and temporary assistance for needy families. The national ROI varies depending on the modeling methods used, and BEACON took the average ROI from several peer reviewed articles on workforce development to compare to EARN. More information is needed to determine the cause of these significant fluctuations, and the true value of each program. Assuming this data is accurate, it is important to assess what the causes are for both the over and underperforming programs to determine best practices.

DLLR asserts that the data provided for all of the participants of the EARN program is not available by partnership. This raises questions about how EARN is currently evaluating programs across partnerships. As suggested by the ROI data, even with optimistic conclusions regarding overall program goals, there are vast differences in the ROI by partnership with some partnerships yielding a \$70 or more ROI and some partnerships yielding a \$.08 ROI. If the data is not accessible by partnership, then the determining factors for partnership performance are unclear. Because funding has been granted to partnerships for concurrent years without competitive grant applications, more data is necessary to be able to prioritize the funding allocation in terms of industry, region, and partnership.

The fiscal 2018 budget proposes an increase of \$3 million in general funds and \$1 million in special funds to expand the EARN program. While by all accounts the model is innovative and worthy of implementation, it is essential as this program expands to have data to evaluate the model as well. **DLS recommends that \$250,000 of the general fund appropriation for EARN be restricted until DLLR submits a report on the demographics and performance of each EARN partnership. The report should include how many students are enrolled with each partnership, their demographic information, county of residence, educational attainment, and if the participant has received reemployment or wage promotion in the partnership industry.**

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$250,000 of this appropriation made for the purpose of the Employment Advancement Right Now program may not be expended until the Department of Labor, Licensing, and Regulation submits a report to the budget committees on the demographics and performance of each partnership. The report should include how many students are enrolled with each partnership, their demographic information, county of residence, educational attainment, and if the participant has received employment or wage promotion in the partnership industry. The report shall be submitted by September 1, 2017, and the budget committees shall have 45 days to review and comment. Funds restricted pending receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This report should provide the information necessary to adequately assess the performance of the program Employment Advancement Right Now (EARN) using quantitative data. This data includes the demographics of enrolled students including their county of residence and educational attainment and should outline the progression of enrolled participants by program. The report should provide a clear synopsis of participant success by partnership using transparent data to outline success or challenges of the partnership.

Information Request	Author	Due Date
Report on the performance of the EARN partnerships	Department of Labor, Licensing, and Regulation	September 1, 2017

2. Adopt the following narrative:

Low-literacy Students in Maryland: The Department of Labor, Licensing, and Registration (DLLR) should submit a report to the committees on the role that adult literacy plays in workforce development and the strategies that DLLR will use to address the specific needs of unemployed or underemployed low-literacy students.

Information Request	Author	Due Date
Report on strategies to address unemployment for low-literacy students	DLLR	October 1, 2017

Updates

1. Apprenticeships in Maryland

Apprenticeships are an essential component to workforce development and creating career pathways for Maryland workers. They are also an invaluable asset in connecting Maryland's potential workforce with the industries that play an essential role in our economy. In March 2014, the Maryland Economic Development and Business Climate Commission (Augustine Commission) assessed the current business climate in Maryland and made recommendations for improvement. One of the observations made was that apprenticeships were underutilized and proper investment in apprenticeships could make them an essential tool in addressing many of the issues facing both the Maryland workforce and their potential employers. In 2014, apprenticeship programs accounted for less than 0.4% of the State's workforce.

The first step in addressing this concern occurred with Chapter 343 of 2015, which transferred the apprenticeship program in DLLR from the Division of Labor and Industry to the Division of Workforce Development. While transitioning the program to a different division in the same department may seem purely technical in nature, it changes the paradigm in which apprenticeships are seen. This transition also aligns with federal changes to apprenticeship programs, changes which encourage states to incorporate apprenticeships in workforce development efforts with the intention of developing innovation in apprentice programs.

Since the enactment of the bill, the transition activities have included the physical transfer of office space, physical files, and staff location. There has also been concerted efforts to incorporate the apprenticeship program and their staff with divisionwide training on what apprenticeships are, how they fit into the larger workforce development vision, and the resources newly available to the division as a result of the transfer.

Some of the resources newly available in the Department of Workforce Development and Adult Learning (DWDAL) as a result of the transfer include an Apprenticeship Accelerator federal grant of \$200,000, which serves to provide outreach and education around apprenticeships including the creation of a branding video, staff wages, and attendance of staff at apprenticeship trainings.

In addition to the Apprenticeship Accelerator grant, DWDAL received \$2.0 million in federal grant funds as a part of the \$50.5 million awarded to state programs from Apprenticeship USA State Expansion Grant Program specifically to grow apprenticeship opportunities for low-income individuals, youth, women, communities of color, and persons with disabilities in Maryland. The funding will provide the staffing, technical support, and administrative resources to expand outreach and education efforts. More specifically, there are currently 3 staff dedicated to the apprenticeship program (1 program manager, 1 apprenticeship training representative, and 1 navigator). The expansion grant will be used in part to hire 5 new navigators and 1 apprenticeship training representative. The goal is to expand the Registered Apprenticeships program in the State by 7% during the first 18 months of the program. This expansion will include the addition of over 9,000 apprentices.

The new funding will also be used to develop an Apprenticeship Innovation Fund that will invest in programs that support expansion strategies for target populations.

Apprenticeship Maryland/Youth Apprenticeships

In addition to the infrastructure developed for Youth Apprenticeships on a large scale, Maryland has implemented the pilot Apprenticeship Maryland Program. Apprenticeship Maryland is a two-year pilot program requiring students to complete 450 hours of on-the-job learning and at least one year of classroom instruction related to the eligible career path. For a traditional registered apprenticeship, there is a requirement of 2,000 hours of on-the-job learning and 144 hours of classroom instruction per year. Students completing the program will receive both a high school diploma and a State certification. While the program has a wide variety of interested parties, the monetary commitment has been sparse. There have only been two grants received to support the program totaling \$25,000, and the program has only been made available to businesses in Washington and Frederick counties. While there are very few metrics because the program is new, there are currently eight students in the program with an average pay of \$9 an hour. **Exhibit 8** shows the target numbers for key metrics in future years of the program. DLLR has developed and adopted regulations that outline the scope of youth apprenticeships in Maryland. There has also been the formation of the local apprenticeship board, and an initial attempt to recruit eligible employers.

Exhibit 8 Apprenticeship Maryland Goals August 2016-2019

	<u>August 2016-2017</u>	<u>August 2017-2018</u>	<u>August 2018-2019</u>
Number of Students Contacted	100	150	200
Number Entered into Youth Apprenticeships	30	60	90
Number of Students Obtaining Certifications	20	50	80
Number Completing Apprenticeships	0	20	70
Number of Business/Employers Contacted	50	100	150

Source: Department of Labor, Licensing, and Regulation

Opportunity Youth

Disconnected (Opportunity) youth are teenagers and young adults who are between the ages of 16 to 24 who are neither working nor in school. This population makes up a significant portion of the unemployed and low-skill workforce in Maryland. There are currently about 85,000 disconnected youth (1 in 10) in Maryland. While addressing the complex and multilayered needs of disconnected youth that will take a wide range of services and programs, DWDAL recognizes

that youth apprenticeships could serve as a vital first step in economic stability for this population. This recognition aligns with the new WIOA mandate that at least 75% of youth program funds be spent on disconnected youth.

Immigrants Health Care Pilot Program: Equity Cap Breaker Award

As a part of the Expansion Grant award, DWDAL also received the Equity Cap Breaker award in the amount of \$500,000 to develop a pilot program that serves to fill skill gaps in health care with skilled immigrant workers. Skilled immigrants have acquired education or work experience abroad and the funds will be used to develop a program that helps skilled immigrant workers transition into health care jobs in Maryland. These funds were awarded in fiscal 2017, and the program is still in the process of being developed. The preliminary goal is for the Immigrant Pilot Program to mirror the Baltimore Alliance for Careers in Healthcare program that is an industry-led partnership that currently receives EARN funding.

2. Maryland Center for Construction Education and Innovation

MCCEI was created as a nonprofit corporation in 2011 out of a recommendation from a subcommittee in GWIB. GWIB has recently been restructured in accordance with WIOA regulations and renamed GWDB. The current mission of MCCEI is “to build a world class education system for Maryland’s build environment.” MCCEI was developed to work in partnership with high schools, community colleges, universities, government, and industry to develop comprehensive and collaborative education opportunities in the construction field for Maryland residents. MCCEI’s accomplishments include:

- developing a construction design and management program in partnership with MSDE and Towson University that is now taught in 16 high schools statewide;
- developing the Build Your Path online platform to show potential students what construction jobs are available and the different paths they could take in Maryland to enter that career;
- participation in community college and university development of construction course content; and
- conducting and completing industry research, including the July 2016 release, *Building Bridges-Solutions and Alternatives to Maryland Persistent Deficit in Build Environment College Degrees*.

MCCEI’s initiatives for 2017 are to:

- expand its staff to build capacity;

P00 – DLLR – Workforce Development

- research and benchmark new construction technologies;
- publish the second edition of the *Build Your Path* report; and
- implement the recommendations in the *Building Bridges-Solutions and Alternatives to Maryland Persistent Deficit in Build Environment College Degrees* report, released in July 2016.

The 2016 JCR required DLLR to submit a report on the framework for establishing two education and innovation centers modeled after MCCEI, which was to include:

- the proposed membership structure and duties of the additional centers;
- a framework for a center and education system for the development of the cybersecurity industry; and
- a framework for a center and education system for the development of the manufacturing industry.

In the report, it is noted that DLLR and MCCEI had a Memorandum of Understanding that was not renewed in fiscal 2016. DLLR asserts that because of the new regulations in the WIOA federal guidelines, many of the needs that were supposed to be addressed by MCCEI are currently mandated by the federal government. For example, the newly restructured GWDB membership includes:

- 27 business and community leaders, including 11 construction, manufacturing, and cybersecurity leaders;
- 2 representatives from the Maryland General Assembly;
- 2 representatives from local governments; and
- 10 cabinet secretaries from State agencies.

DLLR also asserts that the new formation of GWDB is dedicated to developing the necessary coordination across State and local workforce development and training programs to ensure that Maryland's main industries, which include cybersecurity and manufacturing, thrive. GWDB has subcommittees that are dedicated to this collaborative effort for each targeted industry.

DLLR asserts that while MCCEI is a parallel entity, it is not integrated into the Maryland Workforce system. Also, because MCCEI is a nonprofit entity working at the direction of its board of directors, there are significant limitations on the role they can play because of the lack of oversight and guidance from the State. DLLR has also determined that not only would the development of additional MCCEI frameworks result in duplicative efforts of what has already developed through GWDB and DLLR's flagship program EARN, but it would require additional appropriations for work that the State cannot regulate.

Appendix 1
Current and Prior Year Budgets
Department of Labor, Licensing, and Regulation – Workforce Development
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$35,710	\$12,238	\$178,144	\$6,347	\$232,438
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	627	2,380	3,036	0	6,043
Reversions and Cancellations	-814	-2,023	-15,341	-832	-19,010
Actual Expenditures	\$35,522	\$12,594	\$165,839	\$5,515	\$219,471
Fiscal 2017					
Legislative Appropriation	\$36,263	\$12,758	\$189,933	\$6,454	\$245,409
Cost Containment	-13	0	0	0	-13
Budget Amendments	388	73	1,261	0	1,721
Working Appropriation	\$36,638	\$12,830	\$191,194	\$6,454	\$247,117

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

The fiscal 2016 legislative appropriation for the Department of Labor, Licensing, and Regulation for Workforce Development increased by \$6,042,733 through budget amendments. General funds increased \$626,644, including \$896,644 to restore a 2% pay reduction offset by \$270,000 because of an agencywide realignment. There was \$745,882 reverted for vacant positions, \$35,279 from GED test voucher grants not awarded, and \$32,830 from operational expenses.

The special fund appropriation increased by \$2,379,752. Budget amendments increased the appropriation by \$79,752 to restore a 2% pay reduction for fiscal 2016 and \$2,300,000 to supplement declining federal funds for the Unemployment Insurance program. There was \$1,231,329 in canceled special funds for vacant positions, \$515,941 from a higher rent appropriation, \$224,519 because no apprenticeship grants were awarded, and \$51,329 because of a revenue shortfall.

The federal fund appropriation increased \$3,036,337. Budget amendments increased federal funds by \$1,194,103 to restore a 2% pay reduction and \$1,842,234 for the Adult Education and Family Literacy Act for civics education and integrated English literacy services. There was \$10,937,203 in canceled funds for vacant positions and \$4,403,859 for travel costs and supplies.

Reimbursable funds decreased \$832,124 in canceled funds for vacant positions.

Fiscal 2017

To date, the fiscal 2017 legislative appropriation increased \$1,673,597. General funds increased \$384,340 by budget amendment including \$379,356 for salary adjustments and \$4,984 for adjustments related to the State Law Enforcement Officer Labor Alliance collective bargaining agreement and \$3,353 for statewide salary adjustments. Cost containment decreased general funds by \$13,129. Special funds increased \$72,633 for statewide salary adjustments. Federal funds increased \$1,226,031 for statewide salary adjustments.

Appendix 2
Statewide Review of Budget Closeout Transactions for Fiscal 2016

Audit Period for Last Audit:	July 1, 2015 – June 30, 2016
Issue Date:	January 2017
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: The recovery of recorded federal fund revenues totaling approximately \$9.9 million is uncertain.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Major Information Technology Projects
Department of Labor, Licensing, and Regulation – Workforce Development
Unemployment Insurance Modernization

Project Status	Implementation.			New/Ongoing Project:		Ongoing.		
Project Description:	The Department of Labor, Licensing, and Regulations Division of Unemployment Insurance (DUI) is modernizing the technology associated with its three primary functions: benefits, contributions, and appeals. The system will be cloud based and serve the states of Maryland and West Virginia.							
Project Business Goals:	To consolidate the three primary functions of DUI into one system for more timely service to unemployment insurance recipients.							
Estimated Total Project Cost:	\$101,516,908			Estimated Planning Project Cost:		\$14,225,590		
Project Start Date:	April 2011			Projected Completion Date:		May 2018		
Schedule Status:	The project is currently on schedule and will go live in Maryland in May 2018.							
Cost Status:	The project is currently on budget with two cost changes totaling \$145,000. The changes were for software licenses for the legacy system.							
Scope Status:	No known or anticipated scope changes at this time.							
Project Management Oversight Status:	There is a project manager assigned to oversee this project.							
Identifiable Risks:	27 risks have been identified for this project with mitigation plans developed.							
Additional Comments:	n/a							
Fiscal Year Funding (\$ in Millions)	Prior Years	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Balance to Complete	Total
Personnel Services	\$45.8	\$21.6	\$24.1	\$10.1	\$0.0	\$0.0	\$101.5	\$101.5
Professional and Outside Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$45.8	\$21.6	\$24.1	\$10.1	\$0.0	\$0.0	\$101.5	\$101.5

**Appendix 4
Object/Fund Difference Report
DLLR – Workforce Development**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	1,248.19	1,163.57	1,142.57	-21.00	-1.8%
02 Contractual	82.41	81.03	77.80	-3.23	-4.0%
Total Positions	1,330.60	1,244.60	1,220.37	-24.23	-1.9%
Objects					
01 Salaries and Wages	\$ 95,508,686	\$ 108,351,854	\$ 100,949,552	-\$ 7,402,302	-6.8%
02 Technical and Spec. Fees	3,029,882	3,688,819	3,552,732	-136,087	-3.7%
03 Communication	4,039,516	3,902,651	4,109,959	207,308	5.3%
04 Travel	431,549	695,515	599,087	-96,428	-13.9%
06 Fuel and Utilities	868,979	897,157	773,326	-123,831	-13.8%
07 Motor Vehicles	172,257	243,419	336,304	92,885	38.2%
08 Contractual Services	39,240,573	47,332,027	50,028,035	2,696,008	5.7%
09 Supplies and Materials	1,283,531	1,477,837	1,289,925	-187,912	-12.7%
10 Equipment – Replacement	254,481	719,957	538,353	-181,604	-25.2%
11 Equipment – Additional	475,809	74,246	40,971	-33,275	-44.8%
12 Grants, Subsidies, and Contributions	69,687,955	75,145,945	76,307,926	1,161,981	1.5%
13 Fixed Charges	4,476,450	4,587,239	4,271,768	-315,471	-6.9%
14 Land and Structures	1,201	0	0	0	0.0%
Total Objects	\$ 219,470,869	\$ 247,116,666	\$ 242,797,938	-\$ 4,318,728	-1.7%
Funds					
01 General Fund	\$ 35,522,323	\$ 36,638,032	\$ 39,212,403	\$ 2,574,371	7.0%
03 Special Fund	12,594,325	12,830,298	23,491,399	10,661,101	83.1%
05 Federal Fund	165,839,433	191,193,986	173,625,922	-17,568,064	-9.2%
09 Reimbursable Fund	5,514,788	6,454,350	6,468,214	13,864	0.2%
Total Funds	\$ 219,470,869	\$ 247,116,666	\$ 242,797,938	-\$ 4,318,728	-1.7%

DLLR: Department of Labor, Licensing, and Regulation

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

Appendix 5
Fiscal Summary
DLLR – Workforce Development

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Executive Direction	\$ 6,027,591	\$ 6,379,982	\$ 10,668,075	\$ 4,288,093	67.2%
02 Administrative Adjudication	314,984	439,788	404,737	-35,051	-8.0%
05 Legal Services	3,813,592	4,305,690	4,339,854	34,164	0.8%
08 Equal Opportunity and Program Equity	318,626	346,003	348,406	2,403	0.7%
09 Governor’s Work Force Investment Board	508,748	543,747	826,640	282,893	52.0%
11 Appeals	1,211,537	1,448,229	1,366,516	-81,713	-5.6%
12 Lower Appeals	5,971,181	6,362,610	6,122,165	-240,445	-3.8%
03 Office of Budget and Fiscal Services	5,444,652	6,189,995	5,452,743	-737,252	-11.9%
04 Office of General Services	6,192,033	6,635,147	6,527,367	-107,780	-1.6%
05 Office of Information Technology	6,536,281	7,762,410	5,770,319	-1,992,091	-25.7%
06 Office of Personnel Services	1,875,424	2,020,626	1,964,856	-55,770	-2.8%
06 Maryland Apprenticeship and Training	226,573	291,915	0	-291,915	-100.0%
07 Workforce Development Program	66,683,997	71,107,130	70,062,107	-1,045,023	-1.5%
12 Adult Education Program	2,402,045	4,381,254	3,230,783	-1,150,471	-26.3%
13 Adult Corrections Program	17,957,810	19,764,560	18,779,236	-985,324	-5.0%
14 Aid to Education	16,033,892	15,911,958	16,211,986	300,028	1.9%
01 Office of Unemployment Insurance	61,225,293	70,177,971	69,145,489	-1,032,482	-1.5%
02 Major Information Technology Development Projects	16,726,610	23,047,651	21,576,659	-1,470,992	-6.4%
Total Expenditures	\$ 219,470,869	\$ 247,116,666	\$ 242,797,938	-\$ 4,318,728	-1.7%
General Fund	\$ 35,522,323	\$ 36,638,032	\$ 39,212,403	\$ 2,574,371	7.0%
Special Fund	12,594,325	12,830,298	23,491,399	10,661,101	83.1%
Federal Fund	165,839,433	191,193,986	173,625,922	-17,568,064	-9.2%
Total Appropriations	\$ 213,956,081	\$ 240,662,316	\$ 236,329,724	-\$ 4,332,592	-1.8%
Reimbursable Fund	\$ 5,514,788	\$ 6,454,350	\$ 6,468,214	\$ 13,864	0.2%
Total Funds	\$ 219,470,869	\$ 247,116,666	\$ 242,797,938	-\$ 4,318,728	-1.7%

DLLR: Department of Labor, Licensing, and Regulation

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

P00 – DLLR – Workforce Development