



Addressing Workforce Development in Montgomery County: An Economy at a Crossroads

JANUARY 2015

Montgomery County asked for this report to include:

1. an environmental scan of career pathways and workforce development programs in Montgomery County;
2. the identification of county industries, and occupations within those industries, that are in high demand;
3. the identification of model program services, both in Montgomery County and other jurisdictions;
4. recommendations on workforce services that are employer focused, that lead to employment without a degree, the costs of such services, changes to existing programs based on new federal law, and how to improve coordination of services inside and outside county government; and
5. provide facilitation and outreach to key stakeholders.

The county's economy appears to be robust and thriving, and yet, there is cause to be seriously concerned about Montgomery County's economic future.

It has become clear that Montgomery County lacks a truly functional, coherent workforce development system.

1. New York
2. Dallas
3. Houston
4. Los Angeles
5. Miami
6. Atlanta
7. SF-Oakland
8. Boston
9. Seattle
10. Phoenix
11. Chicago
12. Minneapolis
13. Philadelphia
14. Washington, DC
15. Detroit

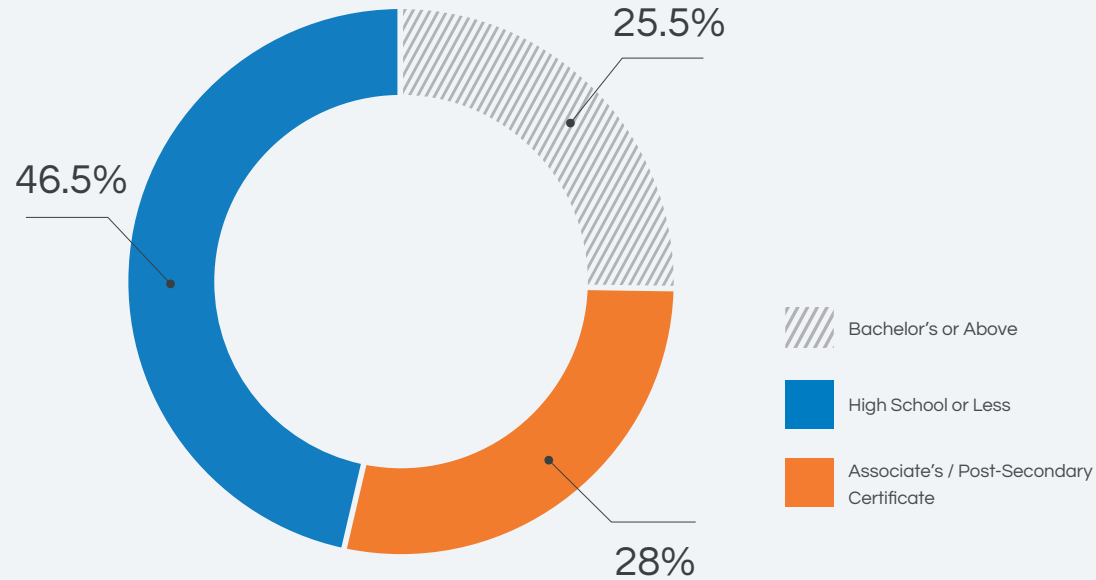
115,000

The number of high-demand jobs the county will see over the next decade, many requiring only a high school diploma or less and largely not paying a sustainable wage.

To achieve true economic growth, Montgomery County must create the right kinds of jobs, and prepare its population to fill them.

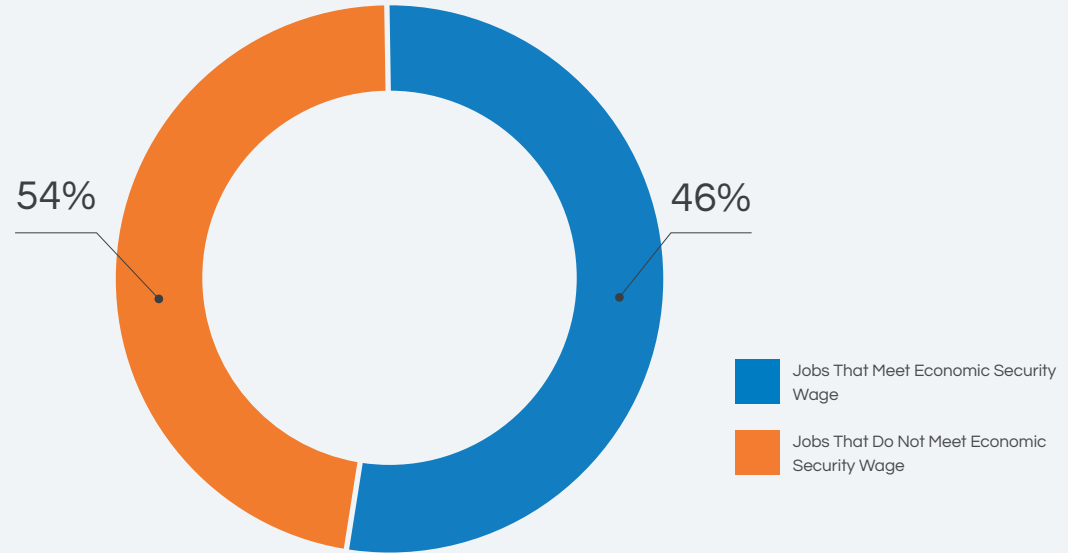
75%

of the high-demand jobs in the county will only require less than a four-year degree, in the next decade.



< 50%

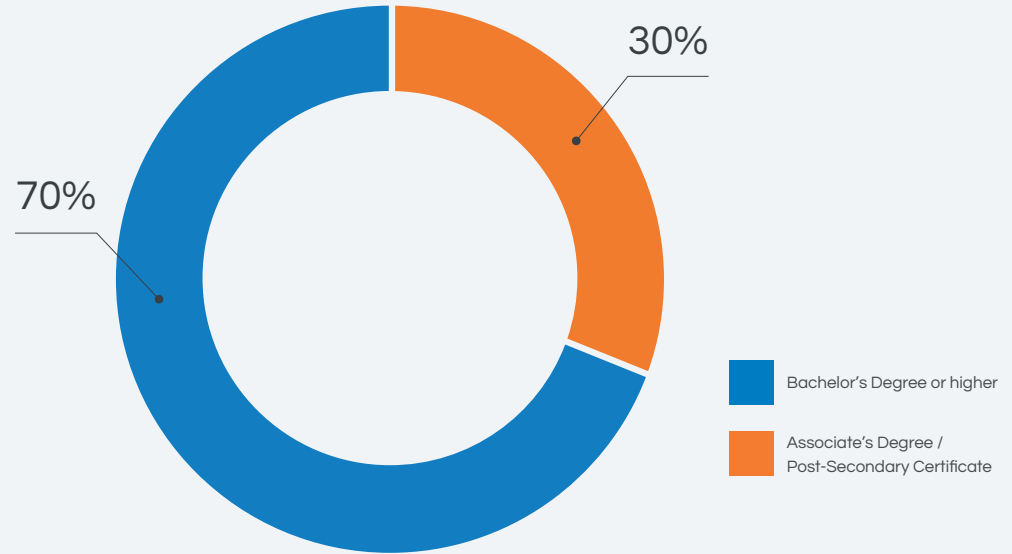
of the top 50 high-demand jobs pay enough to live in Montgomery County.



Current projections show that 3/4 of the job openings created in the County over the next decade are not the kinds of jobs that will make for a sustainable economy in the county.

30%

of the County's high-demand jobs that pay a livable wage can be acquired with an Associate degree or less.



These jobs equate to about 22,000 job openings over the 10-year period in the county.

There are 7 high-demand jobs requiring an Associate Degree or less that pay an economic security wage:

Occupational Title	Total Job Openings	Median Wage	Degree Held
Registered Nurses	9,359	\$34.04	Associate's Degree
Business Operations Specialists, All Other	3,120	\$39.44	Associate's Degree
General and Operations Managers	3,036	\$60.06	Associate's Degree
Computer Support Specialists	2,071	\$27.15	Associate's Degree
Licensed Practical and Licensed Vocational Nurses	1,564	\$24.48	Post-Secondary Certificate
Computer Systems Analysts	1,508	\$40.02	Associate's Degree
Executive Secretaries and Administrative Assistants	1,422	\$30.37	Associate's Degree

Montgomery County programs
addressing career pathways and
workforce development.

No one “owns” workforce development.

Services are delivered by a wide range of government, non-profit, for-profit and education providers, with varying approaches to workforce development, differing targeted populations, and different degrees of focus on employment.

For many organizations, employment is only part of it.

The county’s many organizations provide a web of much-needed services that can lead to a job. There are fewer organizations, however, that concentrate strongly on employment.

Services do not appear to be aligned with the needs of employers.

Few organizations, even those with a strong focus on job placement, have a meaningful or direct relationship with employers.

Most programs are targeted at youth.

A vast majority of programs are targeted specifically at youth, whether they’re for helping them attain a GED, learning life skills, or bringing ESOL students up to English proficiency.

The County actually spends quite a bit on workforce development.

Montgomery County and its service providers presently spends upwards of \$50 million in workforce development initiatives, including more than a hundred sources.

Underemployed populations are one of the most underserved.

One of the most underserved populations are those who are underemployed—that is, those who are in jobs far below their education or skill level.

Programs are clustered in the Silver Spring area.

Most of the programs have a tendency to serve populations located in the Downcounty region.

Data on funding and number of clients served/placed is not readily available.

It is difficult determine how much money was being spent on these programs, how many people were receiving workforce services, and how many had been successfully placed in any kind of employment.

Montgomery County can look to several model programs throughout the country as best practices for developing its own career pathway platform.

These programs and practices have common themes that make them successful in developing a skilled workforce.

[Seattle-King County Workforce Development Council](#) works closely with employers to address specific worker shortages in well-defined industries, and then partners with educators and others to develop the workforce to fill shortages.

[Apprenticeship 2000 program in North Carolina](#) recruits candidates as early as their junior year in high school for a four-year technical training program in which participants receive an AAS degree in Mechatronic Engineering Technology, an apprenticeship certification, and are guaranteed a job after graduation.

[Walla Walla Community College](#) in Washington has begun pro-actively altering, adjusting, and fine-tuning its courses in response to the changing needs of employers—a demand-driven approach to curricula.

The Apprenticeship 2000 program works because of the active involvement and commitment of employers and a community college system willing to offer an academic program directly aligned with the specific needs of employers.

[Northern Rural Training Consortium](#) consists of the eleven northern-most counties in California, merging their localized workforce boards and One Stop centers into a unified, comprehensive workforce development system.

[LA Hi-Tech](#) prepares students for careers in IT occupations, with the goal of filling more than a quarter of the region's IT jobs. The consortium regularly engages employers to review program outcomes and provide direct input into training needs.

[SkillSource](#) serves 2 million people and provides a variety of programs serving targeted populations, including veterans, the disabled, and formerly incarcerated individuals. The consortium addresses regional shortages in nursing, routing revenue from the Virginia General Assembly and health care providers to area colleges and universities to enhance their nursing programs.

Many model programs, in fact, cater to a region or to a regional economy, recognizing that the industries and employees in a given area may not reside in one specific geographic location.

[Northern Rural Training Consortium](#) consists of a workforce program in which providers, and their funding, are overseen and administered by a single entity. It serves as that administrator for several funding streams. Job seekers, for example, can be moved seamlessly from community colleges offering the accreditation or training needed for a specific employers, over to a service provider specializing in life skills, on to a specialist who will help secure child care services for the employee's children, and then into a high-demand.

Appointing an umbrella agency recognizes the critical need for a single point of contact for all customers of the workforce system—not only employers, but also job seekers and education providers.

[Louisiana FastStart](#) is a statewide program administered by the Louisiana Department of Economic Development. The program is intensely employer-focused, with one overarching goal: seeking out new or expanding companies and encouraging them to relocate to Louisiana. FastStart provides companies with customized employee recruitment and screening, and will even train workers and develop appropriate programs at Louisiana technical colleges—all at no cost to the companies themselves. In return, the companies must commit to creating at least fifteen (15) new, permanent manufacturing jobs, or at least fifty (50) new, permanent service-related jobs.

[ReadySC](#), an initiative of the South Carolina Technical College System, works with sixteen technical colleges in the state to develop and implement training programs for new or relocating companies. provides these services at no cost to the companies, on the condition that the company creates permanent, well-paying jobs for South Carolina residents.

The Economist has lauded FastStart as the nation’s “most notable statewide workforce development initiatives.” Others have positively referred to it as “a training program on steroids.”

[Berks County \(PA\) Workforce Investment Board](#) has developed a partnership with employers and the local community college that relies on employers identifying specific worker and skill shortages in Berks County region.

[Kansas WorkforceOne](#) workforce investment board—a regional collaboration comprised of 62 counties in central and western Kansas—was also able to respond to a major employer’s need for skilled personnel, and develop a training program with the local community colleges.

[HempsteadWorks](#) is a collaboration between the Town of Hempstead, and Hofstra University, to better identify and address worker and skills shortages. Since 2003, this collaborative effort has provided customized training through Hofstra University for nurses and other positions specifically identified by health care providers in the region.

The effectiveness of employers’ involvement depends on their ability to be as specific as they can about skills and training to drive educators to develop and implement education and training programs that meet those specific needs.

[Fund for Our Economic Future](#) in northeast Ohio is a philanthropic collaboration dedicated to advancing economic growth and equitable access to opportunity through research, civic engagement, and grant making, with over \$100 million in funds since its inception in 2004, through grants and donations from private donors and foundations.

[WorkSystems](#) in Portland is a non-profit WIB that works to improve the quality of the workforce in the City of Portland and its surrounding counties; it has successfully applied for and received federal funding, including an \$8.5 million grant from the U.S. Department of Labor and in-kind services from tech firms, which have donated licenses for training in IT.

[Milwaukee Workforce Investment Board](#)—an employer driven 501(c)(3), and one of the most successful organizations in the nation at raising funding from disparate sources—had a 2014 budget of \$19.5 million, of which \$699,000, or four percent, came from non-government sources.

Montgomery County presently spends upwards of \$50 million in workforce development initiatives through more than a hundred county government, MCPS, Montgomery College, Federal and private/non-profit sources.

The county's workforce development system must be fundamentally restructured, to meet the needs not only of job seekers without four-year degrees, but every job seeker and every employer.

- 1) Whose needs are not being met by the present system?
- 2) Why isn't the current system working for them?
- 3) What does successful economic development look like?
- 4) What do employers need from the system?
- 5) What do employees and job seekers need from the system?

The county must have a clear economic development strategy.

The county must define its terms, its goals, its priorities with specificity, all the way down to kinds of jobs, employees, and salaries it wants.

Regardless of structure, someone needs to own the system.

A coordinating entity is needed to bring together all stakeholders in a meaningful way—a coordinating entity or facilitator to ensure a single point of entry for employers, a seamless integration of services among providers.

The county's workforce development system should embrace "hallmarks of an integrating organization."

1. Employers and educators should be actively engaged
2. Think regionally
3. Coordination matters
4. Active, not passive
5. Be specific
6. Combine and diversify funding

Establish a task force to restructure the county's workforce development system.

Lay out very specific goals, processes, and deliverables, all revolving around the county's specific economic development needs, accounting for the county's current jobs trajectory, the nature of its high demand occupations (both current and desired) and the county's unique demographics.

Given the recent interest in workforce development issues, we believe the county presently has an enormous opportunity to significantly reform its system in a timely manner.

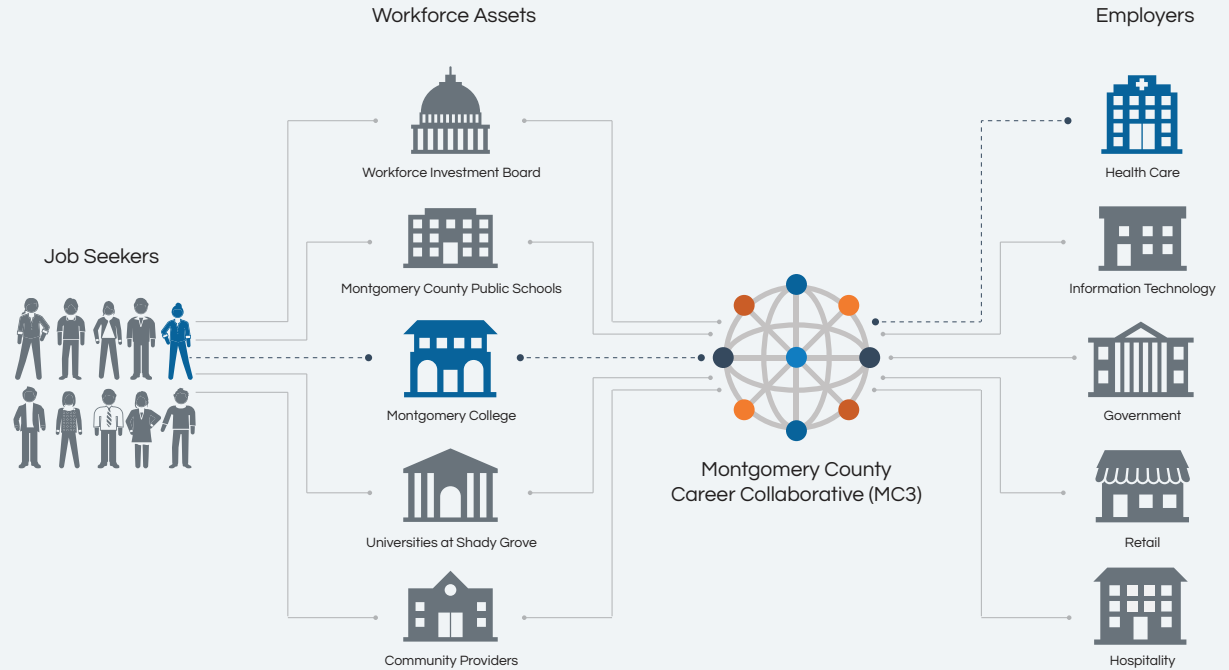
Restructure the system to consolidate all workforce development programs and services under a single office of Workforce Development and Continuing Education.

With a single overseeing entity, curricula, course offerings, and certification programs can be more quickly and closely aligned with the specific needs of employers. Such integration is critical to addressing the skills gap; by placing oversight for all education and training programs under one roof, the county can make better connections between what is taught and what employers are looking for.

This option can provide a beneficial structure, as well as an opportunity to provide meaningful and comprehensive services for the workforce development system's customers: employers and job seekers.

Restructure the workforce delivery system to flow through MC³, a central “career collaborative.”

This option acts as a mediator and facilitator for all of the current stakeholders in the workforce system, from employers through the WIB and service providers to the job seeker.



This option establishes MC³ as the overall facilitator of the workforce system; under this structure, all existing administrative functions and funding streams remain in place.

EMPLOYERS

need a regular pipeline of well-trained employees they can hire through dynamic and flexible system adapts to meet their evolving needs.

JOB SEEKERS

must be able to obtain a job that pays enough to permit them to live in the county—no matter where they enter the system.

Integrating a new workforce development system like MC³ can create new economic development. It's good for employers, for job seekers, and for the County.

Right now, the county has an opportunity to provide meaningful and comprehensive services for the workforce development system's customers: employers and job seekers.

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