

BALTIMORE WORKFORCE INVESTMENT BOARD

Public Policy Committee: Meeting Minutes

May 11, 2006, 2006, 12:30 –2:00 PM

United Way of Central Maryland, 100 S. Charles Street, Baltimore, MD
5th Floor – Chesapeake Room

Attending: *Larry Walton (UWCM), Karen Sitnick (MOED), Melissa Chalmers (JOTF), Joanne Nathans (JOTF), Anne Clemson (MOED), Victor Valentine (BWIB/MOED), Devon Dodson (GBC), Phil Holmes (Goodwill), Dana Stein (Civic Works), Jonathan Thompson (BCDSS), Cheryl Harrison-Clay (MOED)*

WELCOME – Larry Walton, Committee Chair, opened the meeting at 12:35 AM.

APPROVAL OF JANUARY 3, 2006 MEETING MINUTES – A motion to approve the minutes passed; however it was noted that the City appropriation for the Reentry Center at the Northwest Career Center was incorrectly stated in the draft minutes and should be changed to \$250,000.

RECENT DEVELOPMENTS IN WASHINGTON – Larry noted that recent developments in Washington included the unveiling of the Administration's FFY 2007 budget proposal, which would block grant WIA funds (including youth funds) to states. A second feature of the Administration's proposal is Career Advancement Accounts.

Karen Sitnick reported that when combined, the Administration's budget proposal cuts funds for local workforce development systems and has the very real potential to eliminate local determination and flexibility, which are hallmarks of the present WIA workforce delivery system. The additional cuts to the Department of Labor's WIA budget that are proposed in the Administration's budget come after four consecutive years of significantly reduced funding for Maryland's local workforce investment agencies.

Specifically, Baltimore has absorbed a 45% funding cut over the past four years. MOED closed its Southwest Career Center in March 2006 as a result. Block granting WIA funds will cut even more deeply into the funding that Maryland's local areas receive to support critical employment and training programs. Block granting will shift control of workforce development funds from local workforce areas to the state. The US Conference of Mayors is reluctant to support block granting given these circumstances.

If the CAA voucher training system is implemented, 75% of the WIA funding that Baltimore receives would have to be spent on CAAs, while the remainder could be spent on employment services. One-stop services as presently configured and the one-stop infrastructure would cease to exist.

The Mayor and BWIB Chair John Ashworth and Larry Walton have co-signed correspondence to key Senate and House appropriators expressing concern about these aspects of the Administration's proposals. The Maryland Workforce Development Association (MWDA) recently distributed separate White Papers on the impact of the President's proposed budget and CAA proposals.

A committee member asked whether the GAO had done a study to determine the effectiveness of the national local workforce development system. Karen responded that GAO had indeed done a study, with very positive findings for the local workforce investment system. She noted that Governor's Workforce Investment Board (GWIB) has not taken a position on federal policy developments. As MWDA's President, Karen intends to share the perspective of the local workforce development system on these matters during the GWIB's June Strategic Planning retreat.

A committee member asked what position the City's Congressional Delegation has taken on the Administration's workforce development proposals. Karen noted that our elected officials and their staff are informed and aware of the issues; they've been very supportive. Karen added that she and several

colleagues from around the country recently met as part of a delegation organized by the National Association of Workforce Boards (NAWB) with key staff on Obey's committee. The perception that there is an excess (unspent) of funding in the workforce investment system remains very difficult to overcome.

Jonathan Thompson briefly discussed the impact of TANF reauthorization, specifically how the pending TANF regulations will affect "allowable work activities" and Maryland's work participation requirements and rates. Jonathan said that the only major change will be that 1,000 individuals covered under Maryland's Maintenance of Effort (MOE) funds will be counted in the participation rate. Victims of domestic violence who receive TCA will also be mandated to participate. Baltimore has about half of the state's TCA caseload of 21,000. There will still be a "hardship" exemption, but limited to 60+ months, meaning that the State will be able to continue to provide federal TANF to these individuals.

Jonathan confirmed that Maryland is still a "work first" state, thus universal engagement will be strongly promoted. The state will recognize 5 core work activities: unsubsidized employment; subsidized employment (including work study); work experience; OJT; and community service. TCA recipients must participate in a core activity for an average of 24 hours per week per month while the remaining 16 hours can be comprised of a "multitude" of activities. Final regulations are expected from HHS in June. Jonathan noted that Maryland will have to maintain a 45% participation rate in order to meet the new TANF requirements.

Nan Waranch noted that the Governor put \$10 million in the budget to help the Maryland Department of Human Resources (DHR) meet the new participation rate requirement. These funds will be used to enable local Departments of Social Services to hire staff (merit positions) to track participants' participation. Funds may also be used to provide participants with incentives to report employment and to support participants' subsidized employment wages.

A committee member asked the amount of a TCA payment in Maryland. Jonathan responded that it was \$450 for a family of 3 per month and clarified that disabled persons applying for SSI will also receive \$450 when approved.

A member of the committee asked what penalties Maryland will face if unable to meet the participation rate. Jonathan responded that Maryland could be penalized as much as \$34 million.

DEBRIEF ON 2006 SESSION OF THE MD GENERAL ASSEMBLY

Larry remarked that 2006 was a very busy and productive session. The BWIB testified on a number of bills and budget actions. Copies of testimony are in the handouts. A matrix, also included in the handouts, shows outcomes re: bills that BWIB/MOED tracked during the session. As has been mentioned, the BWIB also responded to the Administration's budget and CAA proposals.

The Adult Education funding formula bill passed and has been signed into law, but it passed without the funding formula. \$500,000 in funding for the Reentry Center at the Northwest Career Center was included in the Department of Parole and Probation's budget; we will have to work hard to retain this funding in the upcoming session.

Devon Dodson outlined a bill promoted by GBC and signed by the Governor which will establish a statewide commission to address the ongoing shortage of healthcare workers. Comprised of 19 members, this commission will report its findings and recommendations in December 2006 and 2007.

ADJOURN – The committee chair adjourned the meeting at 2:05 PM.