

Meeting Summary

The following is a summary of the issues discussed at the DLLR Stat held on July 14, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit.

Follow-Up Items

- Federal Budget Cuts.** DLLR reported that no One-Stop centers in Maryland will be closed as a result of the federal budget cuts. However, ten programs will be eliminated due to a reduction in the WIA state set-aside from 15 percent to five percent. Below is the list of programs that will not be funded because of the federal budget cuts. The agency expects stakeholders to push back on these cuts because they have come to depend on the services and programs these funds have supported. In addition to program cuts, there will be staffing reductions of 11. The impact of staff reductions and maintenance of operations are described in the second table below.

Programs not funded in 2012:	Current Year	Next Year
Maryland Business Works (Incumbent Worker Training)^	\$ 2,000,000	\$ 0
Maryland Business Works Staffing**	\$ 53,000	\$ 0
Apprenticeship Navigators (3 Staff)**(replaced with Special State funding)	\$ 200,332	\$ 0
Supplemental Youth Summer Programs^	\$ 250,000	\$ 0
Civic Justice Youth Corps^	\$ 156,153	\$ 0
OIC, COH (Anne Arundel Job Readiness Center, Center of Help)^	\$ 88,000	\$ 0
Grant Writing/Consultant Services^	\$ 210,823	\$ 0
Local WIA Performance Incentive Awards^	\$ 250,000	\$ 0
MIWE Institute (Staff Training)^	\$ 455,366	\$ 0
WIA Performance Technical Assistance^	\$ 82,500	\$ 0
Baltimore County: Mental Health Worker Training^	\$ 137,500	\$ 0
MDOD Partnership Staffing^	\$ 17,625	\$ 0
Montgomery County: Youth with Disabilities Program*	\$ 65,000	\$ 0
Southern Maryland: Center Excellence in Energy*	\$ 51,912	\$ 0
Total:	\$ 4,018,211	\$ 0

<p>^ denotes DWDAL programs and local grants eliminated by funding cuts * denotes DWDAL programs that are scheduled to sunset or expire at the end of the 2011 Fiscal Year ** denotes DWDAL funding cuts included in staff reductions</p>

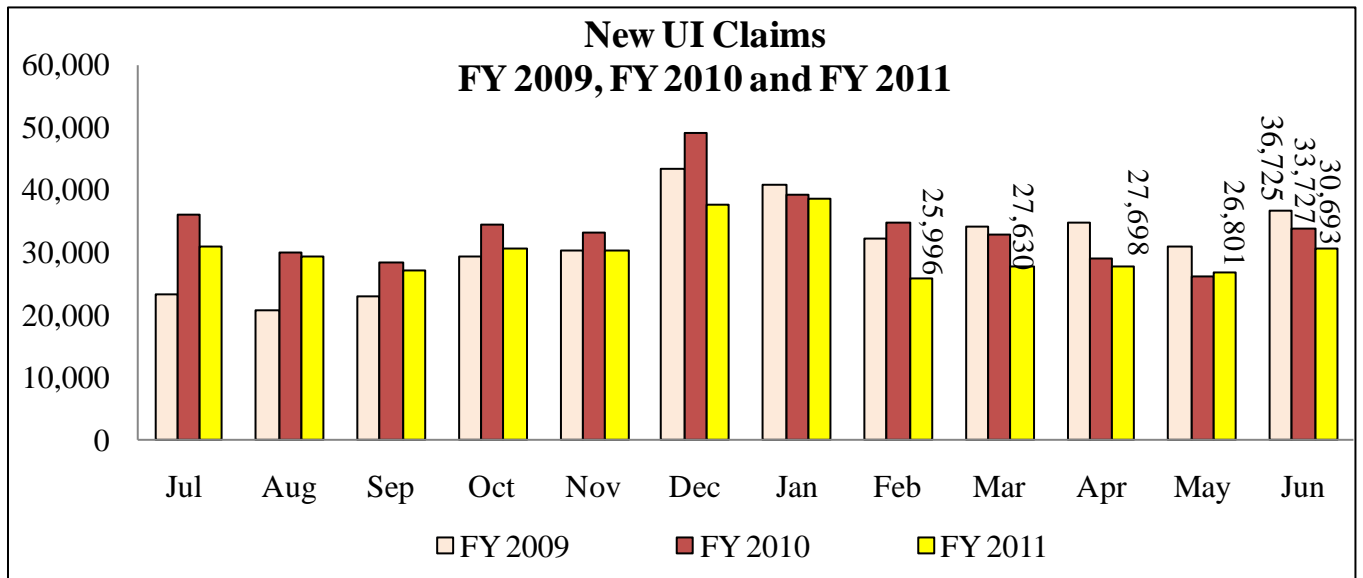
Impact of Federal Budget Cuts		
Division	Staffing Reduction	Maintenance of Operations
Division of Workforce Development and Adult Learning (DWDAL)	9 to 2	essential staff will conduct fiscal monitoring
Governors Workforce Investment Board (GWIB)	8 to 4	developing short-term, project specific contractual/consulting arrangements
Apprenticeship and Training	contractual staff will be maintained	maintain apprenticeship certification and implement pre-apprenticeship program

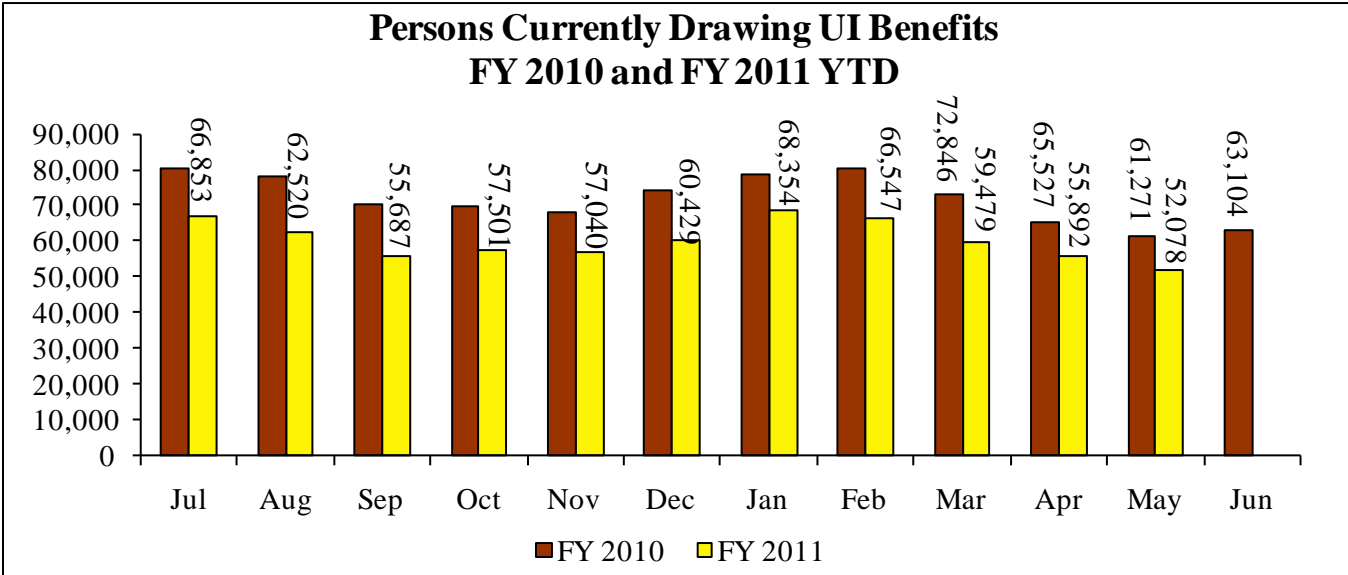
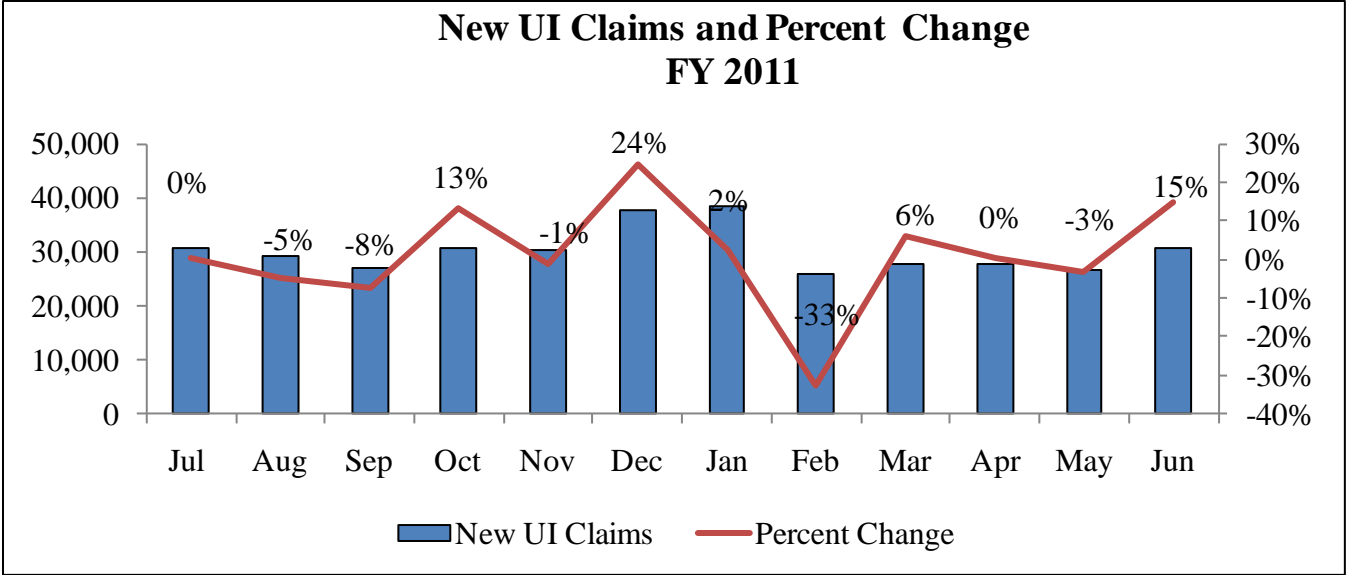
The panel noted that two of the eight Governor's Workforce Investment Board positions were already vacant, and that the occupants of the other two positions reduced were not relocated to another part of the agency. The panel further noted that of the seven DWDAL positions reduced, most were contractual or part time consultants.

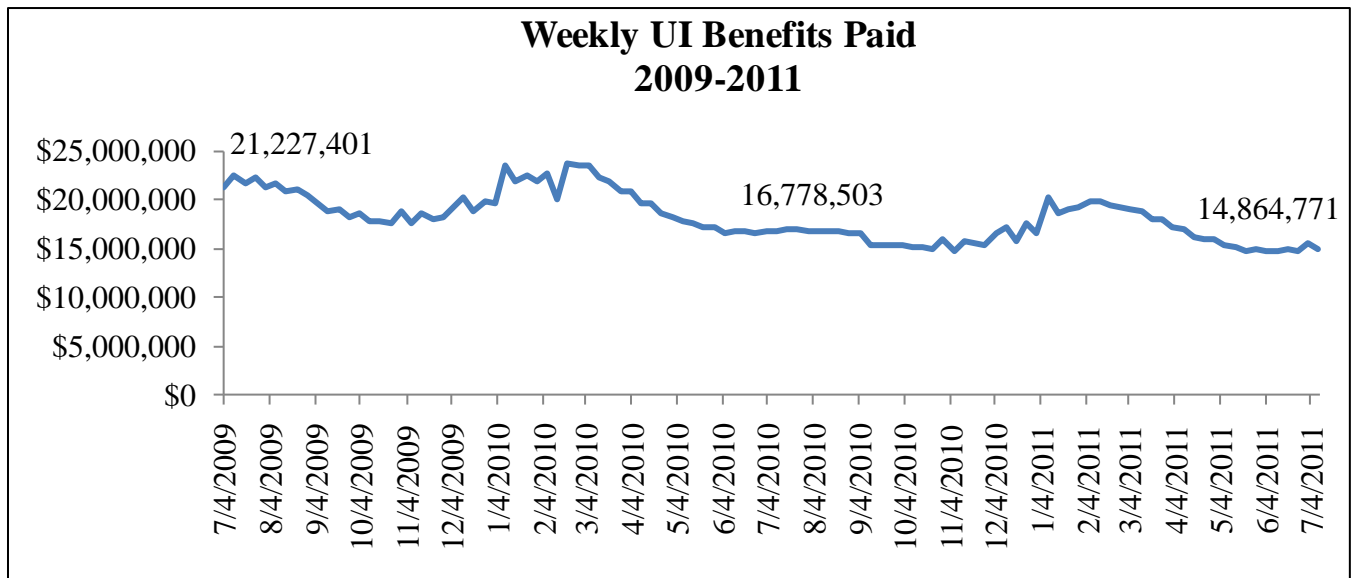
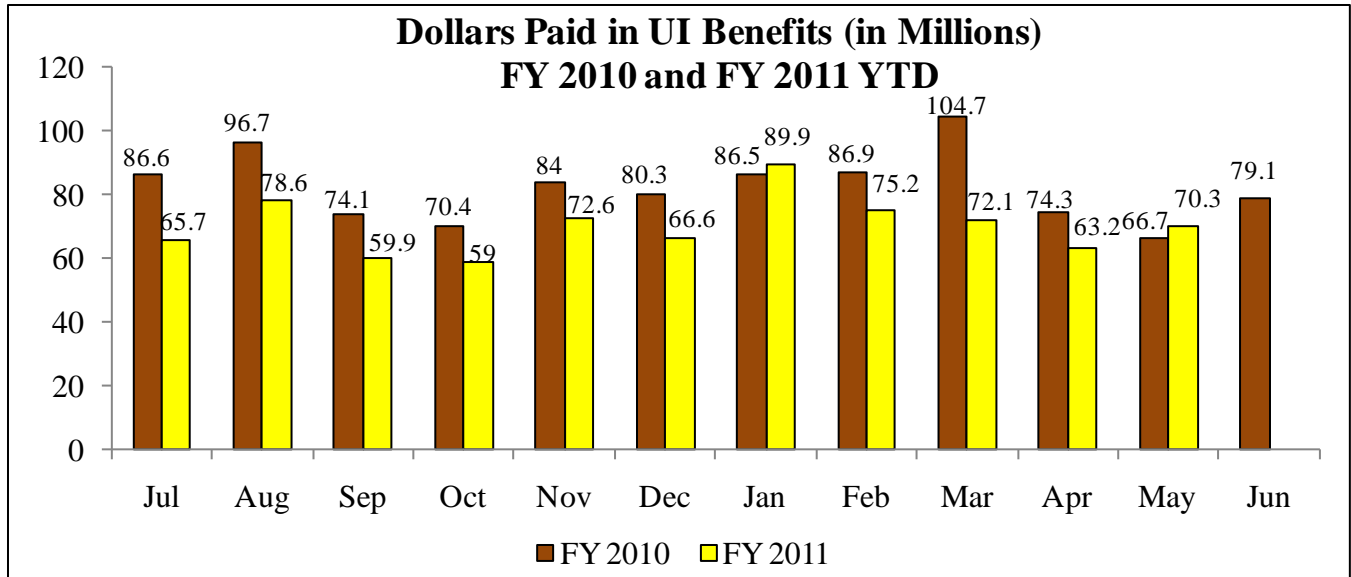
- **HIRE Maryland.** Although the H.I.R.E. program ended on 12/31/2010, employers may continue to file on-line for tax credit certifications if employees were hired during the applicable time period in 2010 (i.e., by 12/31/2010). As of June 21, 885 employers had hired 1,892 Marylanders through the credit.
- **Assistance for Formerly Incarcerated Veterans.** Howard County Veteran Representatives met with Maryland Pre-Release Program staff to explore ways of accessing and meeting with incarcerated veterans who are scheduled for release and re-entry into society. The pre-release program is located in Howard County; additionally, a variety of other facilities exist in Anne Arundel County. Approximately 20 percent of the persons released in this area are processed through this pre-release center. The remaining 80 percent are released directly from the actual facility.
 - The panel noted that the Agency must work with the counties that have Incarcerated Veterans programs.
- **CBL/NMLS.** The panel may recall the discussion at the previous StateStat meeting of how CBL and NMLS would interface. Financial Regulation contacted NY, PA, MA and NC (NY did not respond); the states that responded have not reported any difficulty with a CBL/NMLS interface. The states incorporated the NMLS links into the CBL design, which functions as a front-end webpage (or a table of contents) that links to pages with more detail.

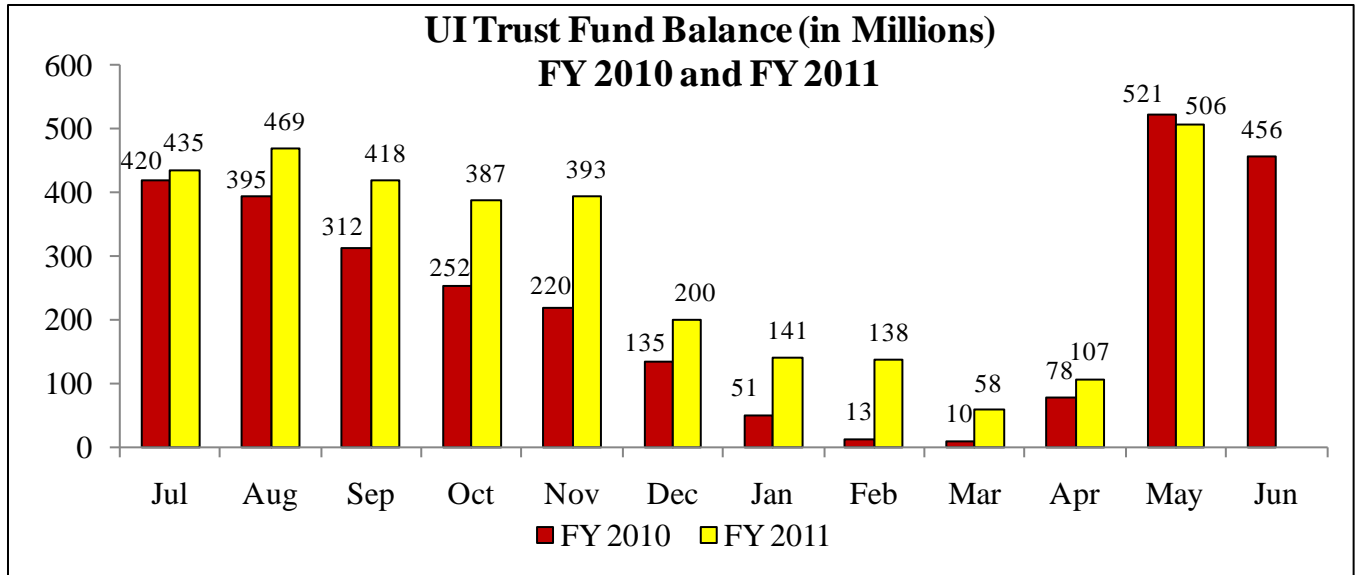
Unemployment Insurance

- **Key Metrics.** In June 2011 new claims for Unemployment Insurance (UI) increased by 15 percent, the highest increase in FY 2011 since December. New claims declined in May. Persons currently drawing UI benefits also decreased slightly in May, while dollars paid in UI benefits increased. Weekly UI benefits paid for 7/9/2011 were down 11 percent from the comparable week in 2010, and down 30 percent from the comparable week in 2009. The UI trust fund balance increased in May, which appears to be a seasonal trend.
 - The Agency noted that there are extra claims in December and June due to seasonal labor. Particularly in June, many school related (teachers, bus drivers, other school staff) positions are terminated in June and they are rehired in the fall when school resumes. These personnel may only collect Unemployment Insurance if they have a “reasonable assurance” of being rehired.



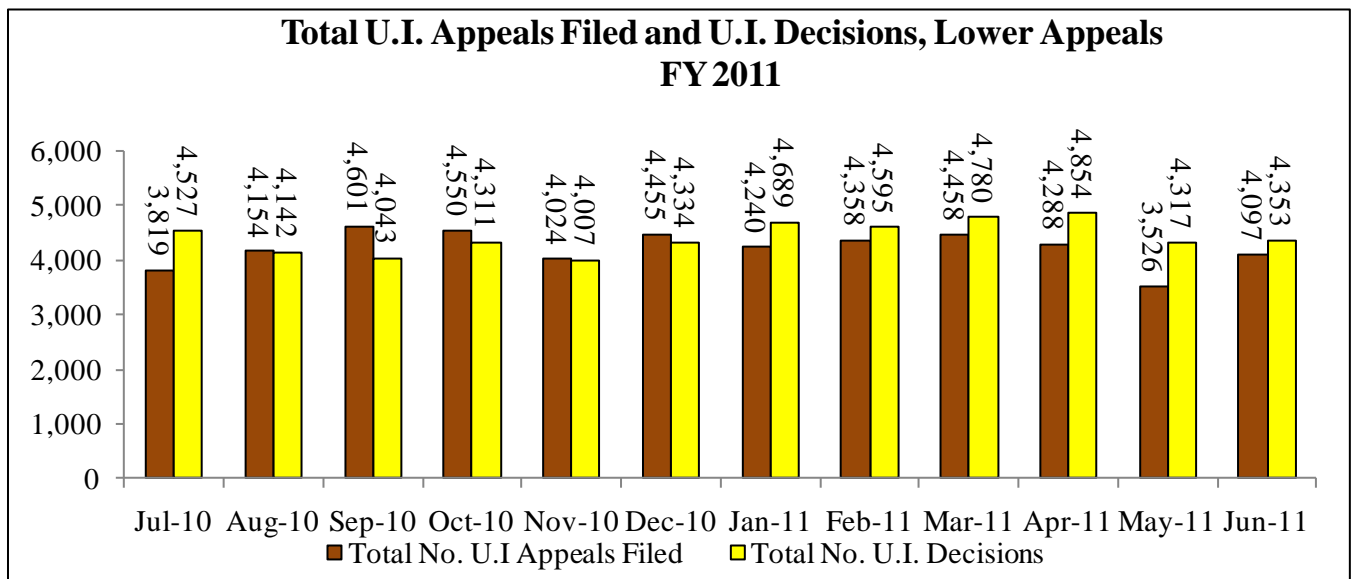


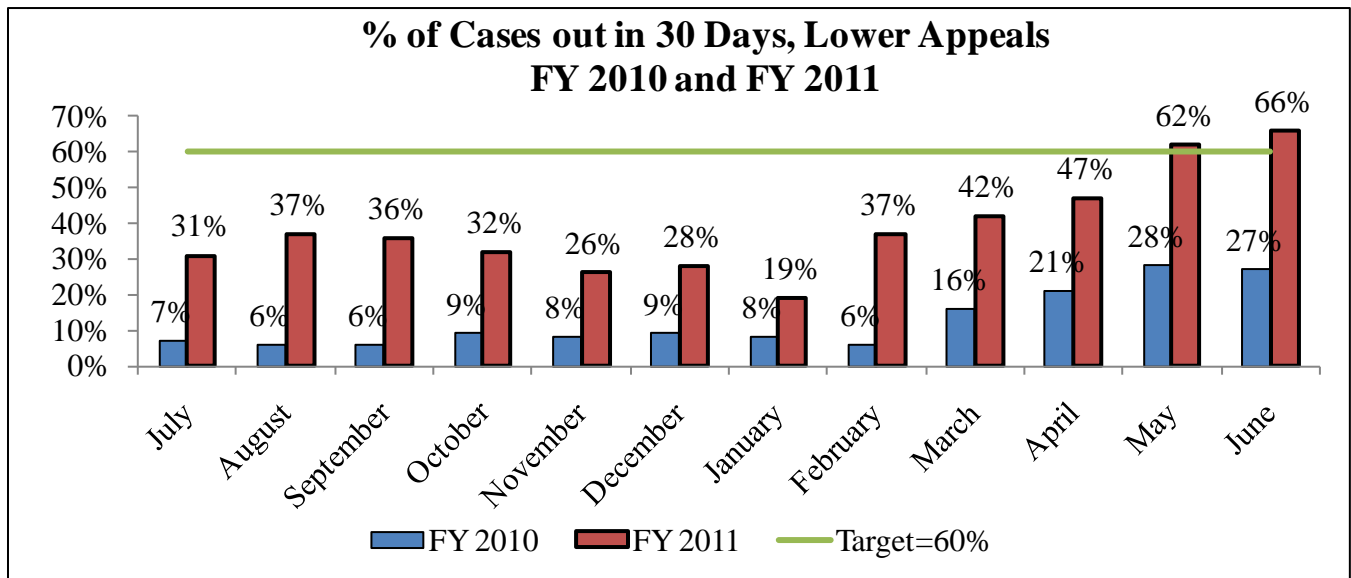
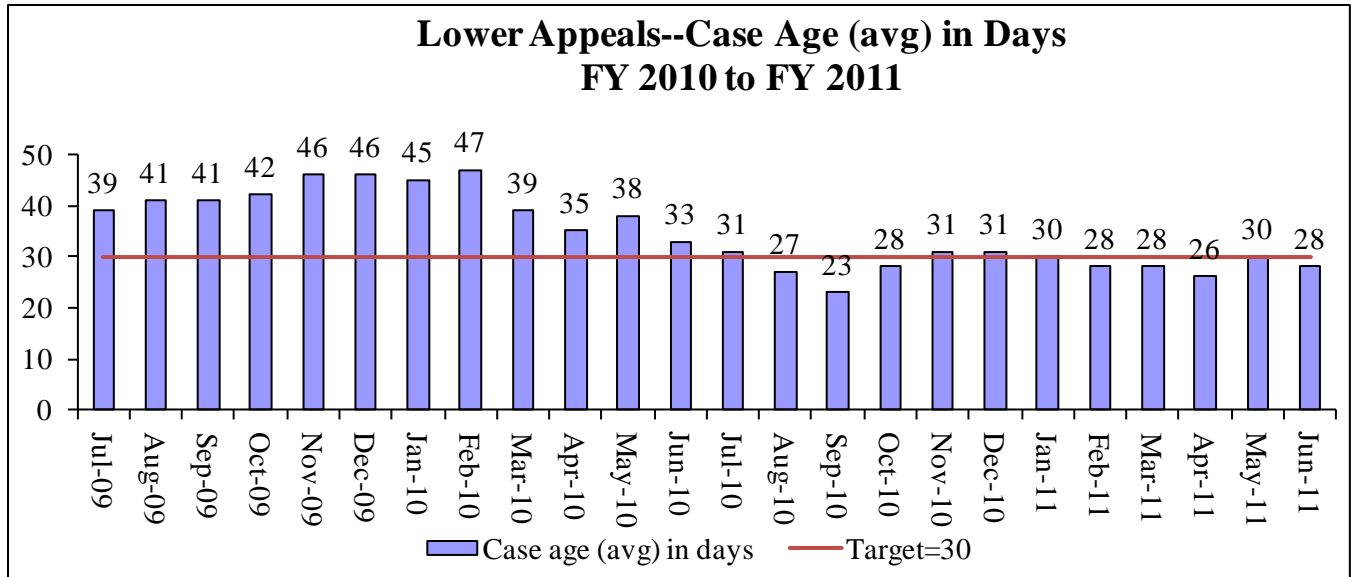


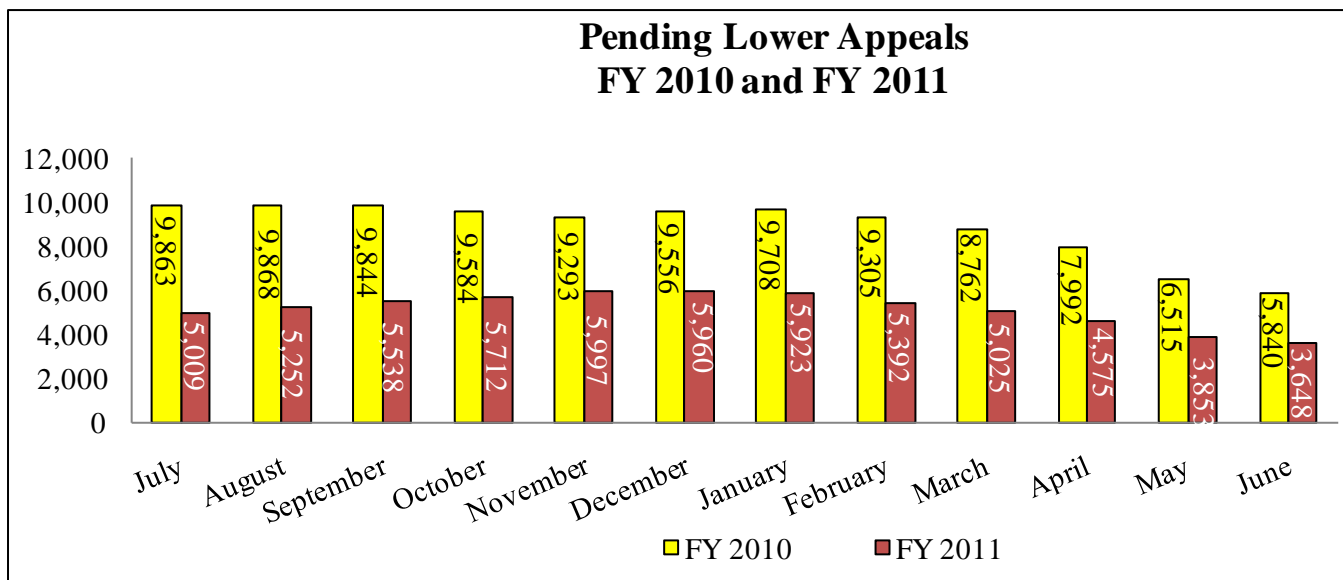
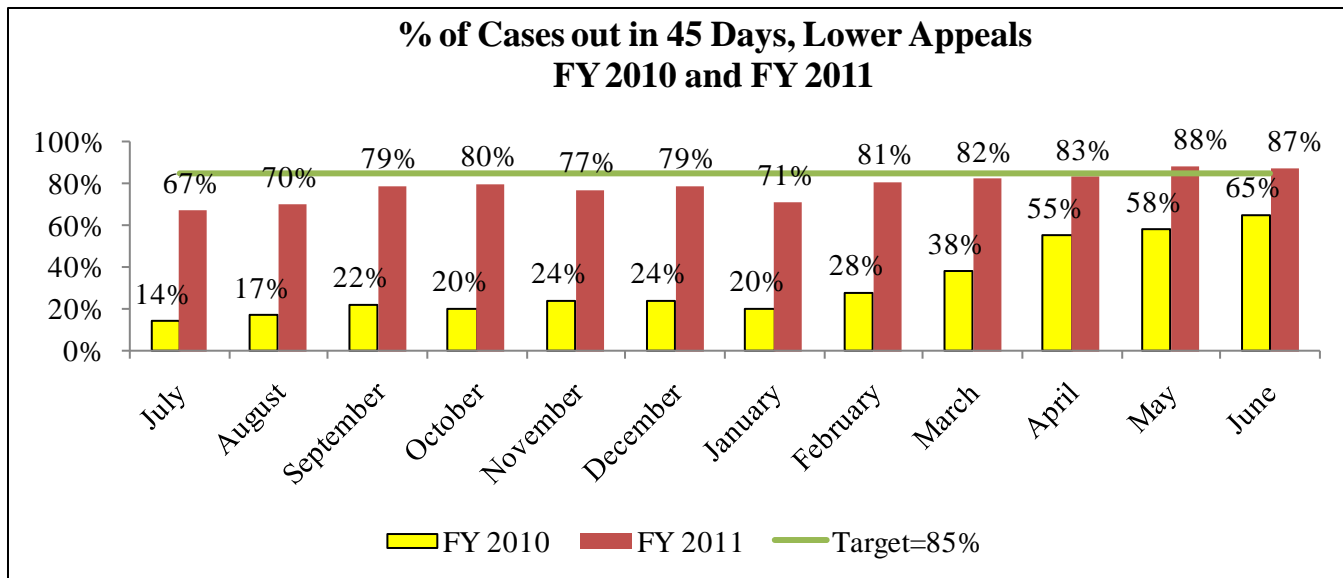


Unemployment Insurance Appeals

- Lower Appeals.** The number of lower appeals decisions surpassed the number of appeals filed for the sixth consecutive month in June 2011, as shown in the chart below. In FY 2011 the average case age was 28 days, below the target of 30 days. In May the percent of cases out in 30 days surpassed the goal of 60 percent for the first time since June 2008. Cases out in 45 days surpassed the 85 percent goal in May for the first time since September 2008. Pending lower appeals decreased in June 2011 to a level 37 percent lower than June 2010. The agency noted that Maryland is very proud to be one of only 20 states that have funded Unemployment Insurance Trust funds.

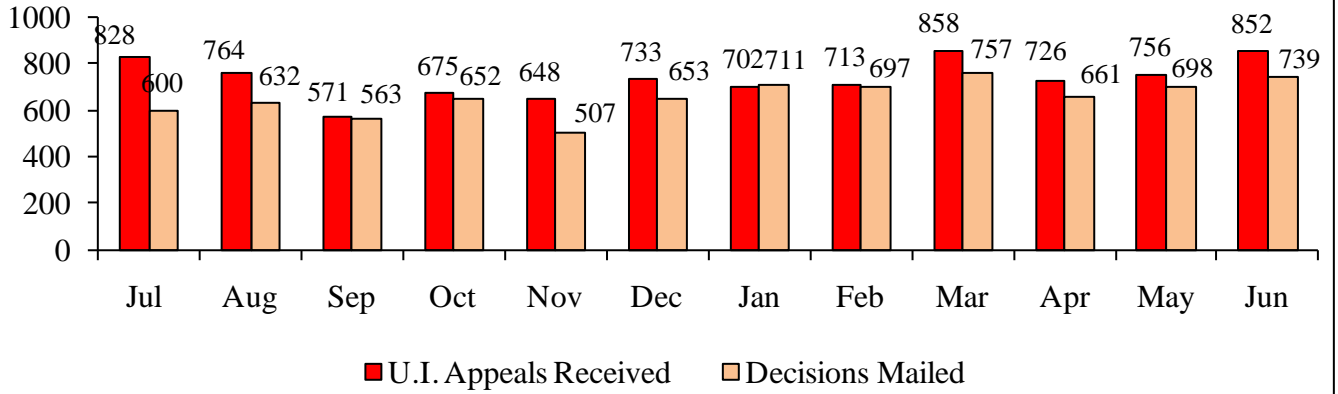




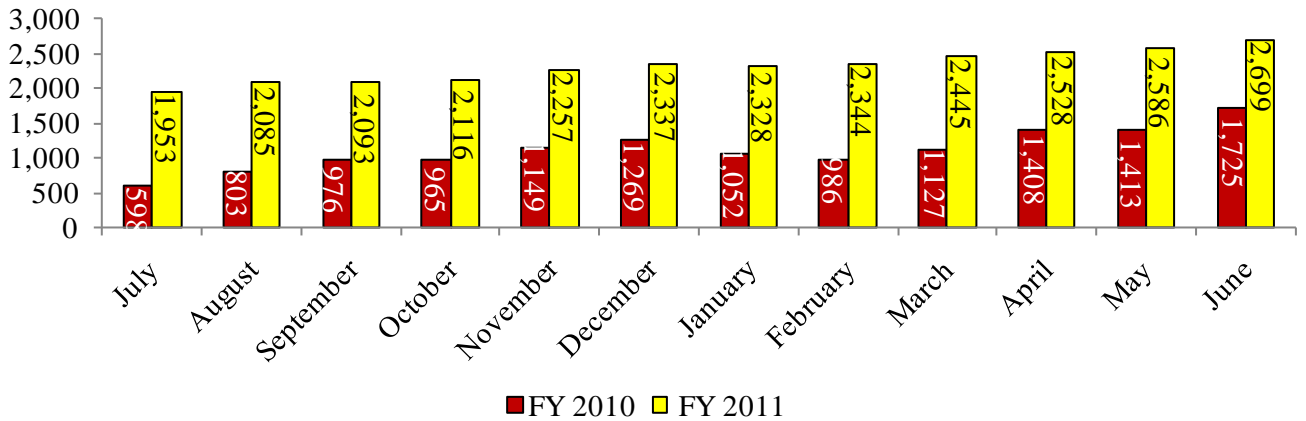


- **Higher Appeals.** In June the number of higher appeals received remained higher than the number of decisions mailed. The number of pending higher appeals continued to increase. The average case age held steady at 57 days in April, May and June, after declining since January. In FY 2010 the percent of higher appeals cases out in 45 days exceeded the USDOL time lapse standard of 50 percent in eight months out of the year. Higher appeals cases out in 45 days never reached 50 percent in FY 2011. Meanwhile, the percent of cases out in 75 days met or exceeded the USDOL time lapse standard of 80 percent in ten months in FY 2010, but not did meet 80 percent in FY 2011.
 - The panel asked the agency to make a timeline of what they expect to happen based on the volumes in Lower Appeals cases. Approximately 14% of lower appeals cases are referred to higher appeals.

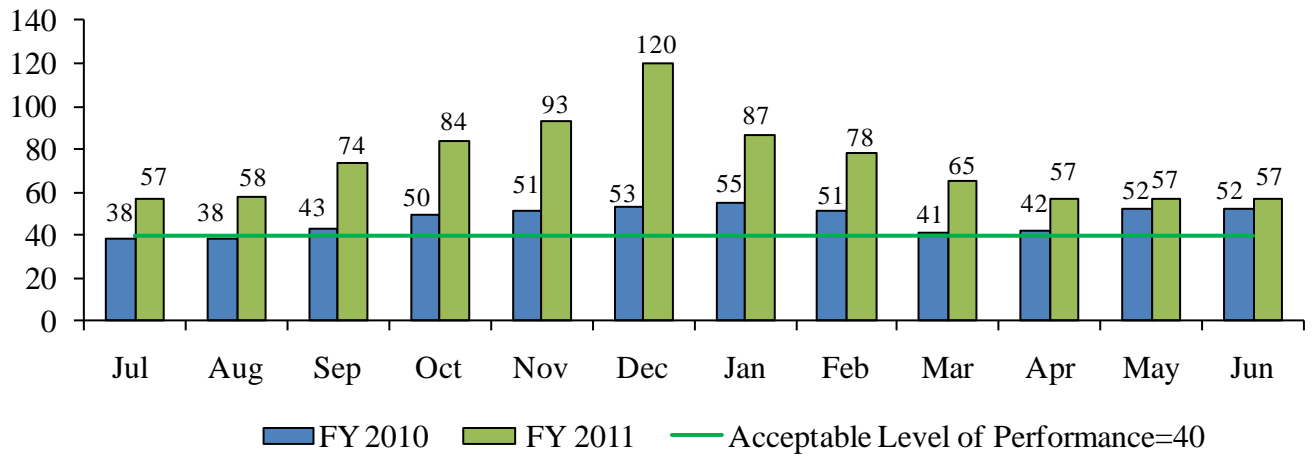
Higher Appeals Received and Decisions Mailed FY 2011



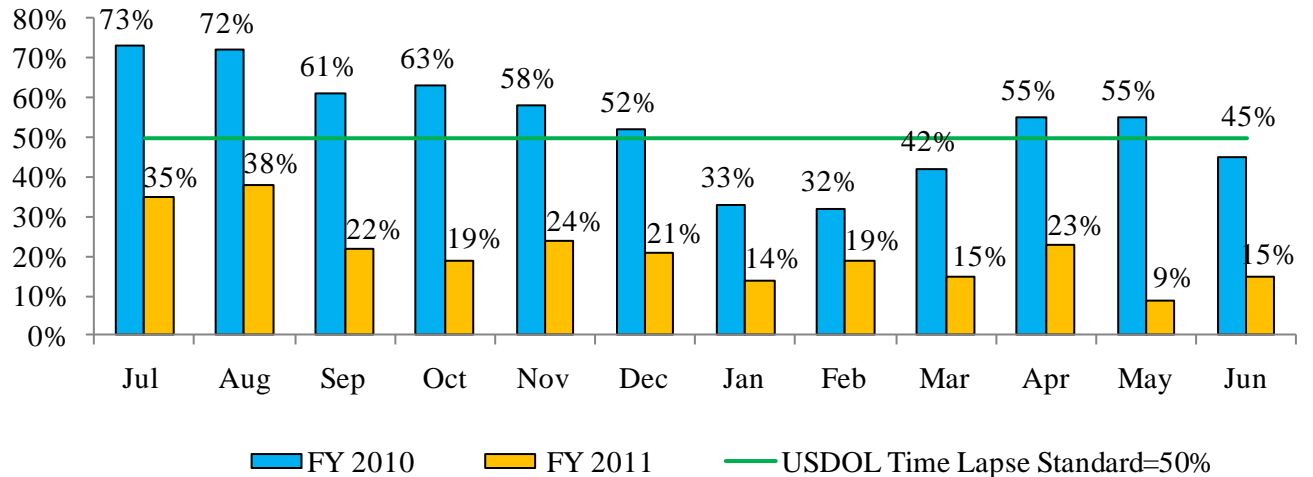
Pending Higher Appeals FY 2010 to FY 2011 YTD

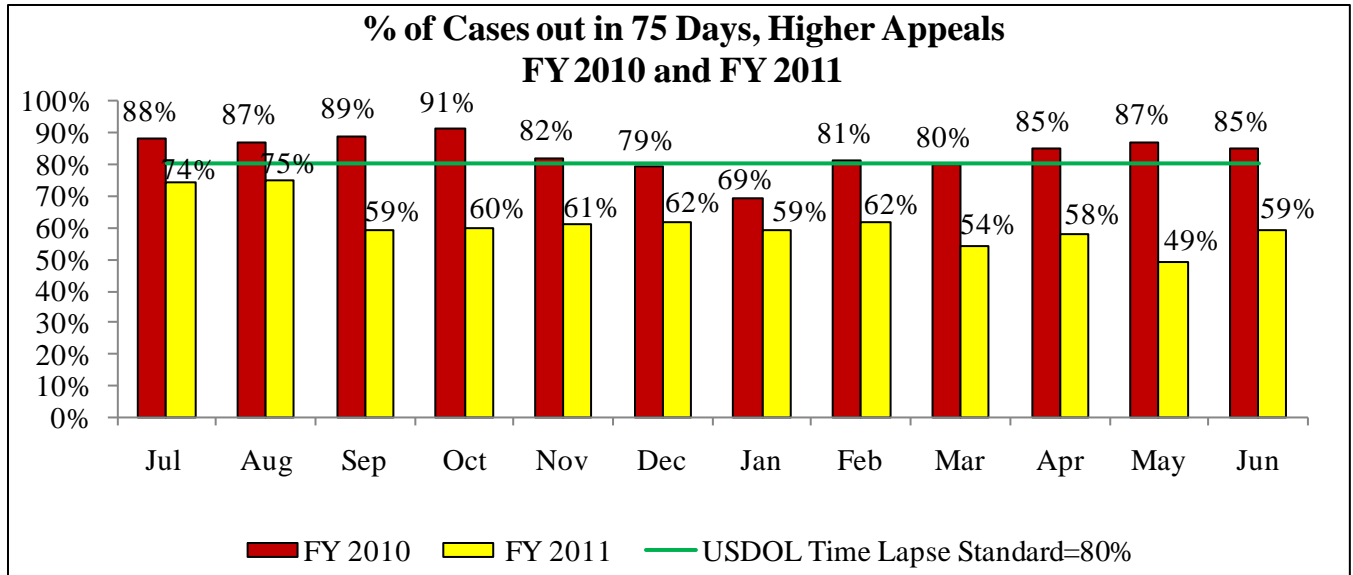


Higher Appeals Case Age (avg) in Days FY 2010 and FY 2011



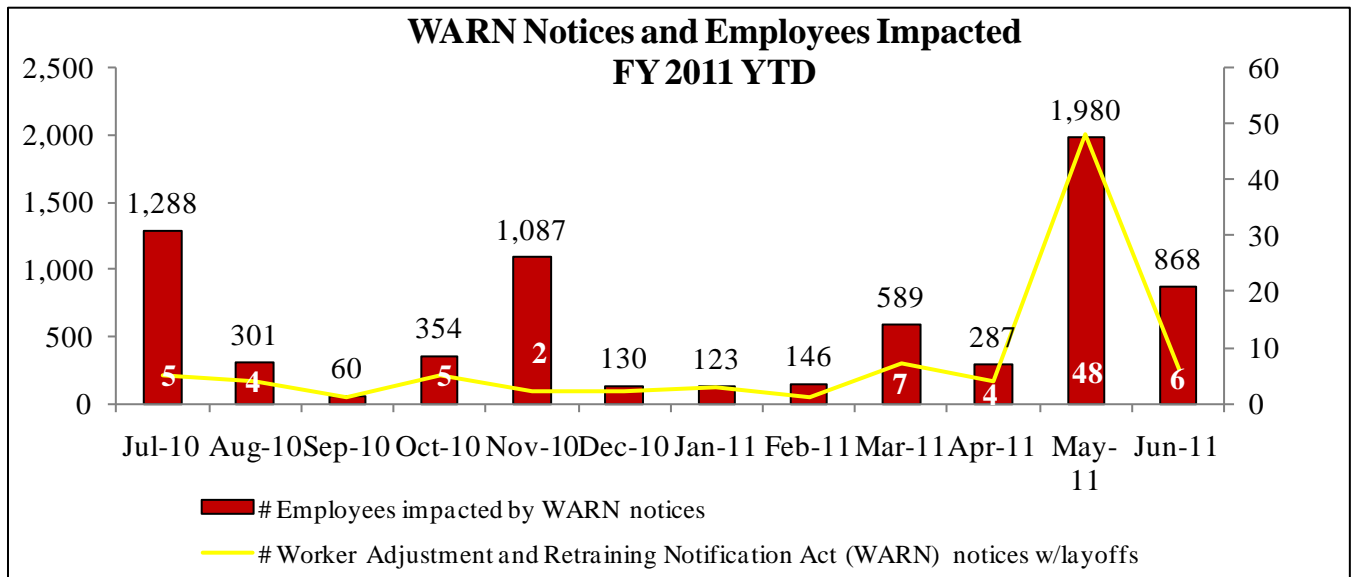
% of Cases out in 45 Days, Higher Appeals FY 2010 and FY 2011





Division of Workforce Development and Audit Learning (DWDAL)

- WARN Notices.** DLLR has reported 69 WARN notices affecting 3,993 workers in the second half of FY 2011 YTD, far more than the 19 reported from July through December. In May 22 of the notices were due to Super Fresh closings, which will affect 1,477 employees. The agency is developing strategies to engage more community-based organizations and other partners that provide services that would be of assistance during the Rapid Response process. DLLR reported that it has asked the WIAs to provide a list of partners to work with the Rapid Response team by July 11.

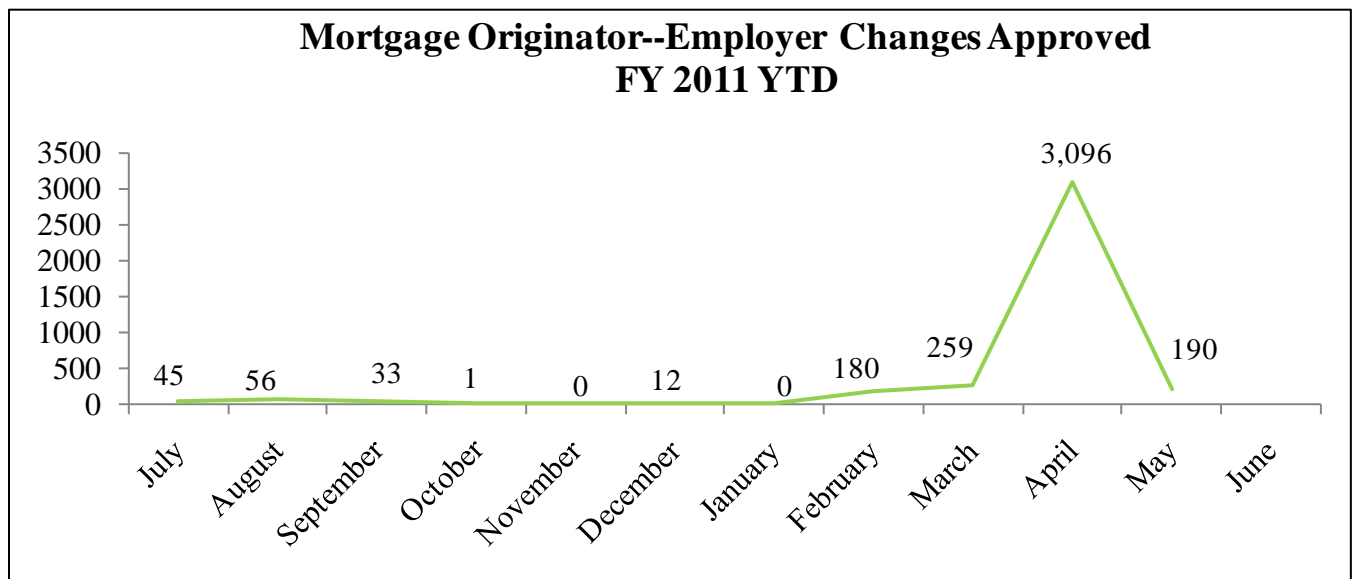


- Severstal.** DLLR reports that 53 former Severstal employees out of 1,012 laid off have registered with the Maryland Workforce Exchange (MWE).

- The Agency informed the panel that they are having difficulty communicating with Severstal since lately, but finally made contact last week.
- Further, it was noted that the spike in May was due to the closure of Super Fresh. 20 stores were closed and two will not be reopening.
- **Health IT Curriculum.** DLLR and the Maryland Health Care Commission (MHCC) have been in discussions regarding discussed incorporating non-degree health IT community college programs into the One-Stop system.

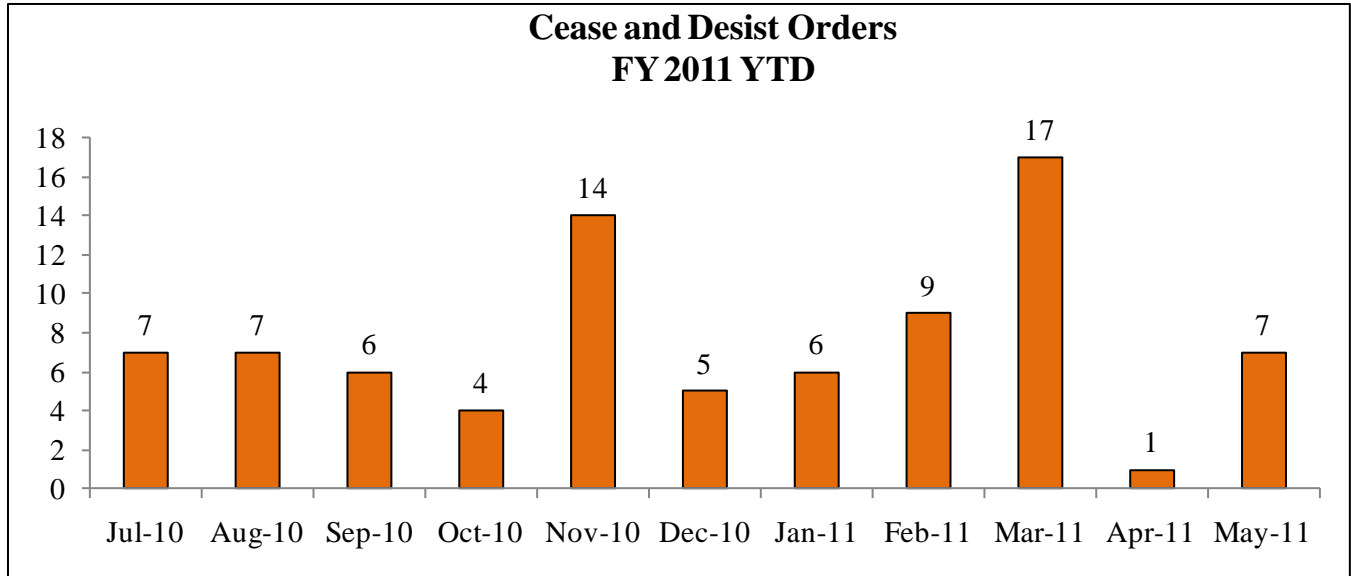
Financial Regulation

- **Employer Changes.** The number of employer changes approved spiked in April, due to the agency request that all mortgage loan originator licensees complete sponsorship via the Nationwide Mortgage Licensing System NMLS website by May 15. Sponsorship is the authorization for a loan officer to conduct business under a specific license on behalf of a state licensed company. DLLR is currently resolving the requests in the pipeline, which may have been requested as early as May 2009, but the Agency did not start using the NMLS sponsorship functionality until February of 2011.
 - The agency noted that there was a recent 17 count conviction on a mortgage fraud. The panel encouraged the agency to issue a press release about this success.

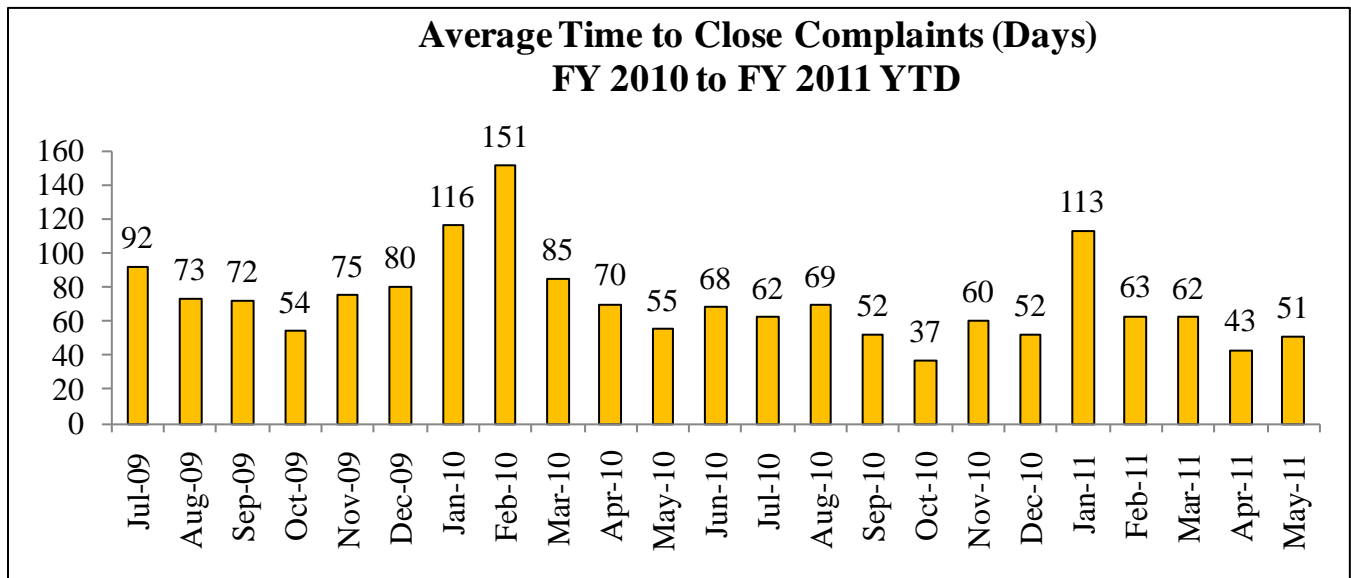


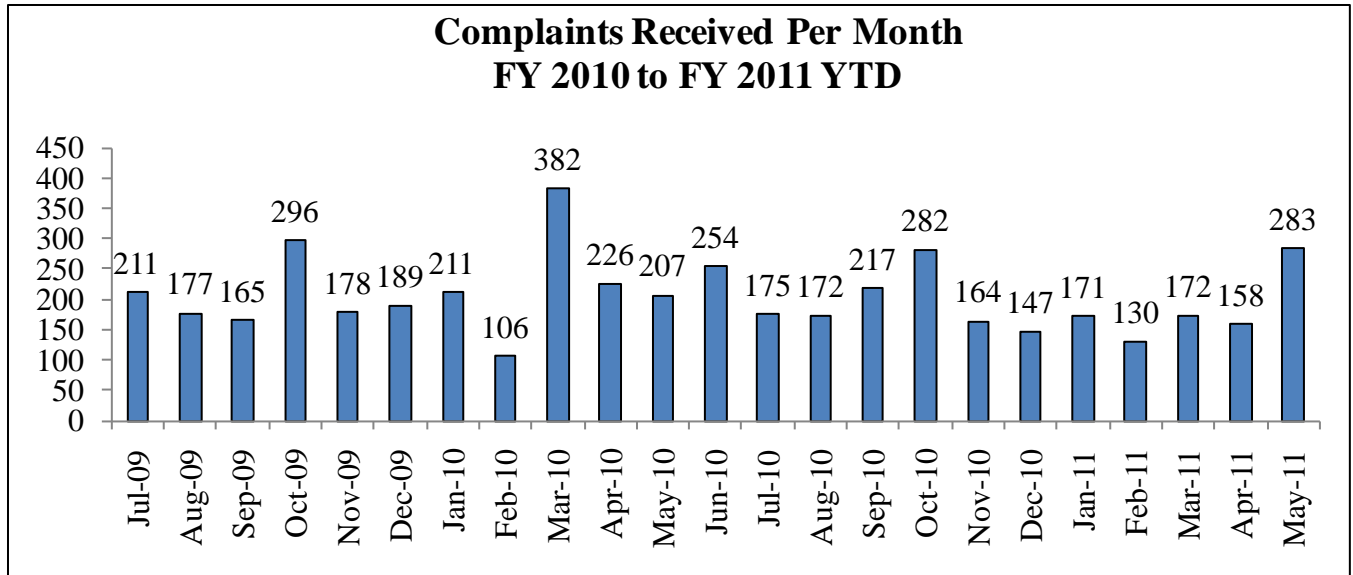
- **Cease and Desist Orders (C&Ds).** The seven C&Ds reported in May include six loan modification companies and one mortgage lender, CashCall, Inc. CashCall is currently involved in another administrative action for acting without a required Credit Services Business license. OAH handed down a decision in favor of the Commissioner. While that decision is under appeal, the mortgage lender license was suspended given the situation.

- The Agency mentioned that many victims are still paying up-front fees. The agency is discussing redeveloping their hotline script to include a suggestion not to continue paying fees when a victim realizes they are suffering from fraud.

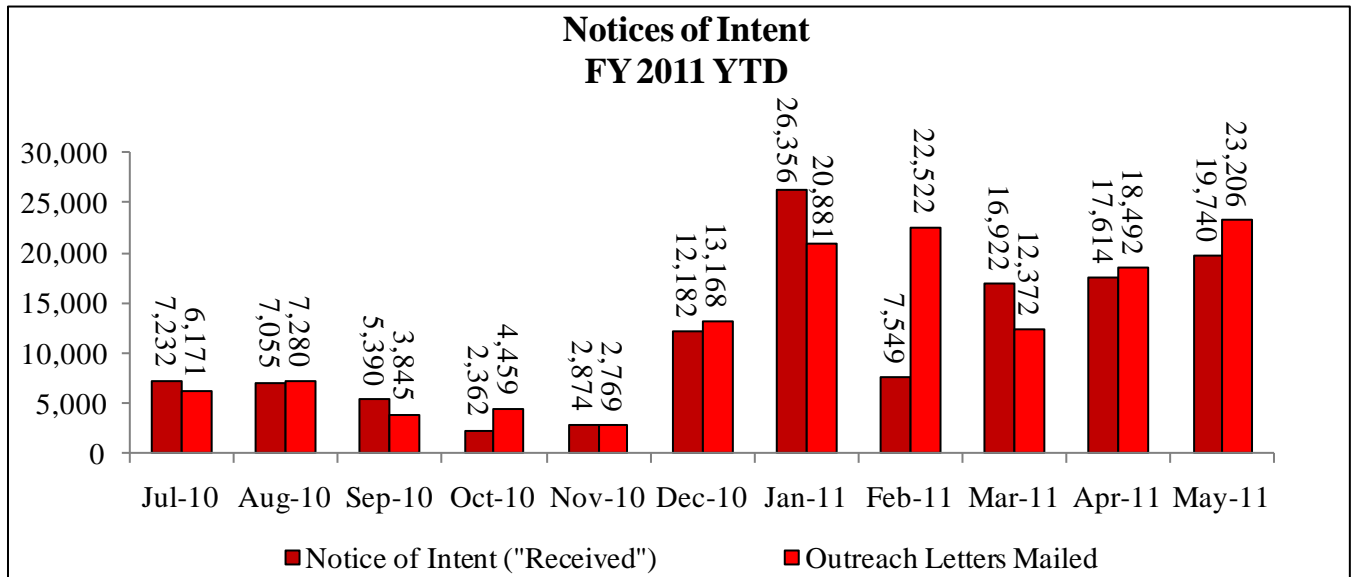


- **Complaints.** DLLR reported that the decrease in the average days to close mortgage complaints in April was due to a complaint pipeline review, in which complaints over 200 days old were closed out. However, this metric increased in May, perhaps due to the increase in complaints received in May—the highest number since March 2010.
 - The agency noted that sometimes complaints are sent in batches.





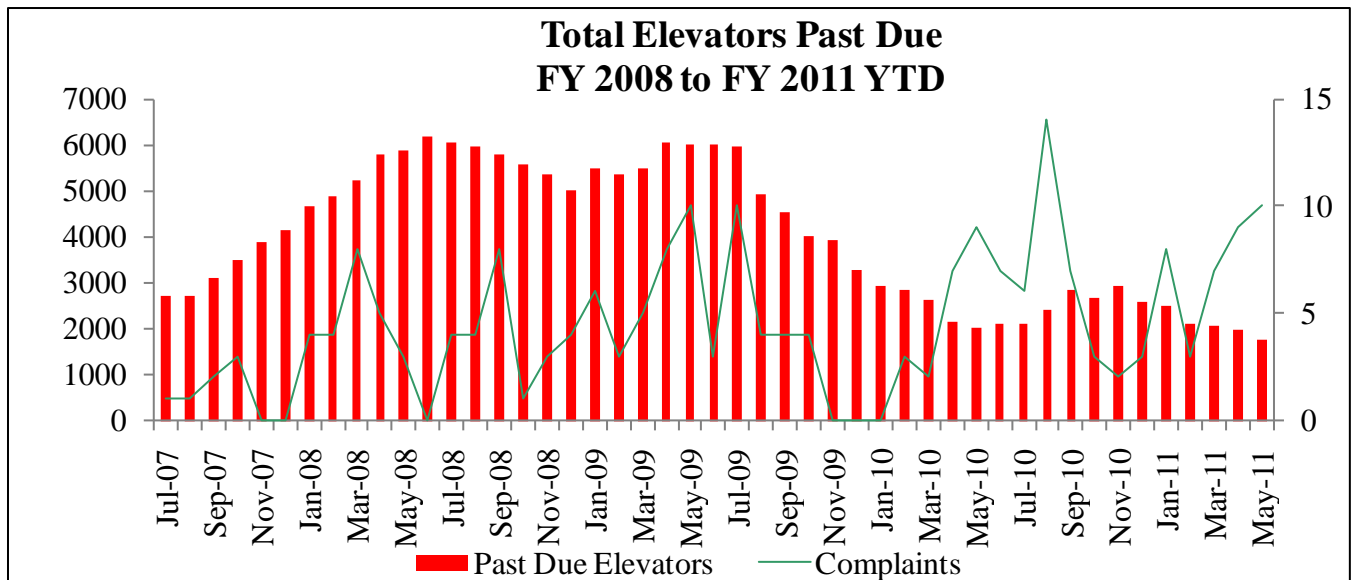
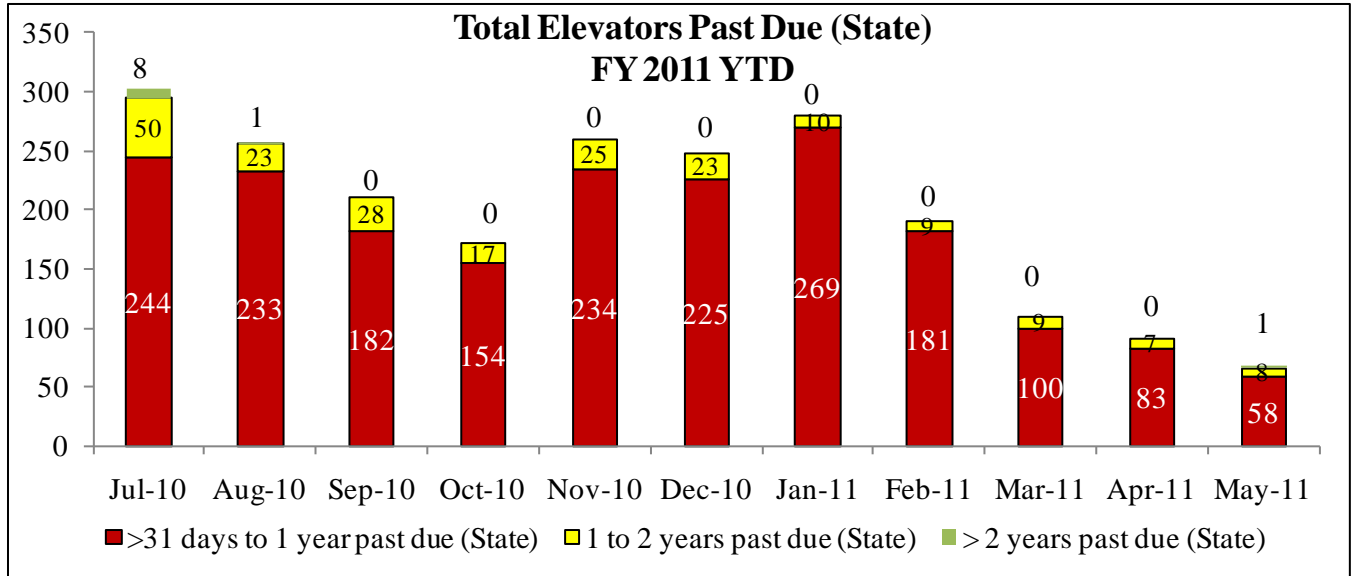
- Notice of Intent.** Notice of intent letters mailed jumped to 23,206 in May because some of the prior month's outreach letters were carried over from the previous month. 19,740 notices were received in that month.



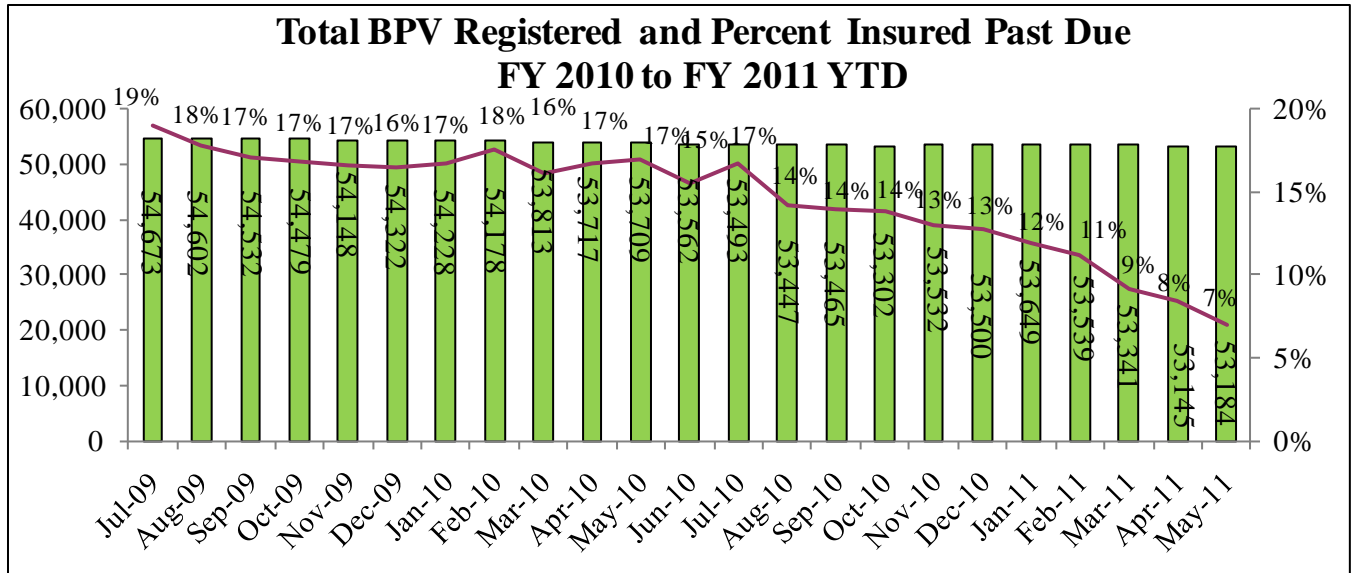
Labor and Industry

- Elevator Inspections.** The number of past due State elevators has decreased to 67 in May 2011, the lowest number since StateStat has been collecting this data. Total elevators past due (state and private) have decreased to 1,761 in May 2011. However, the number of complaints has been increasing, with 72 complaints reported in FY 2011 YTD, compared with 50 in FY 2010 and 59 in FY 2009.

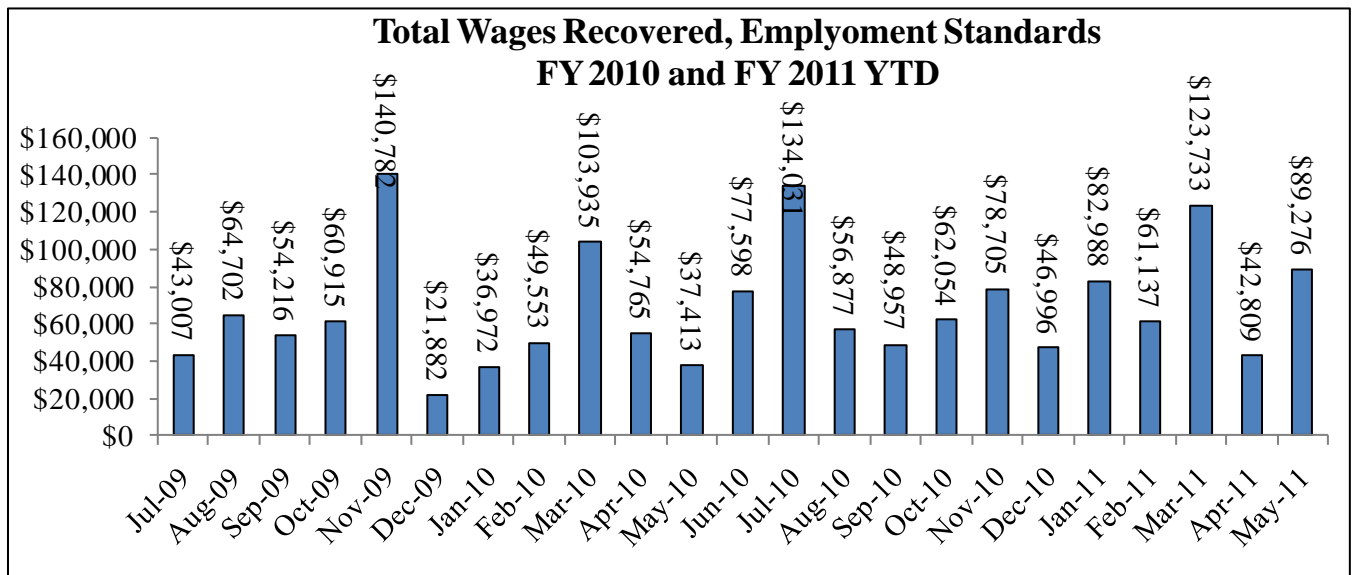
- The panel asked the agency for a breakdown of the types of complaints they are receiving.
- The panel also requested that the agency make a goal for the number of elevator inspections they wish to complete.



- **Boiler and Pressure Vessels (BPV).** DLLR has devised a plan to reduce the number of overdue insured BPV objects. For each insurance company DLLR has set monthly goals based on the number of overdue objects, and the length of time the objects have been overdue. The insurance companies receive a new plan each month showing the number of inspections required per workday. An example of the plan for Chubb can be shown at the panel's request. DLLR has reduced BPV past due as a percentage of total BPV registered to seven percent.



- Wages Recovered.** Total wages recovered by the Employment Standards Division doubled in from April to May 2011. In the same month, the amount of prevailing wage restitution recovered increased by over 200 percent. The agency noted that they have no control over the size of the recoveries, but only over the number of recoverable cases per month.



Amount of Prevailing Wage Restitution Recovered FY 2010 and DY 2011 YTD

