

Meeting Summary

The following is a summary of the issues discussed at the Department of Labor, Licensing and Regulation (DLLR) Stat held on October 13, 2011. Analysis is provided by StateStat.

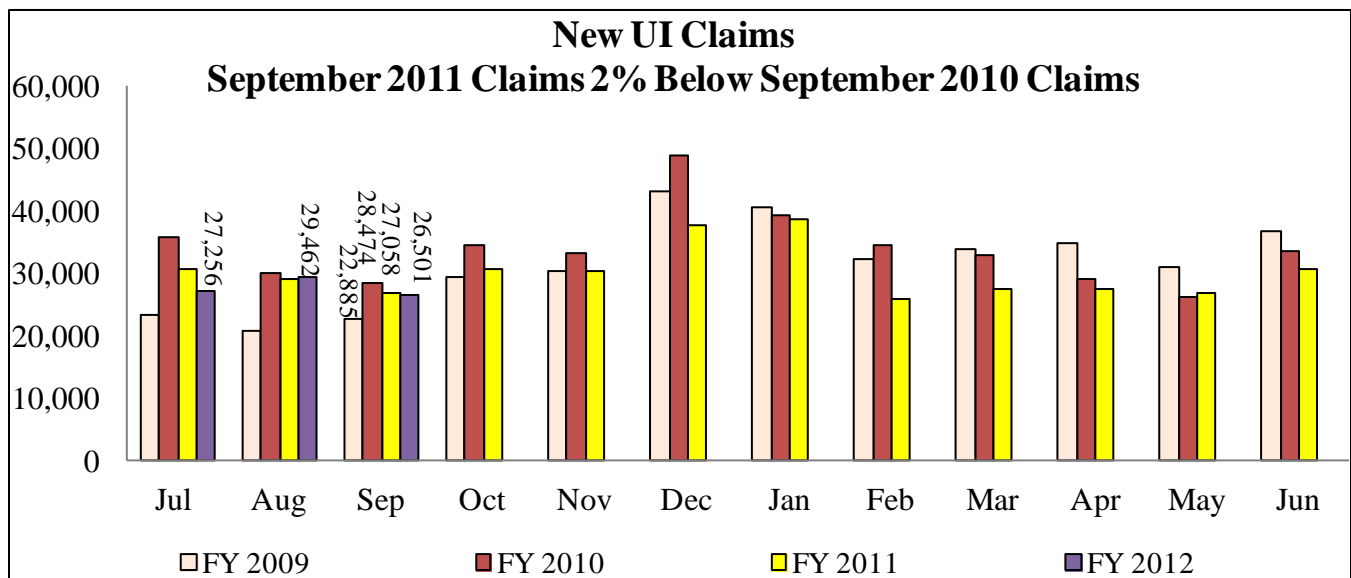
Follow-Up Items

- **Audit Report.** An audit released to the public on October 12th addresses issues within the Office of the Secretary, Division of Administration, and DWDAL for the period of September 1, 2007 until June 30, 2010. The audit disclosed a number of IT issues regarding online services offered on the DLLR website that supports the activities of other DLLR divisions. DLLR concurred with all nine findings, which are reproduced below.
 - The Secretary reported that findings 5 through 9 have already been fixed, and findings 1 through 4 will be corrected by December.
 - As nothing was actually lost or stolen, the Secretary notes that these findings identified potential future problems with specific processes.

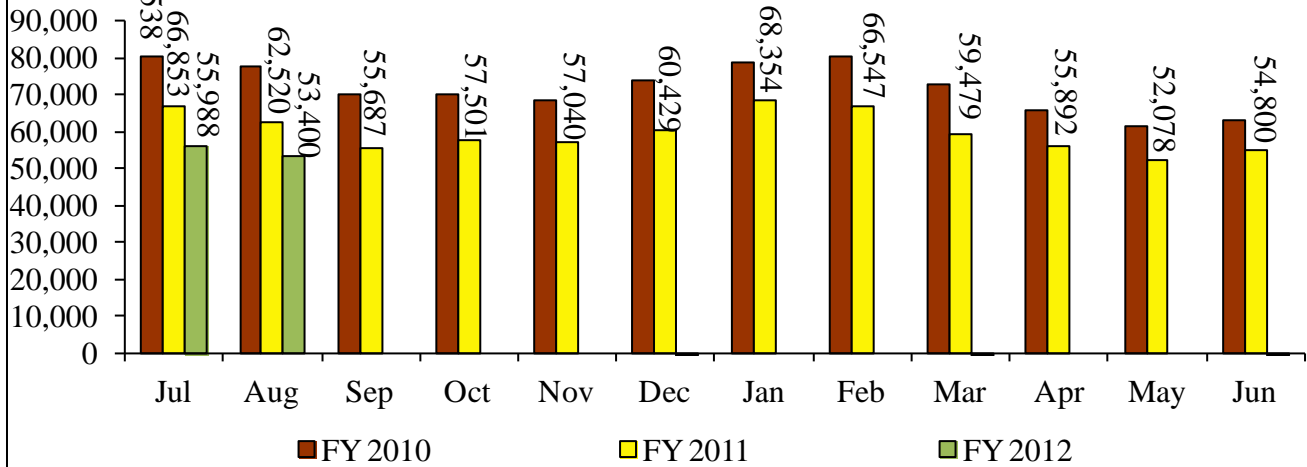
Audit Findings, Office of the Secretary, Division of Administration, and DWDAL, September 1, 2007 - June 30, 2010	
Finding 1	Sensitive information relating to unemployment insurance claims was not adequately protected
Finding 2	Proper security measures were not established over the electronic licensing application
Finding 3	The electronic licensing system was not properly monitored or protected from external threats
Finding 4	Adequate controls had not been established over a critical server and database
Finding 5	Sufficient controls were not established over certain collections
Funding 6	Controls over processing cash receipts using remote deposit need improvement
Funding 7	Reconciliations of electronic licensing collections with amounts allocated to boards or recorded were not adequate
Finding 8	Controls over personnel and payroll transactions were not adequate
Finding 9	Proper controls were not established over DLLR's equipment

Unemployment Insurance

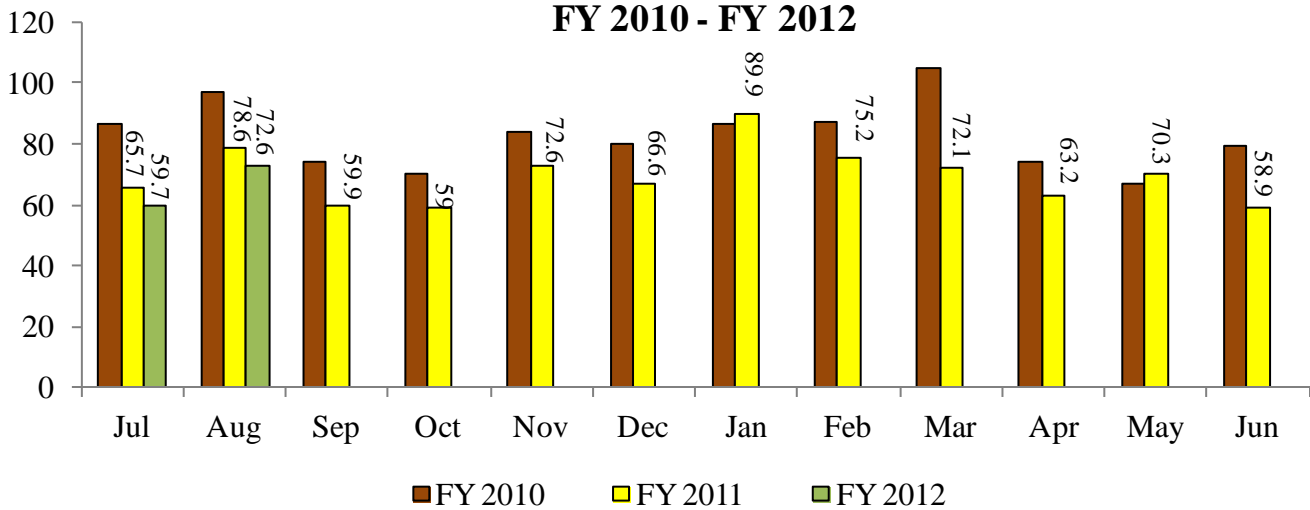
- **Extended Benefits.** Effective October 2, 2011, the Maryland Unemployment Insurance Law began to provide for an additional thirteen weeks of unemployment insurance benefits, known as the Extended Benefits (EB) program. Individuals must be unemployed, and ineligible for any other type of unemployment insurance benefits. EB benefits will be denied to anyone who quits employment in order to file for these benefits. The EB program may provide the additional weeks of benefits to individuals who have exhausted their 47 weeks of Emergency Unemployment Compensation (EUC) benefits. The EB Program has stricter eligibility requirements than EUC, and requires more intensive work search efforts. Letters were mailed on September 30th and October 1st to individuals who are potentially eligible for benefits under the EB program. The Extended Benefits program will be in effect until December 31, 2011.
 - As of October 13th, the agency had received over 27,000 claims, almost 20,000 through the internet.
- **Key Metrics.** New UI claims in September 2011 were two percent below and September 2010 and seven percent below September 2003. The year over year difference in new UI claims has been decreasing. In August 2011, persons currently drawing UI benefits decreased slightly from July 2011, but remained 14 percent below August 2010. Dollars paid in UI benefits increased slightly due to the extra Monday in the month. Benefits paid the week of 10/8/2011 were nine percent below the comparable week in 2010 and 23 percent below the comparable week in 2009. The UI trust fund balance increased from July to August, a pattern that has occurred in previous years.
 - The agency reported that September was a good month for new UI claims following a slight increase from July to August.



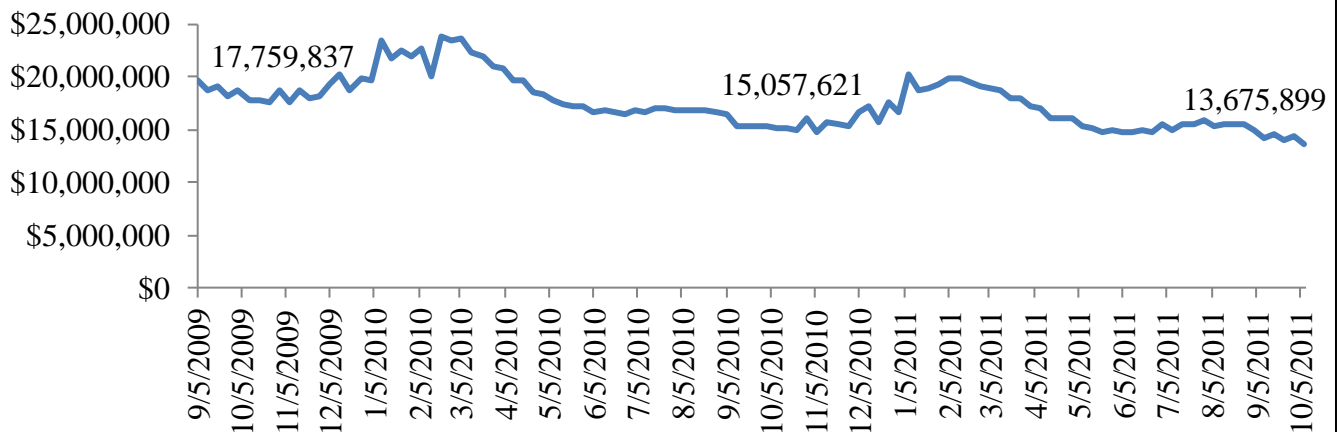
Persons Currently Drawing UI Benefits FY 2010-FY 2012

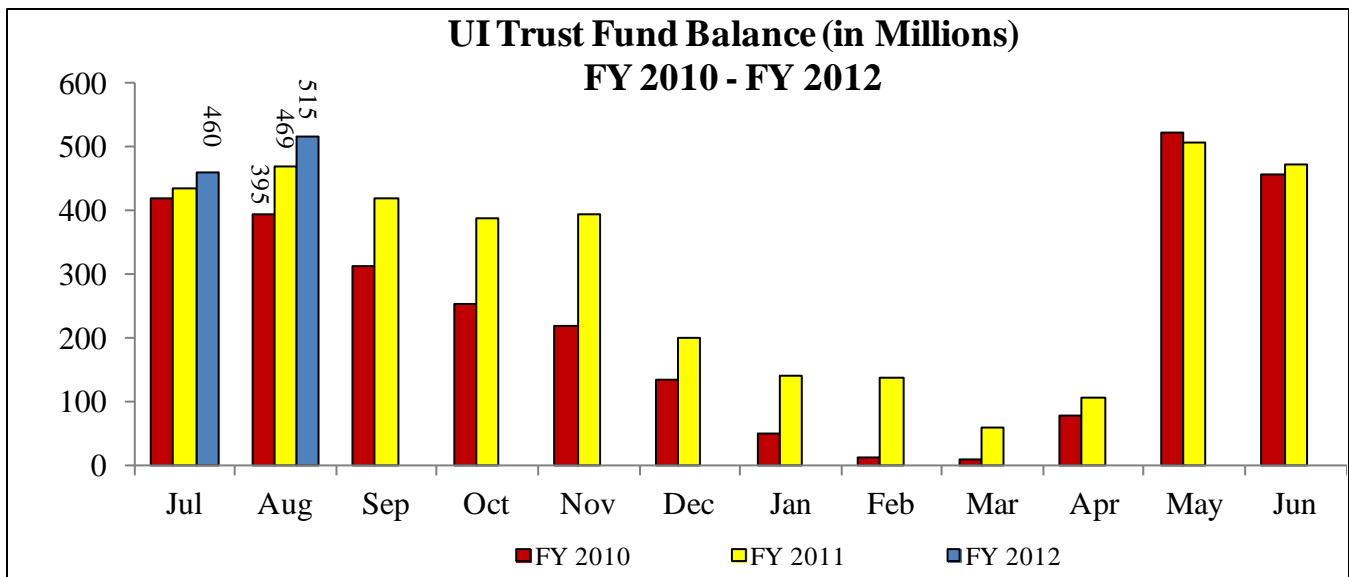


Dollars Paid in UI Benefits (in Millions) FY 2010 - FY 2012

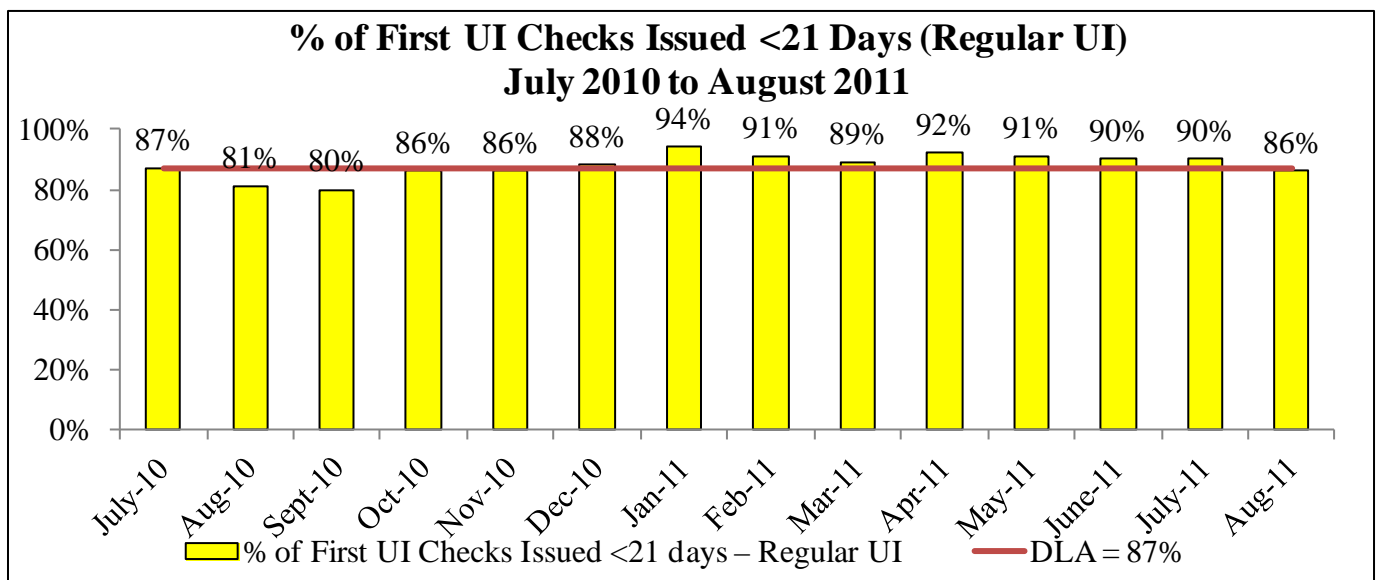


Weekly UI Benefits Paid 2009-2011



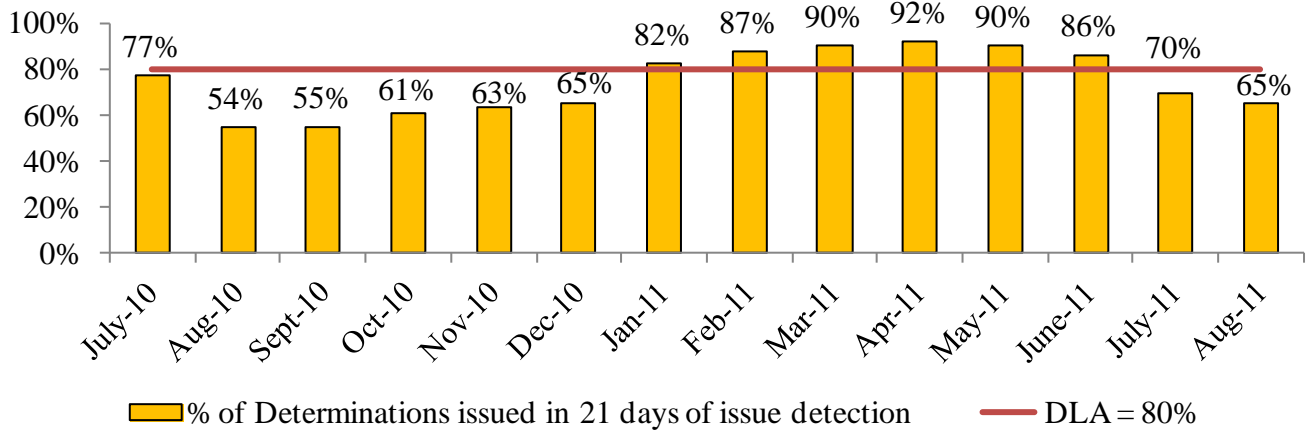


- First UI Checks Issued in Under 21 days.** The percent of first UI checks issued in under 21 days dipped below the USDOL desired level of achievement in August for the first time since November 2010.



- Percent of Nonmonetary Determinations Issued in 21 Days.** The percent of nonmonetary determinations issued within 21 days of detection of an issue dropped again in August. Nonmonetary determinations address the claimants' eligibility for benefits based on issues such as separation from employment.
 - The agency is reviewing this data weekly.

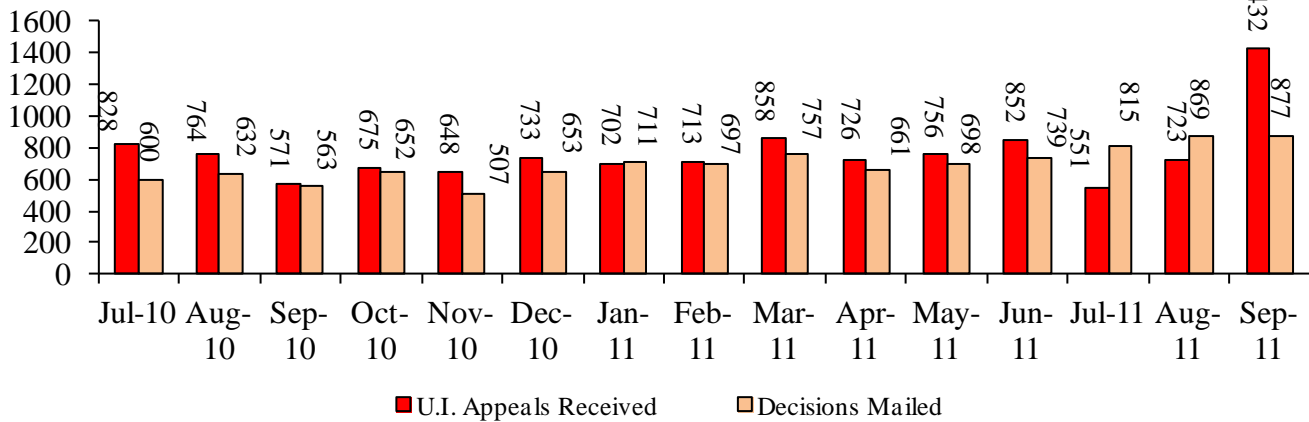
% of Nonmonetary Determinations Issued in 21 Days July 2010 to August 2011

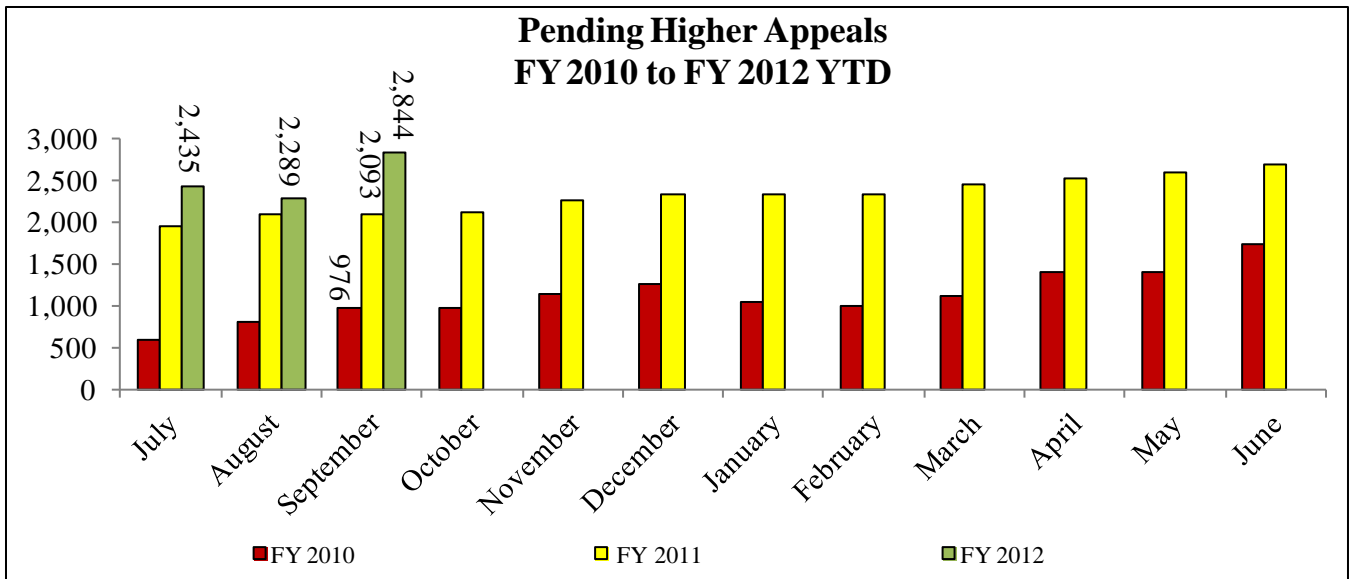


Unemployment Insurance Appeals

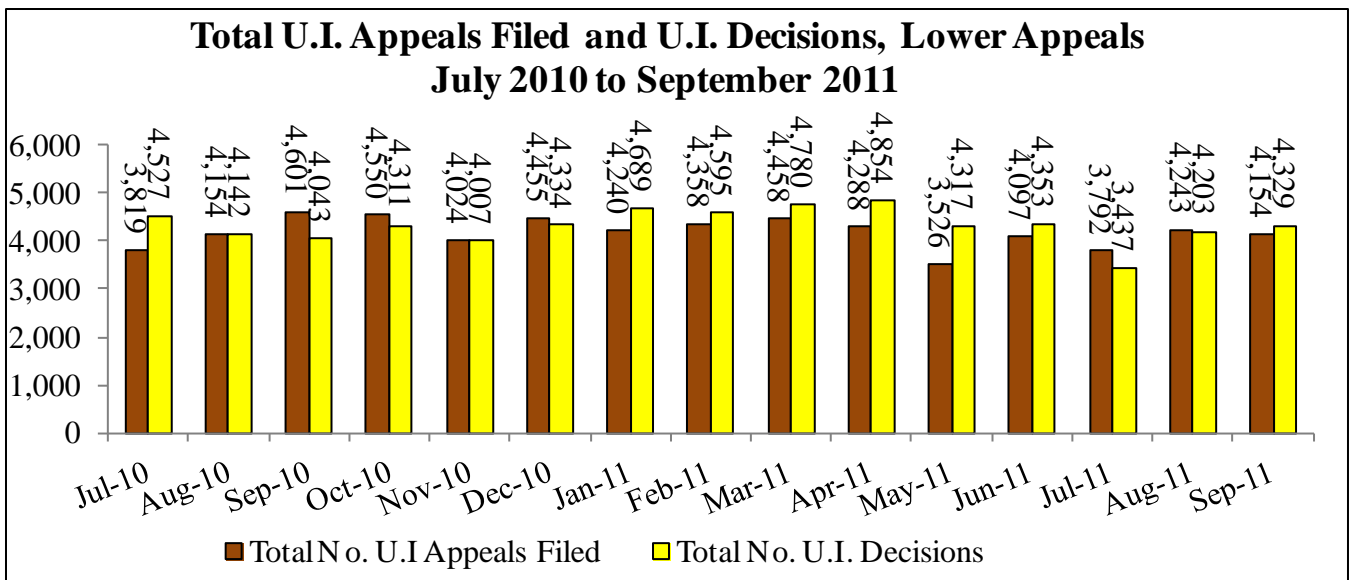
- **Higher Appeals.** Higher Appeals received increased sharply in September 2011 due to 764 claims from the Verizon labor dispute. The case age average in FY 2011 YTD is 77 days—well above the USDOL Acceptable Level of Performance of 40 days. The time lag data also remained below the USDOL target in September.
 - The agency reported that the Board has original jurisdiction over claims that involve a disqualification based on a stoppage of work due to a labor dispute, which is why the Verizon claims did not go through Lower Appeals.
 - The Board grouped the Verizon claims together so that one decision can take care of all of them.
 - The Board is working on older cases to offset the Verizon claims and to reduce case aging.

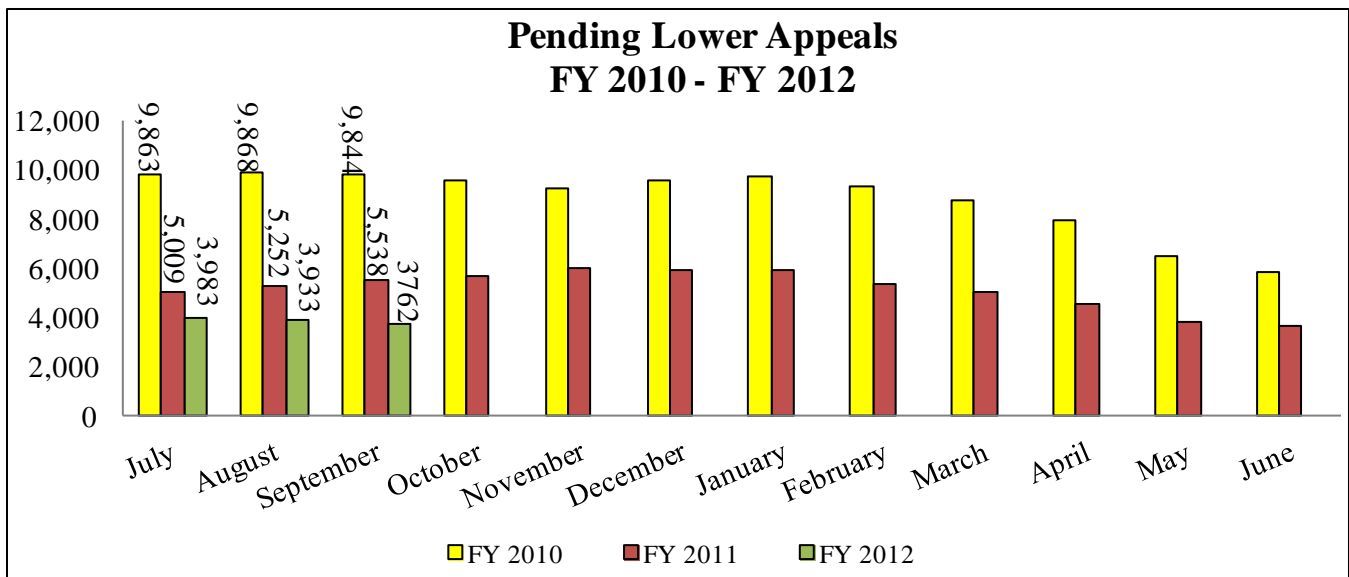
Higher Appeals Received and Decisions Mailed July 2010 to September 2011





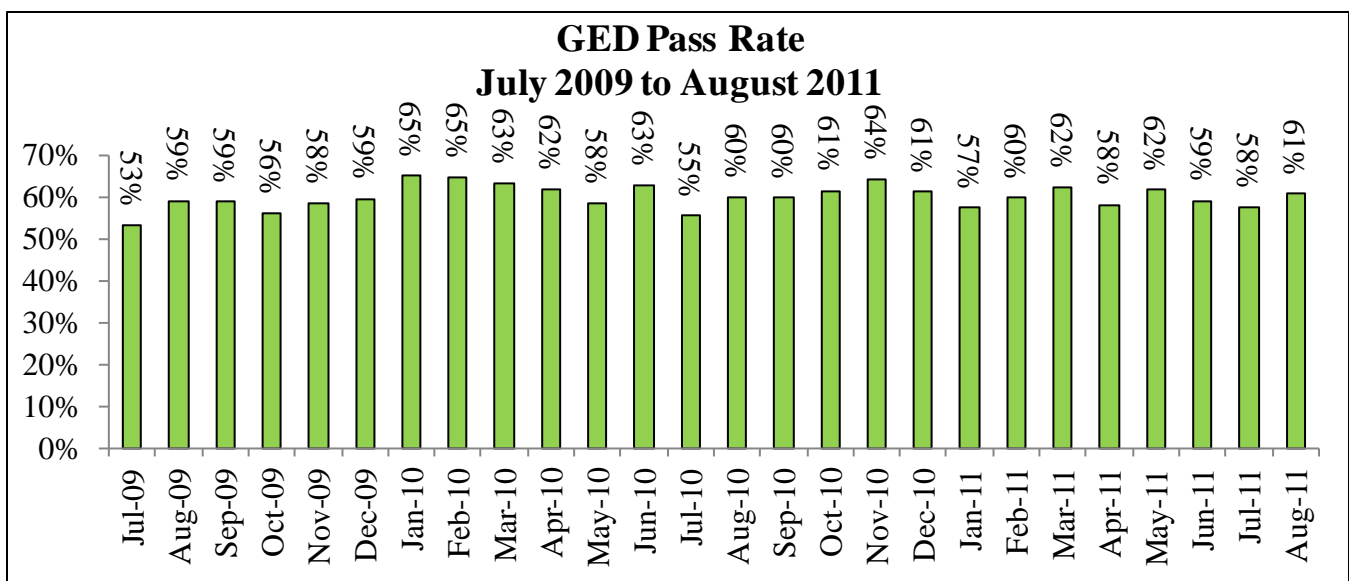
- Lower Appeals.** The number of Lower Appeals decisions filed remained roughly equal to the number of appeals received in August. The number of pending lower appeals continues to decrease. Case aging and time lapse data continued to surpass USDOL targets.





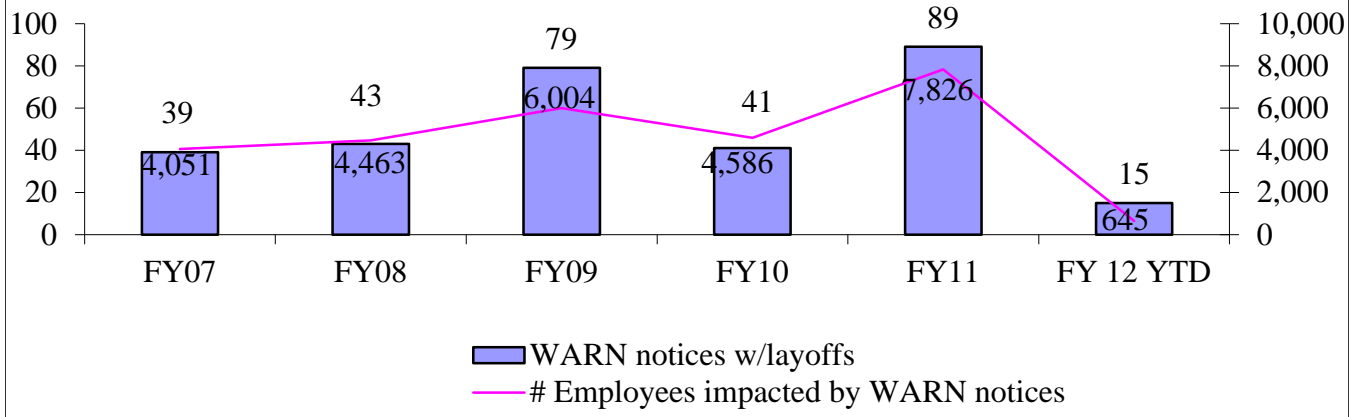
Division of Workforce Development and Adult Learning

- **GED Pass Rate.** The average GED pass rate from July 2009 to August 2011 is 59.9 percent.
 - The national average is about 60 percent. The agency reports that those who were in a GED instruction course before taking the GED generally have higher results. Also, Maryland does not require passing a practice exam before students can take the GED as some states do.
 - DLLR and StateStat will work on mapping GED result and funding data.



- **WARN Notices.** In FY 2012 YTD employers have reported 15 WARN notices affecting 645 employees. Twenty of those employees are at the Bank of America home loans office at 5300 Westview Drive; these 20 employees will lose their jobs beginning Nov. 7. Bank of America is cutting 30,000 jobs in the next two years; these 20 are the only cuts in Maryland.

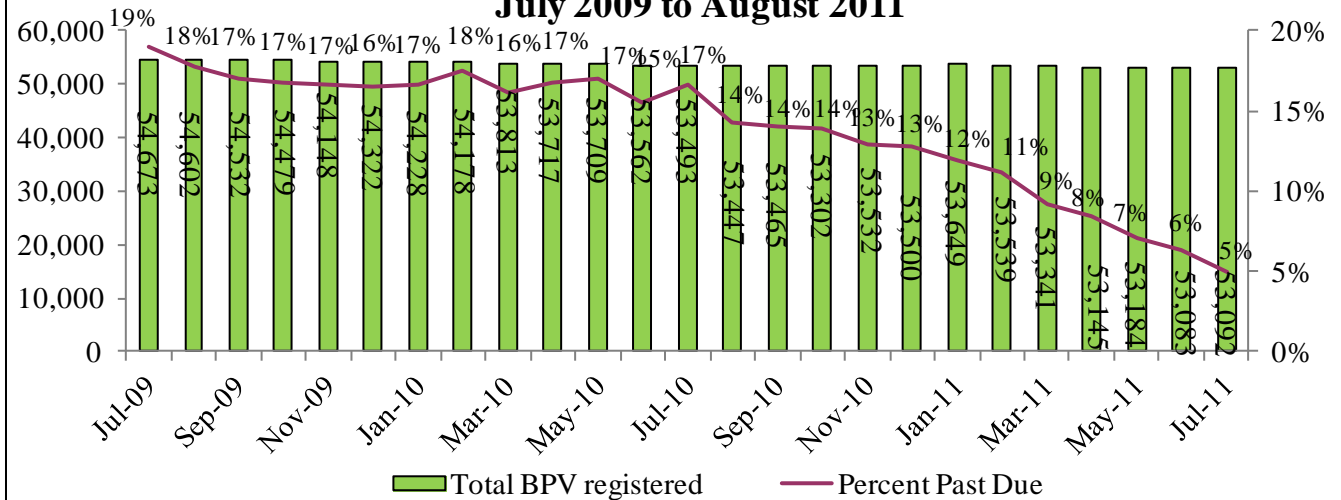
WARN Notices with Layoffs and Employees Impacted FY 2007 to FY 2012 YTD



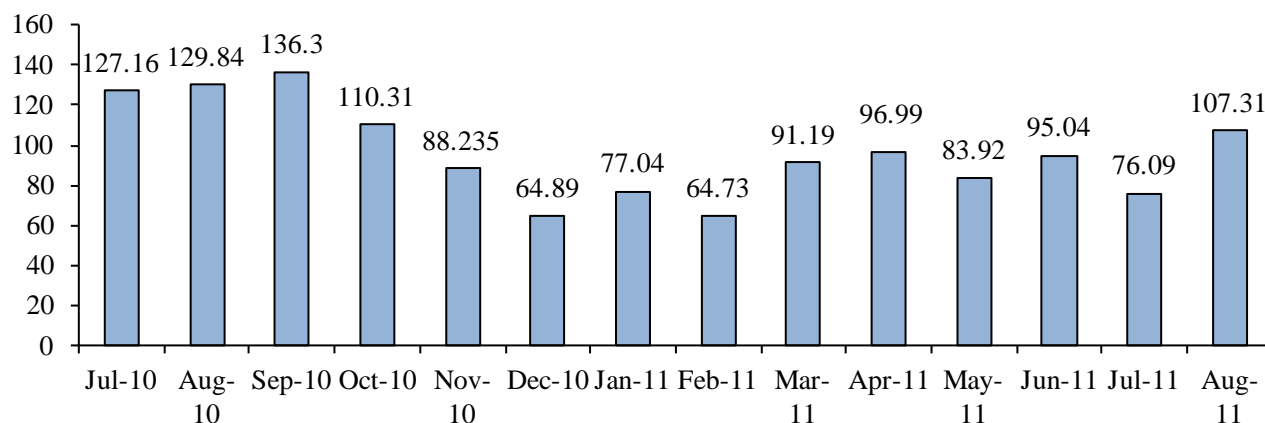
Labor and Industry

- **Boiler and Pressure Vessels (BPV).** DLLR has devised an 18-month plan to reduce the number of overdue insured BPV objects. For each insurance company DLLR sets 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. DLLR has reduced BPV past due as a percentage of total BPV registered to five percent as shown in the first chart below. Further, the average number of BPV inspections per inspector increased in August 2011 to the highest point since October 2011. AIA inspections (insurers and non-insurers) decreased from July to August, while State inspections increased during the same period.
 - The agency mentioned that inspectors are focusing on the most overdue units and working closely with the companies that have the most overdue units.

Total BPV Registered and Percent Insured Past Due July 2009 to August 2011



Average BPV Inspections per Inspector July 2010 to August 2011



- **Apprentice Wage Data.** Recently, MATP was included in a contract entered into by the Division of Workforce Development and Adult Learning and the Jacob France Institute (JFI) to extract wage records. The research is still being conducted, but some preliminary data is available. The study compared salary record data prior to starting the apprenticeship with participant salary from his or her theoretical completion year. Below is the preliminary data, which shows a correlation between exposure to apprenticeship training and salary. MATP does not track the employment status of an apprentice after he or she completes, and is not notified if an apprentice becomes separated from employment after completion. However, JFI is working on producing data on the number of apprentices that completed several years ago are still employed.
 - DLLR will consider the best way to use this data for recruitment.

Apprentice Salary Data, 2004 to 2010 Comparison			
	Average salary prior to registration (2004, annual)	Average salary for those completing apprenticeship program (2010, annual)	Average salary for those who were cancelled (2010)
Construction Trades (2,855 apprentices)	\$15,051	\$45,904	\$20,915
Service Trades (365 apprentices)	\$21,604	\$60,736	\$46,051
Machine Trades (70 apprentices)	\$16,317	\$36,241	\$17,358