

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 949
 Finance

(Senator Serafini)

Labor and Employment - Grant Program for Workforce Skills Assessment

This bill establishes a grant program for Workforce Skills Assessment within the Department of Labor, Licensing, and Regulation (DLLR). The purpose of the program is to provide financial assistance to an employer for the administration of assessments that measure workplace or job-related skills of employees who are State residents. The Governor may include in the State budget an annual appropriation to the program, and DLLR must implement and administer the program. DLLR must adopt regulations to implement the bill.

Fiscal Summary

State Effect: General fund expenditures for DLLR increase by \$267,200 in FY 2020 for grant funding and staff; future years reflect ongoing personnel costs and grants. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	267,200	283,000	285,800	288,700	291,800
Net Effect	(\$267,200)	(\$283,000)	(\$285,800)	(\$288,700)	(\$291,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: DLLR’s Division of Workforce Development and Adult Learning (DWDAL) has as its mission ensuring businesses have the skilled workforce they need to be competitive in today’s environment, as well as helping people get jobs. Specifically, DWDAL serves the unemployed, jobless veterans, newly dislocated workers, trade-impacted workers, New Americans, ex-offenders, low-wage workers, and individuals with barriers to employment. As the State’s main workforce development entity, DWDAL oversees operation of Maryland’s 32 American Job Centers, with at least 1 such center located in each county of the State. DWDAL also oversees the Maryland Workforce Exchange, which is Maryland’s job bank. Additionally, DWDAL oversees workforce programs for New Americans and veterans and the processing of a number of federal and State tax credits.

State Expenditures: General fund expenditures for DWDAL increase by \$267,204 in fiscal 2020, which accounts for the bill’s October 1, 2019 effective date. This estimate reflects the cost of hiring one project manager to award grants and administer the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Assuming \$200,000 is provided in the budget for grants under the program, the remaining \$200,000 is available for grants to employers for administrating assessments that measure workplace or job-related skills of employers who are State residents. To the extent that the Governor provides less or no money to the program in any year, the increase in general fund expenditures will be less and the position may be scaled down to a part-time position due to fewer grants to administer. To the extent that the Governor provides more than \$200,000 for grants under the program in any year, the increase in general fund expenditures will be greater.

Position	1.0
Salary and Fringe Benefits	\$61,845
Grants	200,000
Operating Expenses	<u>5,939</u>
Total FY 2020 State Expenditures	\$267,204

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses as well as approximately \$200,000 in grant funding each year.

In addition, DWDAL is staffed largely with federally funded personnel who cannot work on State-funded programs without the program reimbursing the federal government for their time. To the extent that any supervisory personnel within the program must provide occasional oversight to the project manager, general fund expenditures for reimbursement

payments to the federal government increase slightly. Any such payments are not expected to significantly reduce the funds available for grants.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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sb/mcr

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