

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 94

(Chair, Finance Committee)(By Request - Departmental -
 Labor, Licensing and Regulation)

Finance

Economic Matters

Workforce Development - Revisions

This departmental bill renames the Maryland Workforce Investment Act as the Maryland Workforce Development Act and makes further changes to conform to the requirements of the federal Workforce Innovation and Opportunity Act (WIOA). The bill repeals the Displaced Homemakers Program, which exempted specified displaced homemakers enrolled in eligible classes at a community college from paying tuition and required them to be counted in computing specified full-time equivalent enrollment.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: None. Repealing the Displaced Homemakers Program has no fiscal effect because it was contingent on funding from the now-obsolete federal Workforce Investment Act (WIA), which had not provided funding for the program for the past several years. Additionally, the Department of Labor, Licensing, and Regulation (DLLR) reports WIOA (the successor to WIA) does not currently have a program specifically for displaced homemakers (although such individuals remain eligible for services due to broad definitions). The other changes are nonsubstantive and do not directly affect governmental finances.

Local Effect: None.

Small Business Effect: DLLR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The bill renames the Governor’s Workforce Investment Board (GWIB) to be the Governor’s Workforce Development Board (GWDB) and replaces references to the obsolete federal WIA with references to WIOA. The bill repeals an advisory committee to GWIB. References to “workforce investment” are changed to “workforce development,” and the bill alters definitions to generally conform to WIOA.

The Workforce Development Program must provide employment, training, supportive, and related services to eligible job seekers, as defined in WIOA, including individuals with barriers to employment, such as those who are low income or low skilled, to allow individuals to succeed in the labor market and to match employers with the skilled workers needed to compete in the global economy.

The bill expresses the General Assembly’s intent that regulations and guidelines promulgated by DLLR give adequate attention to training individuals in the State agencies involved with the transition from WIA to WIOA.

Current Law/Background: WIOA was signed into federal law on July 22, 2014, replacing WIA of 1998. WIOA became effective July 1, 2015, and the State has until July 1, 2016, to conform to WIOA. WIOA is designed to help job seekers access the employment, education, training, and support services needed to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes WIA of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973.

WIA of 1998 required Maryland to create workforce development activities to be undertaken in the State and to decide how special populations, including welfare recipients, veterans, and individuals with multiple barriers to employment, would be served. The WIA State plan also incorporates other services relating to the delivery of employment services, including the One-Stop Career Centers run by local workforce investment boards. One-Stop Career Centers provide job referral and placement assistance for job seekers, reemployment services to unemployment insurance claimants, and recruitment services to employers with job openings.

GWIB is housed within DLLR and coordinates the efforts among agencies to deliver education and training for anyone seeking employment, as well as basic job-search skills development. GWIB is charged with performing duties specified in the federal WIA, including development of the State plan, development of allocation formulas for distribution of specified funds, and development and continuous improvement of comprehensive State performance, among other related duties. GWIB is the State’s chief

policymaking body for workforce development and does not directly implement training programs.

A “displaced homemaker” is an individual who (1) is at least 30 years old; (2) has worked for the family in the family home; (3) is not gainfully employed; and (4) has had, or would have, difficulty in securing employment. In addition, the individual must have either (1) experienced a loss of income due to separation, divorce, or the death or disability of the income-providing family member or (2) been dependent on governmental assistance as the parent of a dependent child who is no longer eligible for that assistance. The individual must not have income that exceeds the federal poverty income guidelines or 70% of the federal lower living standard income level. A State resident who is a displaced homemaker who enrolls in a community college eligible for State support is exempt from paying tuition and must be counted in computing full-time equivalent enrollment if enrolled in a class eligible for State support. The exemption of tuition is contingent on funding under WIA, and WIA had not provided funding for this program for the past several years.

Additional Comments: WIOA does not specifically define eligible job seekers, but it requires that state boards must assist in developing strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment, with workforce investment activities, education, and supportive services to enter or retain employment.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Community College; Department of Health and Mental Hygiene; Department of Human Resources; Department of Labor, Licensing, and Regulation; Maryland Energy Administration; U.S. Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 18, 2016
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Apprenticeship – Apprenticeship and Training Council in Division of
 Workforce Development and Adult Learning

BILL NUMBER: SB 94

PREPARED BY: Brandon Butler, Deputy Assist Sec., Workforce Dev. and Adult Learning

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed action will have minimal or no economic impact on Maryland’s small businesses. The proposed action amends statutory language to transfer responsibilities regarding apprenticeships in general, the Maryland Apprenticeship and Training Council and the Youth Apprenticeship Advisory Committee under the Division of Workforce Development and Adult Learning.