

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 1109

(Chair, Finance Committee)(By Request - Departmental -
 Aging)

Finance

Economic Matters

**Division of Workforce Development and Adult Learning - Transfer of Senior
 Community Service Employment Program**

This departmental bill transfers the Senior Community Service Employment Program (SCSEP) from the Maryland Department of Aging (MDoA) to the Division of Workforce Development and Adult Learning (DWDAL) within the Department of Labor, Licensing, and Regulation (DLLR) on July 1, 2016. DWDAL must administer any community service employment programs delegated to the State under Title V of the federal Older Americans Act of 1965. MDoA positions that are assigned more than 50% of the time to SCSEP on June 30, 2016, are transferred to DWDAL, and MDoA employees who on June 30, 2016, work more than 50% of their time for SCSEP are likewise transferred to DWDAL – without diminution of the employees’ rights, benefits, employment, or retirement status.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: Federal fund revenues and expenditures within MDoA decrease by \$1.19 million annually beginning in FY 2017, and DLLR federal fund revenues and expenditures increase by a corresponding amount from transferring SCSEP, including three permanent employees, from MDoA to DWDAL. General fund expenditures within MDoA decrease by \$132,300 annually beginning in FY 2017, and DLLR general fund expenditures increase by an equivalent amount.

Local Effect: None.

Small Business Effect: MDoA has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: DWDAL is charged with promoting apprenticeship and training programs; administering job training, placement, and service programs; implementing the federal Workforce Innovation and Opportunity Act (WIOA); and other related functions. DWDAL administers several programs that promote employment through labor exchange and training services. WIOA also provides training to increase participants' earning potential and provides assistance to individuals with barriers to employment.

Generally, MDoA is tasked with administering programs mandated by the federal government; establishing priorities for meeting the needs of Maryland's senior citizens; evaluating the service needs of Maryland's senior citizens and determining whether or not programs meet these needs; serving as an advocate for older adults at all levels of government; and reviewing and formulating policy recommendations to the Governor for programs that have an impact on senior citizens.

MDoA administers SCSEP, a federal community service and work-based job training program for older Americans. Authorized by the federal Older Americans Act, the program provides training for low-income, unemployed seniors. SCSEP was placed under the administration of the U.S. Department of Labor in 1975 and has served as the primary job creation and training tool serving older workers. Most states and territorial SCSEP programs are administered through the state or territory's Department of Aging or Department of Health or Human Services, but 14 states and territories administer the program through their workforce agency.

MDoA administers SCSEP in Baltimore City and in Allegany, Calvert, Caroline, Charles, Garrett, Kent, Queen Anne's, St. Mary's, Talbot, and Washington counties, and the federal government provided funding to the State to serve 123 participants for fiscal 2016. Senior Service America, Inc. (SSAI) is the only national grantee that operates in the 13 remaining counties. In Baltimore City, both SSAI and MDoA administer the SCSEP program concurrently.

SCSEP participants gain work experience in a variety of community service activities at nonprofit and public facilities, including schools, hospitals, day care centers, and senior centers. Nationally, the program provides over 40 million community service hours to public and nonprofit agencies, allowing them to enhance and provide needed services.

Participants work an average of 20 hours a week; they are paid the highest of federal, state, or local minimum wage. This training serves as a bridge to unsubsidized employment opportunities for participants.

Participants must be at least age 55, unemployed, and have a family income of no more than 125% of the federal poverty level. Enrollment priority is given to veterans and qualified spouses, then to individuals who are older than 65, have a disability, have low literacy skills or limited English proficiency, reside in a rural area, are homeless or at risk of homelessness, have low employment prospects, or have failed to find employment after using services through the American Job Center system.

State Fiscal Effect: SCSEP grantees must provide a 10% nonfederal match, so in fiscal 2017, federal fund revenues and expenditures total \$1.19 million and general fund expenditures total \$132,312 for SCSEP. Transferring SCSEP from MDoA to DWDAL reduces MDoA federal fund revenues and expenditures by \$1.19 million and general fund expenditures by \$132,312, while DWDAL federal fund revenues, federal fund expenditures, and general fund expenditures increase by equivalent amounts. MDoA currently employs three staff – one administrator and two administrative specialists – to administer SCSEP, so these employees transfer to DWDAL on July 1, 2016. Personnel costs associated with those positions are included in the federal/State appropriation for the program, so no additional funds transfer with the three employees.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Aging; Department of Budget and Management; Department of Labor, Licensing, and Regulation; Senior Service America, Inc.; U.S. Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - March 22, 2016
md/mcr

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Senior Community Service Employment Program – Transfer of Authority

BILL NUMBER: SB 1109

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

A positive impact for small business will occur as a result of the legislation as the program providing opportunities for Seniors is further integrated into the Maryland workforce system.

LOCAL GOVERNMENT IMPACT

None.