

GBC_FAV_SB26

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Position: FAV



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

SENATE BILL 26 – PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM - ALTERATIONS

January 22, 2020

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 26, which alters the provisions of the Partnership for Workforce Quality (PWQ) Program to expand the eligibility of the program and modify the restrictions on funding allocation by company size. The PWQ Program was legislatively established in 1989 to support Maryland companies' investment in training for employees. Program funds are provided as grants to eligible Maryland companies to provide: (1) training in manufacturing, professional, scientific and technical services; (2) job-specific training and training to upgrade or retain existing employees; or (3) training related to strategic goals of a company.

The proposed modifications to the program in Senate Bill 26 expand the eligibility of the program to include training for new employees. This modification will increase employers' ability to attract new employees and/or those who are entering a new field and also support training for business growth and expansion.

Senate Bill 26 also alters the funding allocation restrictions based on company size. In the current statute, at least 60 percent of funds are awarded to employers with 150 or fewer employees and up to 20 percent of the funds may be awarded to an employer with more than 500 employees. Senate Bill 26 would expand the eligibility of mid-sized businesses with more than 150 but less than 500 employees to be eligible for grant funding. This change also mirrors the requirements of the Maryland Business Works program which has no restrictions or limitations on eligibility for employers with fewer than 500 employees.

This bill is consistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Workforce that is highly educated and meets Maryland's business needs. Maryland's secondary and higher education institutions must offer access to quality instruction at all levels and cultivate a workforce that is well-suited to a modern economy and to the specific needs of Maryland's business sectors.

Finally, the Greater Baltimore Committee's 2020 Legislative Priorities state that a key priority is strengthening education and workforce systems to prioritize equity, accountability, and alignment with Maryland's high-growth industry sectors. The 2020 Legislative Priorities specifically call for increased funding for key workforce training programs.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 26.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

MDCC_Griffin_Favorable_SB26

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Position: FAV



MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:

Favorable

Senate Bill 26

Partnership for Workforce Quality Program - Alterations

Senate Finance Committee

Wednesday, January 22, 2020

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

Small businesses are the driving force for job creation, and our entire state benefits when our small businesses succeed. Small businesses are an integral part our work at the Maryland Chamber, and our efforts affect no other group more drastically. In addition, our state's overall success in the global marketplace is directly tied to Maryland's ability to foster a competitive and favorable climate for small businesses, a sector that makes up almost 92 percent of the state's registered companies.

The Partnership for Workforce Quality Program (PWQ), administered by the Maryland Department of Commerce, exists to provide training services to improve the competitiveness and productivity of the State's workforce and business community, upgrade employee skills for new technologies or production processes, and assist employers located in Maryland in promoting employment stability.

SB 26 will expand the purpose of the PWQ to include the training of new employees while also increasing the amount of program funding specifically reserved for small businesses, from 60% to 80%. Additionally, SB 26 expands the universe of businesses eligible to participate in the program to those with 500 employees, up from 150 employees. Finally, the bill further limits the amount of funds that may be used by businesses with more than 500 employees from 20% of the available funds to the maximum amount of \$200,000.

The Maryland Chamber of Commerce recognizes that small businesses can feel the impacts of a changing business climate disproportionately more than larger, more traditional companies. Therefore, we fully support all measures aimed at supporting our small businesses--the lifeblood of Maryland's economy.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 26**.

MDCHAMBER.ORG

60 West Street, Suite 100, Annapolis 21401 | 410-269-0642

BaltimoreCity_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



BERNARD C. "JACK" YOUNG
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 26

January 15, 2020

TO: Members of the Senate Finance Committee
FROM: Nicholas Blendy, Deputy Director of Government Relations
RE: SENATE BILL 26 – Partnership for Workforce Quality Program -
Alterations

POSITION: SUPPORT

Chair Kelley, Vice Chair Feldman, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 26.

The PWQ Program is an important tool that assists in upgrading and improving the skills of Maryland's workforce. PWQ provides reimbursable grants that match investments made by manufacturing and technology companies in employee training. With increasing labor shortages, increased competition for skilled workers, and the need for increased worker productivity, the PWQ program will allow both smaller and mid-size businesses to compete, grow, and remain within Baltimore City.

This bill accomplishes several things to improve the ability of the program to assist Baltimore City manufacturing or technology-based businesses. Both of these business segments are vital to the City's economic vitality and growth. By expanding the program to include costs related to training new employees, employers will be able to hire workers who might not otherwise have qualified due to a skills gap. The bill also eliminates a funding gap for businesses with 151 to 500 employees. The bill also increases the amount of program funding reserved each year for smaller businesses, from 60% to 80%; however, and increases the maximum size of businesses eligible to receive program funds from 150 employees to 500 employees.

We respectfully request a favorable report on Senate Bill 26.

*Annapolis – phone: 410.269.0207 • fax: 410.269.6785
Baltimore – phone: 410.396.3497 • fax: 410.396.5136
<https://mogr.baltimorecity.gov/>*

CalvertCounty_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



**CALVERT COUNTY
DEPARTMENT OF ECONOMIC DEVELOPMENT**

Courthouse, 175 Main Street
Prince Frederick, Maryland 20678
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www.calvertcountymd.gov

Board of Commissioners
Earl F. Hance
Mike Hart
Thomas E. Hutchins
Kelly D. McConkey
Steven R. Weems

Kelly Robertson-Slagle, Director

January 16, 2020

The Honorable Delores G. Kelley
Chairman
Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Dear Ms. Kelley:

I am writing to you on behalf of the citizens and businesses in Calvert County, Maryland, and in full support of Senate Bill 26: "*Partnership for Workforce Quality Program – Alterations.*"

For many years now, the PWQ program has been a key component of our economic development outreach and support program. We have relied on it to supplement the incentives we offer locally and I believe it has been instrumental in helping our businesses – and their workforce – rise to new levels of productivity, innovation and success. Kelly Generator, Batching Systems, Chesapeake Plastics and DirectMail Group – all well-established and successful Calvert County-based businesses – have each taken advantage of the PWQ grant program to train their employees in cutting-edge technology and machine operations.

At the core of the PWQ program is a dollar-for-dollar investment in Maryland's workforce. This investment helps companies improve efficiency, develop manufacturing best practices, modernize operations and transform their operations to become more competitive in the global marketplace.

Senate Bill 26 will be particularly useful for Calvert County's technology and manufacturing businesses since it enhances and expands the PWQ program to allow for *new* employee training (as well as existing employees) and removes funding limits that have unintentionally penalized mid-sized companies and limited the Department of Commerce's ability to determine the best and highest use of the funds to fully support Maryland's economic development initiatives.

Our Maryland workforce and technology and manufacturing companies are among the finest in the world. The PWQ program helps ensure that we remain competitive, productive and agile.

Sincerely,

A handwritten signature in blue ink that reads "Kelly Robertson-Slagle" followed by a stylized flourish.

Kelly Robertson-Slagle
Director

cc: Kelly M. Schulz, Secretary, Maryland Department of Commerce
Julian M. Willis, County Administrator, Calvert County Government

CarolineCounty_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



9194 Legion Rd, Suite 1
Denton, MD 21629
Tel: 410.479.4188

January 13, 2020

The Honorable Delores G. Kelley
Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Dear Chair Kelley:

I am writing in support of **Senate Bill 26, Partnership for Workforce Quality Program – Alterations** to expand the purpose of the Partnership for Workforce Quality Program and the eligible uses of grants under the Program to include training for new employees.

The proposed bill updates the Program to allow new employee training to be eligible for program reimbursements. As Caroline County businesses work to fill important positions within their career ladders, supporting their training efforts to build an educated and sustained workforce will help ensure prosperity for the workers and residents of Caroline County.

Expanding the Program for new employee training will help new and expanding business to choose Maryland over neighboring Virginia and Delaware. It also provides benefit for Maryland workers and job seekers.

Caroline County supports Senate Bill 26 and requests a favorable report from the Finance Committee.

Sincerely,

A handwritten signature in blue ink that reads "Debbie Bowden".

Debbie Bowden
Director

CecilCounty_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV

Office of the County Executive

Dr. Alan McCarthy
County Executive

Alfred C. Wein, Jr.
Director of Administration

Office: 410.996.5202
Fax: 410.996.1014

Office of Economic Development

Chris Moyer, Director
410.996.6292
Fax: 410.996.6279

County Information
410.996.5200
410.658.4041



CECIL COUNTY, MARYLAND

Office of Economic Development
200 Chesapeake Boulevard, Suite 2700, Elkton, MD 21921

January 21, 2020

The Honorable Delores G. Kelley
Chair
Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: Letter of Support for Senate Bill 26 – Partnership for Workforce Quality (PWQ) Program -- Alterations

Dear Senator Kelley:

I am pleased to provide this letter of support for Senate Bill 26 for alterations to the PWQ program. This program provides matching grants to employers for workforce training. Specifically, the bill will allow training for new employees as well as incumbent employees and establishes limits of funding to certain employers.

In economic development, providing an ample supply of trained workforce to employers is Job One. The PWQ Program is an important tool that assists in upgrading and improving the skills of Maryland's workforce. PWQ provides reimbursable grants that match investments made by manufacturing and technology companies in employee training.

This bill accomplishes several things to improve the ability of the program to assist manufacturing or technology-based businesses. By expanding the program to include costs related to training new employees, employers will be able to hire workers who might not otherwise have qualified due to a skills gap. The bill also eliminates a funding gap for mid-sized businesses.

We respectfully request a favorable report on Senate Bill 26.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris P. Moyer", is written over a horizontal line. The signature is fluid and cursive.

Christopher P. Moyer
Director

Cc: Stephen Hershey, Senator
Jason Gallion, Senator
Kevin Hornberger, Delegate
Michael Griffith, Delegate
Kelly Schulz, Secretary, Maryland Department of Commerce
Rhonda Ray, Director, Office of Policy & Research, Maryland Department of Commerce

Teresa Reilly, Delegate
Steven Arentz, Delegate
Jefferson Ghrist, Delegate
Jay Jacobs, Delegate

CharlesCounty_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



CHARLES COUNTY GOVERNMENT
Economic Development Department

Darréll A. Brown, Esq.
Director

Phone | 301-885-1340
Fax | 301-885-1341
Email | info@MeetCharlesCounty.com

January 22, 2020

The Honorable Delores G. Kelley, Chair
Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: Letter of Support for Senate Bill 26 Partnership for Workforce Quality Program -- Alterations

Dear Senator Kelley:

I am pleased to provide this letter of support for Senate Bill 26 Partnership for Workforce Quality Program -- Alterations. Senate Bill 26 updates the statute governing the Partnership for Workforce Quality Program which provides matching grants to employers for workforce training. Specifically, the bill will allow training for new employees as well as incumbent employees and establishes limits of funding to certain employers.

This program is a vital tool for businesses in the State of Maryland – and the Marylanders they employ – in creating a well-trained workforce. With this alteration allowing funds to be used for training new hires, the program will incentivize employers to hire workers who would otherwise not be given the opportunity to advance their job specific skills. This will improve business competitiveness and worker productivity.

For these reasons, I support and respectfully urge the Senate Finance Committee to act favorably upon SB 26.

Sincerely,

Darréll A. Brown, Esq.
Director

cc: Senator Arthur Ellis, Maryland District 28
Delegate Edith Patterson, Maryland District 28
Delegate Debra Davis, Maryland District 28
Delegate C.T. Wilson, Maryland District 28
Reuben Collins, Charles County Commissioner President
Mark Belton, Charles County Administrator



DeptofLabor_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV

Senate Bill 26

Date: January 22, 2020

Committee: Senate Finance

Bill Title: *Partnership for Workforce Quality Program - Alteration*

Re: Letter of Support

SB 26, *Partnership for Workforce Quality Program - Alteration* proposes amendments to the existing statute governing the Department of Commerce's workforce training program, Partnership for Workforce Quality (PWQ).

PWQ is an incumbent worker program that provides training services to improve the competitiveness and productivity of the State's workforce and business community; upgrade employee skills for new technologies or production processes; and, assist employers located in the State in promoting employment stability.

As proposed, the amendments to the PWQ program would allow new employees (in addition to incumbent workers) to receive training via PWQ.

Maryland Labor implements an incumbent worker training program of its own, Maryland Business Works (MBW), using federal funds associated with the Workforce Innovation and Opportunity Act (WIOA). PWQ and MBW are similar in that both programs provide matching funds to eligible employers to upskill their business' employees. Both programs also require that participating employers match the training funds provided by the State. MD Labor and Commerce have developed procedures to ensure that the agencies are sharing information about PWQ and MBW effectively and as needed.

Maryland Labor is supportive of SB26, for it would allow PWQ to close a gap that neither agency can currently fill. MBW federal funds may only be used for incumbent workers who have been employed with an eligible business for a minimum of six months. It does not cover "new employees" as SB26 proposes for PWQ. Additionally, funds associated with WIOA are precluded from covering economic development-related activities.

With this information, the Department respectfully asks for a favorable report from the committee and stands ready to answer any questions the committee may have.

KentCounty_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV

Economic Development
The County Commissioners of Kent County
400 High Street, 3rd Floor
Chestertown, MD 21620

January 13, 2020

Honorable Delores G. Kelley
Chair, Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Re: **SUPPORT** of SB0026 Partnership for Workforce Quality Program – Alterations

Dear Senator Kelley:

Kent County Economic Development fully supports Senate Bill 0026 to expand the purpose of the Partnership for Workforce Quality Program. Employers will directly benefit from the program by being able to use grant funding for new employee training, one of the largest initial investment costs of hiring a new employee. Further, the new provisions will allow a broader demographic of both workforce and employers to be served by increasing the percentage of money available and increase in business size requirements.

Several companies in Kent County have directly benefited from this program, and of greater importance, workers have upgraded their skills. This program is actively promoted by our office and the Maryland Department of Commerce as a benefit to remain, expand, and locate in Maryland.

Given the foregoing, Kent County Economic Development respectfully request a favorable review of the proposed bill.

Sincerely,



Jamie L. Williams
Director

cc: Stephen S. Hershey, Senator
Jay A. Jacobs, Delegate
Steven J. Arentz, Delegate
Jefferson L. Ghrist, Delegate
Shelley Heller, County Administrator
Rhona Ray, Director, Office of Policy & Research, Department of Commerce



MBDA_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



Testimony Senate Bill 26
Partnership for Workforce Quality Program – Alterations

The Mid-Atlantic Region Minority Business Development Agency Advanced Manufacturing Center – Baltimore is a federally funded program operated by the City of Baltimore. We partner with organizations in Maryland to deliver services to a diverse population of manufacturers. We are one of four centers, nationwide, funded by the Minority Business Development Agency (MBDA), which is a federal agency within the U.S. Department of Commerce. We promote the minority manufacturing community's growth and global competitiveness, better equipping minority manufacturers to create and retain jobs, impact local economies, and compete successfully in domestic and global marketplaces.

We assist our clients and the minority manufacturing community by providing consulting services, contract and financing opportunities, bonding services, building business-to-business alliances, global/ teaming/joint venture opportunities, and executive training.

It is through our hands on engagement and experience we offer this testimony in support of the proposed alterations to the Partnership for Workforce Quality Program. Our clients range in size from 2 to 130 employees. The industries range from food production and processing to clothing manufacturers to the manufacturing of fiber technologies. We have over 200 Maryland based firms in our ecosystem and work closely with 40 firms in a consulting capacity. The majority of firms we represent are in growth mode. Allowing these organizations to access PWQ funds for new employee training would significantly accelerate their ability to grow and improve their ability to recruit and retain talent.

Maryland must position itself as a hub of innovation for the 4th industrial revolution, to do that we must provide the business community with the tools necessary for growth and expansion.

Respectfully Submitted

N. Scott Phillips
Director

Mayor's Office of Minority and Women Owned Business
City Hall Room 344
100 North Holliday Street
Baltimore, MD 21202
www.BaltimoreMBDA.com

MMAB_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV

January 17, 2020

The Honorable Dolores G. Kelley
Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Kelley:

I am writing in support of Senate Bill 26, Partnership for Workforce Quality Program – Alterations to grow the Program eligibility and to allow funding to include training of new employees.

The Program has been highly successful and expanding eligibility to cover new employees will allow more companies to participate and build on this success.

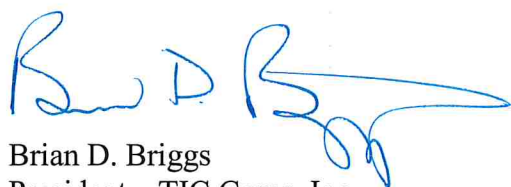
As Chairman of the Maryland Manufacturing Advisory Board, I regularly talk with business leaders across the state. The number one challenge that I hear about relates to the workforce of the future and how we can grow, develop, hire and retain the talent that will be necessary for businesses to compete against neighboring states.

As the leader of a Harford County manufacturing company, working to fill job opportunities in our company, it's important to me that new employees receive the appropriate training needed to succeed and move forward in their career paths. Expanding the program will make certain that employees receive the required training to gain skill and knowledge, leading to personal and professional growth for these individuals.

Expanding the Program for new employee training will help make Maryland's talent pool deeper and differentiate us from neighboring states.

I fully support Senate Bill 26 and request your approval.

Sincerely,



Brian D. Briggs
President – TIC Gums, Inc
Chairman – Maryland Manufacturing Advisory Board

PWQ_FAV_SB26

Uploaded by: Schulz, Kelly

Position: FAV



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
Kelly M. Schulz | Secretary of Commerce

DATE: January 22, 2020 **COMMITTEE:** Senate Finance
BILL NO: Senate Bill 26
BILL TITLE: Partnership for Workforce Quality Program- Alterations
POSITION: Support

The Maryland Department of Commerce supports Senate Bill 26 – Partnership for Workforce Quality Program- Alterations.

Bill Summary:

SB 26 alters the existing Partnership for Workforce Quality (PWQ) program by (1) expanding the program eligibility to include new employee training; and (2) altering the restrictions on allocation of funding based on the size of the company. The new funding limits would allow at least 80% of the funds to be awarded to employers with 500 or fewer employees, and up to 20%, not to exceed \$200,000, of the funds may be provided to an employer with more than 500 employees based in the State.

Background:

The PWQ program was established in 1989 and is administered by the Department of Commerce (Commerce). PWQ encourages Maryland companies to invest in training for employees by providing reimbursable grants that match (1:1) the investments of Maryland’s manufacturing and technology companies in employee training, thus helping the companies improve their efficiency, develop quality management practices, modernized operations, and upgrade manufacturing processes. As a result, companies are better equipped to expand in Maryland and to compete in the global marketplace.

Funded annually through general and special funds, PWQ helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability.

The program was reactivated through a budget appropriation in fiscal year 2018. Since that time, the average PWQ grant size has been \$32,489 and the average employee size of the company is 101. Out of the 59 companies receiving assistance in fiscal years 2018 and 2019, only three had more than 500 employees and were granted a total of \$415,743. The remaining 56 companies with less than 500 employees were awarded \$1,501,089.

Rationale:

The existing PWQ statute is designed specifically to upgrade or retain existing Maryland-based employees of manufacturers or businesses threatened by the pressure of increased foreign or

domestic competition. Currently, the program does not cover new workforce development and training-related activities necessary in today's high-tech economy.

Industries across the board are having difficulty hiring qualified applicants. The PWQ program does not address nontraditional applicants aiming to enter a new field or employers seeking to expand operations that need to hire and train additional employees. By expanding PWQ to include reimbursement of costs related to training new employees, the State can incentivize employers to hire employees who might not otherwise have qualified due to a skills gap and could encourage growth by increasing the number of new jobs created in the State.

The current statute sets the following limits of funding to employers:

- At least 60% of funds are to be awarded to employers with 150 or fewer employees
- Up to 20% of the funds may be awarded to an employer with more than 500 employees based in the State

This requirement has the unintended consequence of leaving program funds unutilized if there is not enough demand from companies with less than 150 employees, and limits the amount of funds available to mid-sized companies with more than 150 employees but fewer than 500. While the intent of the statute was to ensure that small companies are the primary beneficiaries of PWQ funds, the required percentages penalizes those mid-sized companies and limits the Department's discretion in determining the best use of those funds in support of economic development opportunities in the State.

Commerce respectfully requests a favorable report on Senate Bill 26.