

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 856
 Finance

(Senator Pugh, *et al.*)

Economic Matters

**Department of Labor, Licensing, and Regulation - Green Jobs Workforce
 Training Program**

This bill establishes a Green Jobs Workforce Training Program, administered by the Department of Labor, Licensing, and Regulation (DLLR), to fund workforce training programs that prepare individuals for employment in the energy conservation, energy efficiency, and renewable energy sectors. A Green Jobs Workforce Training Fund is created to implement the program.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: General fund expenditures may increase by \$250,000 annually beginning in FY 2010 to capitalize the Green Jobs Workforce Training Fund to the extent sufficient funding is not obtained from other sources. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	250,000	250,000	250,000	250,000
Net Effect	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: DLLR must establish eligibility criteria for workforce training programs that may receive funding. Grants may be awarded to a person or governmental unit that operates an eligible workforce training program in the State.

The Green Jobs Workforce Training Fund is established to award grants under the program and pay the costs of carrying out the program. The fund consists primarily of money appropriated in the State budget to the fund and any other money accepted for the benefit of the fund from any other source, public or private.

DLLR must consult regularly with the Maryland Energy Administration, the Maryland Clean Energy Center, and the Department of Business and Economic Development concerning the activities of the program.

Current Law: Chapters 127 and 128 of 2008 created the Maryland Strategic Energy Investment Program, and the implementing Maryland Strategic Energy Investment Fund (SEIF), to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. Of the money received each year by SEIF, at least 46% must be allocated for energy efficiency and conservation programs, projects, and activities and demand response programs, which include grants to training funds and other organizations supporting job training for deployment of energy efficiency and energy conservation technology equipment.

The Governor's proposed Budget Reconciliation and Financing Act of 2009 (HB 101/SB 166) would reduce the allocation requirement for energy efficiency and conservation programs, projects, and activities and demand response programs in fiscal 2010 and 2011, requiring instead that at least 17.5% of proceeds from the sale of carbon dioxide allowances under the Regional Greenhouse Gas Initiative (RGGI), the current primary source of revenue for SEIF, be allocated for those programs.

Chapter 137 of 2008 created the Maryland Clean Energy Center, which has the purpose of, among other things, promoting economic development and jobs in the clean energy industry sector in the State. Chapter 137 also created the Maryland Clean Energy Technology Incubator Program, administered by the center, which has the purpose of promoting entrepreneurship and the creation of jobs in clean energy technology-related industry.

Background: MEA indicates it has committed \$1.15 million of the fiscal 2009 and 2010 SEIF funding toward development and implementation of a community college residential energy efficiency curriculum to train contractors participating in the Maryland Home Performance with Energy Star Program (offering energy audits and

home energy improvements) sponsored by MEA, and the Department of Housing and Community Development Weatherization Assistance Program (installing energy conservation materials in low-income households).

The Maryland Clean Energy Center was recently launched in January 2009.

DLLR, through its Division of Workforce Development, oversees the State’s workforce programs, matching job seekers with employers, providing training opportunities, and reporting on the needs and demands of the labor market. The Division of Workforce Development primarily administers workforce programs supported by federal funding.

State Fiscal Effect: General fund expenditures may increase by \$250,000 in fiscal 2010 and future years to capitalize the Green Jobs Workforce Training Fund. This estimate is based on indications of potential funding allocated to the program from SEIF, but the amount and availability of that funding is not certain. It is assumed, for the purposes of this fiscal note, that general fund expenditures may increase by \$250,000 annually if SEIF or other funding is not available for the program. Federal funding for workforce programs that DLLR’s Division of Workforce Development receives/administers is unlikely to be available to capitalize the Green Jobs Workforce Training Fund.

DLLR is expected to incur administrative costs of \$54,193 in fiscal 2010, which accounts for a 90-day start-up delay. This estimate reflects the costs of hiring one full-time administrator to administer the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. It is assumed that the remaining funds would be available for grant awards.

Position	1
Grant funding	\$195,807
Salary and Fringe Benefits	51,873
Desktop PC	1,300
Operating Expenses	<u>1,020</u>
Total FY 2010 Costs	\$250,000

Future year costs reflect a full salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

Small Business Effect: Small business owners and/or employees may benefit from training funded under the program and any marketability gained from it. MEA’s planned development and implementation of a community college residential energy efficiency curriculum is estimated to result in the training of over 500 contractors over 18 months to participate in the Maryland Home Performance with Energy Star Program.

Additional Information

Prior Introductions: None.

Cross File: HB 814 (Delegate Hucker, *et al.*) - Economic Matters.

Information Source(s): Maryland Energy Administration; Department of Business and Economic Development; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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