

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 984
Finance

(Senators Hayes and Klausmeier)

Maryland EARN Program - Strategic Industry Partnership - Definition

This bill specifies that a “strategic industry partnership” for purposes of the Employment Advancement Right Now (EARN) program includes representatives of (1) employers from the target industry and (2) representatives of labor organizations associated with the target industry.

Fiscal Summary

State Effect: Assuming the bill is clarifying in nature, State finances and operations are not affected; however, if the bill is a substantive change to eligible industry partnerships, most current partnerships are ineligible under the bill, as discussed below.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: “Strategic industry partnership” means a collaboration that brings together a regional group that may include employers, nonprofits, institutions of higher education, community colleges, local boards, local governments, or *other relevant partners* to (1) identify common workforce needs for high-demand occupations within a target industry and (2) develop and implement industry strategies to meet the common workforce needs and shortages based on regional needs.

Background: The EARN program was established in 2013 to create industry-led partnerships to advance the skills of the State’s workforce, grow the State’s economy, and

increase sustainable employment for working families. Specifically, the program provides general fund grants on a competitive basis for industry partnerships, workforce training programs, and job-readiness and skills training. From 2016 through 2018, program participation ranged from about 3,000 to 4,000 individuals across various partnerships covering a wide array of industries. More information can be found in the program's 2018 annual [report](#).

The Department of Labor, Licensing, and Regulation (DLLR) advises that labor organizations can be, and have been, involved in existing strategic industry partnerships. However, labor organizations are not required partners.

Additional Comments: This analysis assumes that the bill is generally clarifying in nature, in that it explicitly includes representatives of organized labor under the definition of strategic industry partnership. The bill does not change the base definition, nor does it say that a partnership *must* include both employers and representatives from labor organizations. Under this assumption, the bill does not require each strategic industry partnership to include both employers and representatives from labor organizations. However, if the bill does require each partnership to include both employers and representatives from labor organizations, then, according to DLLR, 63 out of 70 current partnerships are no longer eligible under the program because they lack representation from labor organizations. These partnerships would be required to add representatives from labor organizations or lose eligibility for funding.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510