

SENATE BILL 777

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By: Senator Salling

Introduced and read first time: February 6, 2026

Assigned to: Finance and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Workforce Development and Local Workforce**
3 **Development Boards**
4 **(Local Workforce Solutions Investment Act)**

5 FOR the purpose of requiring the Maryland Department of Labor to allocate money from
6 the Hospital Employees Retraining Fund to local workforce development boards
7 under certain circumstances; altering certain workforce development programs to
8 require inclusion of local workforce development boards; requiring, if funding is
9 available, the Department to provide funding to a local workforce development board
10 as part of the State's quick response program for certain reductions in operations;
11 requiring local workforce development boards to provide grants to employers under
12 the Apprenticeship Career Training in Our Neighborhoods Program; and generally
13 relating to workforce development in the State.

14 BY repealing and reenacting, with amendments,
15 Article – Labor and Employment
16 Section 11–201, 11–304, 11–305(a), 11–601(d), and 11–1405(d)
17 Annotated Code of Maryland
18 (2025 Replacement Volume)

19 BY repealing and reenacting, without amendments,
20 Article – Labor and Employment
21 Section 11–303, 11–601(a) through (c) and (e), and 11–1403
22 Annotated Code of Maryland
23 (2025 Replacement Volume)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – Labor and Employment**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-201.

2 (a) The Department shall establish a program for the retraining and placement
3 of hospital employees who are unemployed or who may become unemployed as a result of
4 the closing, delicensing, downsizing, or possible downsizing of a hospital or the merging of
5 hospitals under § 19-325 of the Health – General Article.

6 (b) The Secretary and the Secretary of Health shall adopt regulations to
7 implement this section.

8 (c) (1) There is a Hospital Employees Retraining Fund.

9 (2) The Fund shall be used:

10 [(1)] (I) for the purposes described in this section; and

11 [(2)] (II) to pay any and all expenses of the Department in administering
12 this section.

13 (D) **IF A CLOSING, DELICENSING, DOWNSIZING, OR POSSIBLE DOWNSIZING
14 OF A HOSPITAL, OR THE MERGING OF HOSPITALS DESCRIBED IN SUBSECTION (A) OF
15 THIS SECTION OCCURS, THE DEPARTMENT SHALL ALLOCATE MONEY FROM THE
16 FUND TO THE LOCAL WORKFORCE DEVELOPMENT BOARD IN THE COUNTY OR
17 REGION AFFECTED.**

18 [(d)] (E) Any unexpended funds remaining in the Hospital Employees
19 Retraining Fund at the end of the fiscal year may not revert to the General Fund of the
20 State.

21 11-303.

22 There shall be a quick response program to provide both employers and employees
23 with services to assist in mitigating the impact on employees that occurs with a reduction
24 in operations.

25 11-304.

26 (a) The State's quick response program is under the direction of the Secretary.

27 (b) (1) The Secretary in cooperation with the Workforce Development Board
28 shall develop mandatory guidelines for employers faced with a reduction in operations.

29 (2) The guidelines developed under paragraph (1) of this subsection shall
30 include:

(i) subject to § 11-305 of this subtitle, a written notice that an employer expects to terminate employees due to a reduction in operations;

(iii) the specific mechanisms that employers can use to ask for the assistance of the State's quick response program.

8 (c) (1) The Department shall maintain the capacity to provide employment
9 and training services through the quick response program.

10 (2) This capacity shall include[, but not be limited to]:

11 [(1)] (I) on-site unemployment insurance bulk claims registration: for
12 incidents where 25 or more workers are laid off at 1 time, taking initial unemployment
13 insurance claims at the employee's place of business;

14 [(2)] (II) registration for federal Trade Readjustment Act services: if the
15 business closing is due to foreign competition, assisting workers in seeking federal training
16 benefits and additional unemployment insurance compensation benefits;

17 [(3)] (III) provision of labor market and retraining information: in
18 conjunction with local [service providers] **WORKFORCE DEVELOPMENT BOARDS**,
19 providing both local labor market information and retraining information that can assist
20 the workers to obtain reemployment [and/or] OR retraining:

21 [4] (IV) job placement services: through the regular office services or
22 through special on-site services, providing a range of job placement services utilizing the
23 "job bank".

[5] (v) job seeking and finding information: providing 1-day workshops to assist job seekers in learning how to seek and secure jobs; or

26 [(6)] (VI) referral to retraining opportunities: through LOCAL
27 WORKFORCE DEVELOPMENT BOARDS, liaisons with the private industry
28 [councils/service] COUNCILS OR SERVICE delivery areas, and the community college
29 network providing referrals for dislocated workers for retraining opportunities

30 (D) TO THE EXTENT FUNDING IS AVAILABLE, THE DEPARTMENT SHALL
31 PROVIDE FUNDING TO THE LOCAL WORKFORCE DEVELOPMENT BOARD IN THE
32 AFFECTED COUNTY OR REGION FOR DIRECT DEPLOYMENT TO SERVE WORKERS
33 AFFECTED BY A REDUCTION IN OPERATIONS

1 [(d)] (E) (1) The Department shall distribute the reduction in operations
2 guidelines to all employers in the State every 2 years.

3 (2) The distribution shall begin no later than July 1, 1986.

4 [(e)] (F) The Department shall monitor layoff and employment patterns and
5 payments of unemployment compensation contributions to identify employers that are
6 likely to experience large losses in employment or a reduction in operations.

7 [(f)] (G) If the Department identifies an employer that is likely to experience
8 large losses in employment or a reduction in operations, the Department shall
9 confidentially contact the employer and offer the assistance of the Department in providing
10 alternative employment and retraining opportunities, including coordinating the delivery
11 of available State and federal resources and services.

12 [(g)] (H) The Secretary shall adopt regulations to implement the provisions of
13 this subtitle.

14 11–305.

15 (a) (1) Except as provided in subsection (c) of this section, an employer shall
16 provide written notice at least 60 days before initiating a reduction in operations to:

17 [(1)] (I) all employees at the workplace that are subject to the reduction
18 in operations;

19 [(2)] (II) each exclusive representative or bargaining agency that
20 represents the employees at the workplace that are subject to the reduction in operations;

21 [(3)] (III) individuals who work less than 20 hours on average each week
22 or have worked for the employer for less than 6 months in the immediately preceding 12
23 months at the workplace that is subject to the reduction in operations;

24 [(4)] (IV) the Division's dislocated worker unit; and

25 [(5) (i)] (V) 1. the chief elected official of the political subdivision
26 where the workplace that is subject to the reduction in operations is located; or

27 [(ii)] 2. if the workplace is located in more than one political
28 subdivision, the chief elected official of the political subdivision to which the employer paid
29 the most taxes for the fiscal year immediately preceding the year in which the reduction in
30 operations occurs.

31 (2) IF THE DIVISION'S DISLOCATED WORKER UNIT RECEIVES NOTICE
32 UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION, THE UNIT SHALL FORWARD THE
33 NOTICE TO THE LOCAL WORKFORCE DEVELOPMENT BOARD IN THE POLITICAL

1 SUBDIVISION WHERE THE WORKPLACE THAT IS SUBJECT TO THE REDUCTION IS
2 LOCATED.

3 11-601.

4 (a) In this section, "ACTION Program" means the Apprenticeship Career
5 Training in Our Neighborhoods Program established under this section.

6 (b) There is an Apprenticeship Career Training in Our Neighborhoods Program
7 in the Department.

8 (c) The purposes of the ACTION Program are:

9 (1) to develop a well-trained, productive construction workforce which
10 meets the needs of the State's economy;

11 (2) to encourage employers to hire apprentices in the construction industry;
12 and

13 (3) to help employers offset additional costs, if any, associated with hiring
14 apprentices.

15 (d) (1) **(I)** The Department shall administer the ACTION Program [and]
16 **IN PARTNERSHIP WITH LOCAL WORKFORCE DEVELOPMENT BOARDS.**

17 (II) **LOCAL WORKFORCE DEVELOPMENT BOARDS SHALL** provide
18 grants [on a competitive basis] to employers that meet the requirements under paragraph
19 (2) of this subsection.

20 (2) An employer is eligible to receive a grant if the employer employs one
21 or more apprentices who:

22 (i) have been employed by the employer for at least 7 months;

23 (ii) are engaged in a building or construction trade;

24 (iii) are enrolled in the first year of an apprenticeship program
25 registered with the Maryland Apprenticeship and Training Council under § 11-405(b) of
26 this title; and

27 (iv) live in a zip code in which the percentage of poverty is at least
28 20% as established by the U.S. Department of Commerce, Bureau of the Census, in the
29 most recently released data.

30 (e) (1) As provided in the State budget, the ACTION Program shall award
31 grants to eligible employers.

4 (i) provide grants to eligible employers; and

5 (ii) cover administrative costs.

6 11-1403.

12 11-1405.

13 (d) The Division shall encourage each eligible entity receiving a matching grant
14 under the Program, in developing and carrying out a project, to consult with:

15 (1) institutions of higher education;

16 (2) the Maryland Department of Health:

17 (3) [one-stop career centers] LOCAL WORKFORCE DEVELOPMENT
18 BOARDS: and

19 (4) organizations with expertise in the needs of women, racial minorities,
20 immigrants and the impoverished

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2026.