

# SENATE BILL 777

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CF HB 1358

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By: **Senator Salling**

Introduced and read first time: February 6, 2026

Assigned to: Finance and Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 6, 2026

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## CHAPTER \_\_\_\_\_

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)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Labor and Employment**

4 11–201.

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

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

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

12 **(2)** The Fund shall be used:

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

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

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

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

24 11–303.

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

28 11–304.

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

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

3 (2) The guidelines developed under paragraph (1) of this subsection shall  
4 include:

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

7 (ii) the continuation of benefits, such as health, severance, and  
8 pension, that an employer should provide to employees who will be terminated due to a  
9 reduction in operations; or

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

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

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

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

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

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

25 [(4)] (IV) job placement services: through the regular office services or  
26 through special on-site services, providing a range of job placement services utilizing the  
27 “job bank”;

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

30 [(6)] (VI) referral to retraining opportunities: through **LOCAL**  
31 **WORKFORCE DEVELOPMENT BOARDS**, liaisons with the private industry  
32 [councils/service] **COUNCILS OR SERVICE** delivery areas, and the community college  
33 network, providing referrals for dislocated workers for retraining opportunities.

1           **(D) TO THE EXTENT FUNDING IS AVAILABLE, THE DEPARTMENT SHALL**  
2 **PROVIDE FUNDING TO THE LOCAL WORKFORCE DEVELOPMENT BOARD IN THE**  
3 **AFFECTED COUNTY OR REGION FOR DIRECT DEPLOYMENT TO SERVE WORKERS**  
4 **AFFECTED BY A REDUCTION IN OPERATIONS.**

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

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

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

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

16           **[(g)] (H)** The Secretary shall adopt regulations to implement the provisions of  
17 this subtitle.

18 11-305.

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

21           **[(1)] (I)** all employees at the workplace that are subject to the reduction  
22 in operations;

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

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

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

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

31           **[(ii)] 2.** if the workplace is located in more than one political  
32 subdivision, the chief elected official of the political subdivision to which the employer paid

1 the most taxes for the fiscal year immediately preceding the year in which the reduction in  
2 operations occurs.

3 **(2) IF THE DIVISION'S DISLOCATED WORKER UNIT RECEIVES NOTICE**  
4 **UNDER PARAGRAPH (1)(IV) OF THIS SUBSECTION, THE UNIT SHALL FORWARD THE**  
5 **NOTICE TO THE LOCAL WORKFORCE DEVELOPMENT BOARD IN THE POLITICAL**  
6 **SUBDIVISION WHERE THE WORKPLACE THAT IS SUBJECT TO THE REDUCTION IS**  
7 **LOCATED.**

8 11-601.

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

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

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

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

16 (2) to encourage employers to hire apprentices in the construction industry;  
17 and

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

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

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

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

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

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

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

1 (iv) live in a zip code in which the percentage of poverty is at least  
2 20% as established by the U.S. Department of Commerce, Bureau of the Census, in the  
3 most recently released data.

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

6 (2) It is the intent of the General Assembly that, for fiscal year 2017 and  
7 each fiscal year thereafter, the State budget include an appropriation of at least \$100,000  
8 for the ACTION Program to:

9 (i) provide grants to eligible employers; and

10 (ii) cover administrative costs.

11 11-1403.

12 (a) The purpose of the Program is to provide matching grants to eligible entities  
13 to create and expand on successful recruitment and retention strategies that address the  
14 range of potential barriers to increasing the number of direct care workers.

15 (b) The goal of the Program is to ensure the availability of trained direct care  
16 workers across the State.

17 11-1405.

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

20 (1) institutions of higher education;

21 (2) the Maryland Department of Health;

22 (3) ~~one-stop career centers~~ **LOCAL WORKFORCE DEVELOPMENT**  
23 **BOARDS**; and

24 (4) organizations with expertise in the needs of women, racial minorities,  
25 immigrants, and the impoverished.

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