P00

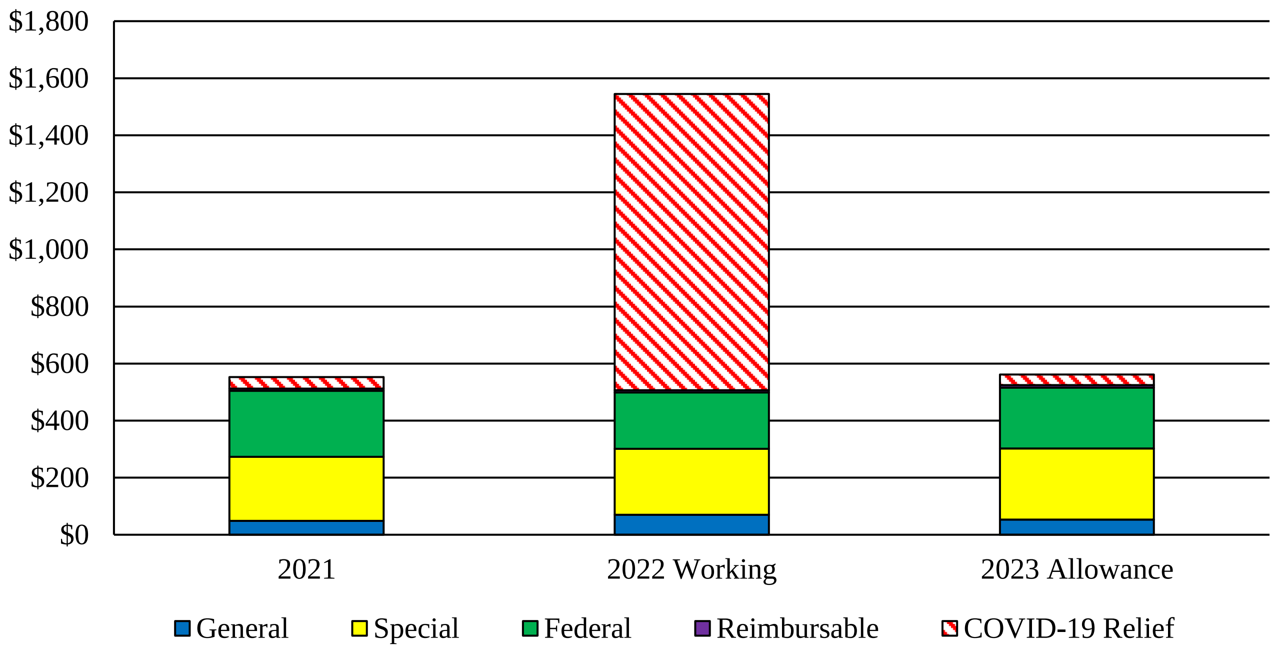
Maryland Department of Labor

Executive Summary

The Maryland Department of Labor (MDL) is responsible for administering workforce development, adult education, and unemployment insurance programs. The department also includes many of the State's agencies and boards responsible for licensing and regulating various businesses, professions, and trades.

Operating Budget Summary

Fiscal 2023 Budget Decreases $983.5 Million, or 63.7%, to $561.5 Million
($ in Millions)



Note: COVID-19 relief funding includes federal funds from the Coronavirus Aid, Relief, and Economic Security Act; the Consolidated Appropriations Act; and the American Rescue Plan Act as well as special funds from the Rainy Day Fund. The fiscal 2022 working appropriation includes deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

- The fiscal 2022 working appropriation includes $1.0 billion in one-time federal funds from the American Rescue Plan Act of 2021 (ARPA) State Fiscal Recovery Funds (SFRF) to replenish the State's Unemployment Insurance Trust Fund (UITF). Other changes related to

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unemployment insurance (UI) include a decrease of $15 million in general funds that were not needed to pay interest on UITF borrowing but are nonetheless included in the fiscal 2022 appropriation and an increase of nearly $30 million in federal funds for UI-related contract services. Both the fiscal 2022 working appropriation and fiscal 2023 allowance do not recognize significant federal funds available for the Office of Unemployment Insurance.

- Excluding funding for the UI program, the fiscal 2023 allowance increases by $17.1 million, or 3.9%, over the fiscal 2022 working appropriation, after accounting for proposed deficiency appropriations. Major changes include an increase of $19.6 million in special funds for horse racing and local jurisdictions from lottery and video lottery terminal (VLT) revenues, an increase of $2.3 million in general funds for workforce development programs, and a decrease of $4.8 million in general funds due to a one-time deficiency proposed in fiscal 2022 to pay down MDL's balance of unrecoverable federal fund revenues.

Key Observations

- ***Funding for Workforce Development Increases but Lacks Oversight:*** Across the fiscal 2021 and 2022 budgets and the fiscal 2023 allowance, a combined additional $82 million in federal ARPA funds has been allocated to Local Workforce Areas (LWA) for workforce development programs, approximately doubling the workforce development funding available to LWAs in fiscal 2022 and 2023. However, MDL did not retain any ARPA funding to provide oversight of these funds, as the department typically does for regular workforce development program funding.

- ***Significant Contract Costs for UI Not Recognized in Budget:*** Since the beginning of the COVID-19 pandemic, the volume of UI claims has exceeded the level that MDL can handle with existing resources, and the department has contracted with several outside providers for call center staff augmentation, claims adjudication, fraud prevention, and other services needed to process UI claims. Although the Board of Public Works (BPW) has approved more than $330 million in contracts dating back to April 2020 for these purposes, most of the funding for these contracts has not been appropriated in fiscal 2022 and is not included in the fiscal 2023 allowance.

Operating Budget Recommended Actions

1. Add language restricting federal funds to provide oversight of workforce development programs funded through the American Rescue Plan Act of 2021.

P00
Maryland Department of Labor

Operating Budget Analysis

Program Description

MDL administers a variety of employment service and adult learning programs. The department also includes many of the State's agencies and boards responsible for licensing and regulating various businesses, professions, and trades. In addition to administrative offices, which include the Governor's Workforce Development Board, the department contains the following divisions:

- **The Division of Workforce Development and Adult Learning** operates workforce development programs, including job services, the Workforce Innovation and Opportunity Act (WIOA), and labor market information programs. It also manages the adult education programs, including adult literacy programs and skills training for correctional institutions. Its mission is to support the State's economic growth through a workforce development, education, and training system that is responsive to the needs of adult learners, job seekers, employers, and all system partners.

- **The Division of Unemployment Insurance** operates the UI programs. Its mission is to provide prompt temporary partial wage replacement to eligible individuals who are unemployed, help facilitate their return to work, and collect UI tax contributions from employers.

- **The Division of Labor and Industry** is responsible for safety inspections of boilers, elevators, amusement rides, and railroads. The division also enforces certain protective labor laws and administers the Maryland Occupational Safety and Health (MOSH) Act. The division's mission is to protect Maryland citizens' health, safety, and employment rights.

- **The Division of Occupational and Professional Licensing** includes boards and commissions that license, regulate, and monitor 26 different professions and trades. The division's mission is to ensure that regulated occupations and professions have practitioners that are competent and compliant with State laws, regulations, and standards. This oversight seeks to ensure that commercial services are conducive to the health, safety, and welfare of Maryland consumers.

- **The Division of Racing**, which houses the Maryland Racing Commission, regulates thoroughbred and harness racing tracks across the State. The division's responsibilities include assigning racing days, regulating wagering on races, collecting the wagering tax, licensing all racetrack employees, and operating a testing laboratory. The division also pays the salaries and stipends of all racetrack employees that are appointed by the Maryland Racing Commission.

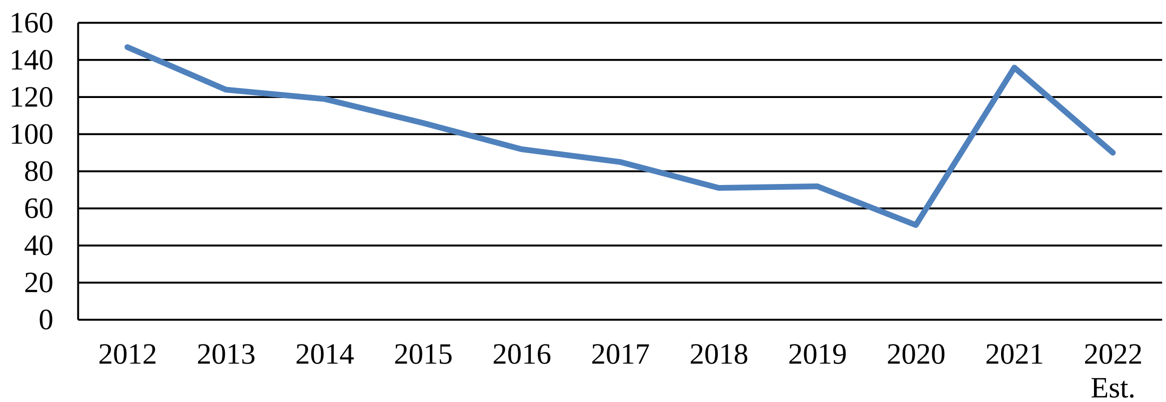
- **The Division of Financial Regulation** charters, licenses, registers, and regulates commercial banks; trust companies; credit unions; mortgage lenders, originators, brokers and servicers; collection agencies; and consumer loan companies, among other entities. The division's mission is to protect financial services consumers and to ensure appropriate licensing, registration, and compliance with laws in order to maintain the safety and soundness of Maryland's financial services industry.

Performance Analysis: Managing for Results

1. Occupational Health and Safety Complaints Spike in 2021

The MOSH Act generally requires employers to provide each employee with employment and a place of employment that are safe and healthful and free from recognized hazards that cause or are likely to cause death or serious physical harm to the employee. MDL is responsible for administering the MOSH program, including investigating health and safety complaints. **Exhibit 1** shows the number of occupational health and safety complaints investigated by the department from fiscal 2012 to an estimate for fiscal 2022. Complaints increased significantly in fiscal 2021 due to the COVID-19 pandemic. MDL indicates that the department does not have jurisdiction over complaints related to facial coverings, social distancing, or occupancy restrictions. MDL referred such complaints to local health departments, and these types of complaints are not reflected in Exhibit 1. MDL also does not collect data on the number of complaints referred to other entities. The COVID-19-related complaints that MDL did investigate typically involved other sanitation and respiratory protection issues, such as emergency department employees not wearing respirators while performing intubation. MDL was able to handle the additional complaints with existing staff capacity, as complaints make up only a small share of MOSH investigations annually. Investigating complaints takes precedence over conducting preventive inspections.

Exhibit 1
Occupational Health and Safety Complaints Investigated
Fiscal 2012-2022 Est.



Source: Governor's Fiscal 2023 Budget Books

Fiscal 2022

Proposed Deficiencies

The fiscal 2023 budget includes three proposed deficiencies related to MDL programs for fiscal 2022:

- $4.8 million in general funds in the Office of General Services to pay down the remaining balance of unrecoverable federal fund revenues that have been identified in statewide closeout audits conducted by the Office of Legislative Audits (OLA) annually since fiscal 2018, including fiscal 2021. MDL had previously planned to pay down the debt slowly over the course of more than a decade through an indirect cost surcharge to most of the department's programs;

- $545,927 in reimbursable funds from the Office of the Attorney General to pay for legal costs to defend MDL in two lawsuits related to the UI program; and

- a negative deficiency, withdrawing funds of $37.5 million in federal funds from the ARPA in the Dedicated Purpose Account (DPA) for workforce development programs, as the funding is reflected instead in MDL's fiscal 2023 allowance. The use of this funding for workforce development is discussed further in Issue 1 of this analysis.

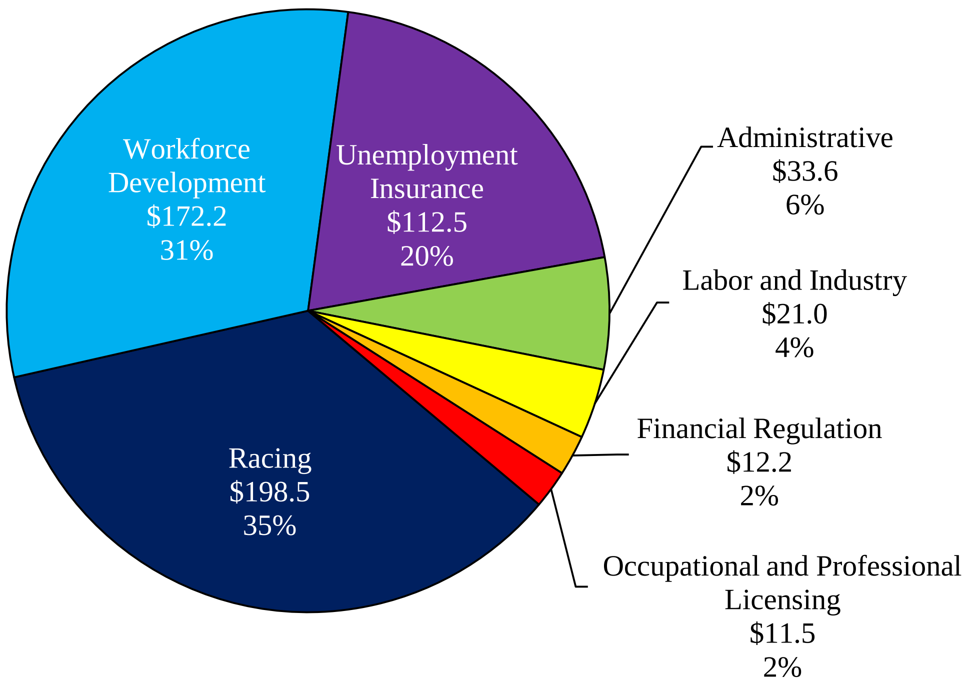
Federal Stimulus Funds

The fiscal 2022 working appropriation includes $1.0 billion in federal funds from the ARPA SFRF to replenish the balance of the UITF. This funding is discussed further in Issue 2 of this analysis. The fiscal 2022 working appropriation also includes $37.5 million in the SFRF from the ARPA to supplement workforce development programs, which is discussed further in Issue 1 of this analysis. As noted, the fiscal 2023 allowance also includes the same level of funding for this purpose.

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance totals $561.5 million. As shown in **Exhibit 2**, the Division of Racing accounts for 35% of the fiscal 2023 allowance. Most of the funding for this division is gaming revenue, which is used for local impact aid for localities that house casinos or racetracks, as well as for racetrack facility redevelopment and horse racing purses. Actual racing operations account for less than 1% of the overall fiscal 2023 allowance. Workforce development programs account for nearly a third of the budget, while 20% is for UI.

Exhibit 2
Overview of Agency Spending
Fiscal 2023 Allowance
($ in Thousands)



Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

Source: Governor's Fiscal 2023 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2023 allowance decreases by $983.5 million compared to the fiscal 2022 working appropriation, after accounting for proposed deficiency appropriations. The overall decrease is primarily due to the fiscal 2022 appropriation of $1.0 billion in federal ARPA funds to replenish the UITF to its prepandemic level. General funds decrease by $16.6 million, or 23.8%, primarily due to one-time fiscal 2022 funding of $15 million provided in Supplemental Budget No. 5 of 2021 to cover potential interest payments on borrowing for UITF, which was not needed as the department's UITF loan was paid back in full before accruing interest. Special funds increase by $17.5 million, or 7.6%, mostly due to increases in VLT revenues for horse racing and local impact aid.

Exhibit 3
Proposed Budget
Maryland Department of Labor
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	$49,068	$242,750	$253,602	$7,714	$553,134
Fiscal 2022 Working Appropriation	69,615	231,950	1,234,686	8,802	1,545,052
Fiscal 2023 Allowance	53,020	249,493	250,178	8,843	561,535
Fiscal 2022-2023 Amount Change	-$16,594	$17,544	-$984,508	$41	-$983,517
Fiscal 2022-2023 Percent Change	-23.8%	7.6%	-79.7%	0.5%	-63.7%

Where It Goes:	Change
Personnel Expenses	
Employee and retiree health insurance	$1,305
Employee retirement	112
Salaries and wages	-93
Workers' compensation premium assessment	-139
Overtime earnings	-172
Costs associated with 5 abolished positions	-377
Turnover adjustments	-640
Other fringe benefit adjustments	39
Unemployment Insurance (UI)	
Contract costs increase for the Office of UI but are not reflective of overall contract costs	29,505
Fiscal 2022 reimbursable fund deficiency to pay legal costs for UI lawsuit	-546
One-time funds in fiscal 2022 from the federal Consolidated Appropriations Act of 2020	-550
UI modernization project continues in maintenance phase	-821
Decreasing costs for contractual staff following end of pandemic UI programs	-2,215
Correction in fiscal 2023 for federal funds included in fiscal 2022 budget in error	-11,000
General funds to pay interest on UI Trust Fund borrowing, which was not required	-15,000
Federal stimulus funds to replenish UI Trust Fund in fiscal 2022	-1,000,000
Horse Racing, Based on BRE Estimates	
Purse Dedication Account	8,502
Racetrack Facility Renewal Account	1,403
Local jurisdictions' share of VLT and table games revenues	7,558
Lottery revenue for Anne Arundel due to hold harmless provision (Ch. 692 of 2021)	2,169

Where It Goes:	**Change**
Workforce Development	
Apprenticeship income tax credit (Chapter 643 of 2020)	$1,000
Employment Advancement Right Now cyber grants	1,000
Preapprenticeship grants	400
Direct Care Workforce Innovation Program (Chapter 699 of 2021)	250
Decrease of 21 contractual FTEs due to contractual conversions and elimination of excess vacant positions	-1,412
Other Changes	
Department of Information Technology services allocation	1,506
Reimbursable funds for tablets used in correctional education programs	423
Travel costs	-306
Rent	-553
Fiscal 2022 general fund deficiency to pay down unrecoverable federal funds	-4,775
Other changes	-91
Total	**-$983,517**

BRE: Board of Revenue Estimates
FTE: full-time equivalent
VLT: video lottery terminal

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

Apprenticeships

The fiscal 2023 allowance includes $1 million in general funds for the apprenticeship income tax credit, which was not funded in fiscal 2022. Chapter 643 of 2020 (the Apprenticeship Start-Up Act) extended the termination date of the tax credit from January 1, 2020, to January 1, 2025, modified the eligibility requirements and increased the tax credit amount, and established the Apprenticeship Tax Credit Reserve Fund, making the program a budgeted tax credit. Businesses may claim tax credits of $3,000 for each non-youth apprentice and $1,000 for each youth apprentice employed by the business, with a limit of $15,000 per business in a tax year. Prior to enactment of Chapter 643, the tax credit was nonbudgeted and was jointly administered by MDL and the Department of Commerce (Commerce). From tax years 2017 to 2019, Commerce issued an average of $281,000 in apprenticeship income tax credits annually.

The fiscal 2023 allowance also includes an increase of $400,000 in special funds available from the State Apprenticeship Training Fund for MDL to award grants for preapprenticeship programs.

Employment Advancement Right Now

Employment Advancement Right Now (EARN) is a State workforce development program established in 2014 that provides industry-led and regionally focused workforce training. Industry leaders work in partnership with community organizations and nonprofits to develop training for participants to be hired directly by industry leaders. The fiscal 2023 allowance includes $9.1 million for grants through the EARN program. Funding for traditional EARN partnerships, clean energy programs, and opportunity zone programs remains level with the fiscal 2022 working appropriation, while funding for EARN cyber programs increases by $1.0 million to $3.8 million. MDL expects that this enhanced funding for cyber programs will provide training to approximately 150 additional individuals.

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	1,378.17	1,355.17	1,350.17	-5.00
Contractual FTEs	343.89	464.87	447.61	-17.26
Total Personnel	**1,722.06**	**1,820.04**	**1,797.78**	**-22.26**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		106.39	7.88%	
Positions and Percentage Vacant as of 12/31/21		128.50	9.48%	
Vacancies Above Turnover		22.11		

- From the end of calendar 2020 to the end of calendar 2021, the department's vacancy rate declined from nearly 14% to 9.5%. The vacancy rate for the Office of UI declined from 12.9% to 4.5% over the same period. Approximately 40% of MDL's vacancies have been open for 3 months or fewer, while 20% are long-term vacancies exceeding 12 months.

- There is a net decrease of 5 positions within the department, with vacant positions abolished for cost-saving purposes. There is also a net decrease of 17.26 contractual full-time equivalents (FTE), primarily due to contractual conversions and the elimination of excess vacant contractual positions for the Division of Workforce Development and Adult Learning. Although funding for contractual staff in the Office of UI decreases by $2.2 million in the fiscal 2023 allowance, the number of FTEs in the allowance is unchanged.

- The fiscal 2023 budget for the Department of Budget and Management includes $1.1 million in annual salary review adjustments for 209 positions in MDL, primarily job service specialists and MOSH compliance officers. These funds will be transferred by budget amendment during the fiscal year.

Issues

1. COVID-19 Relief Significantly Expands Workforce Development Funding

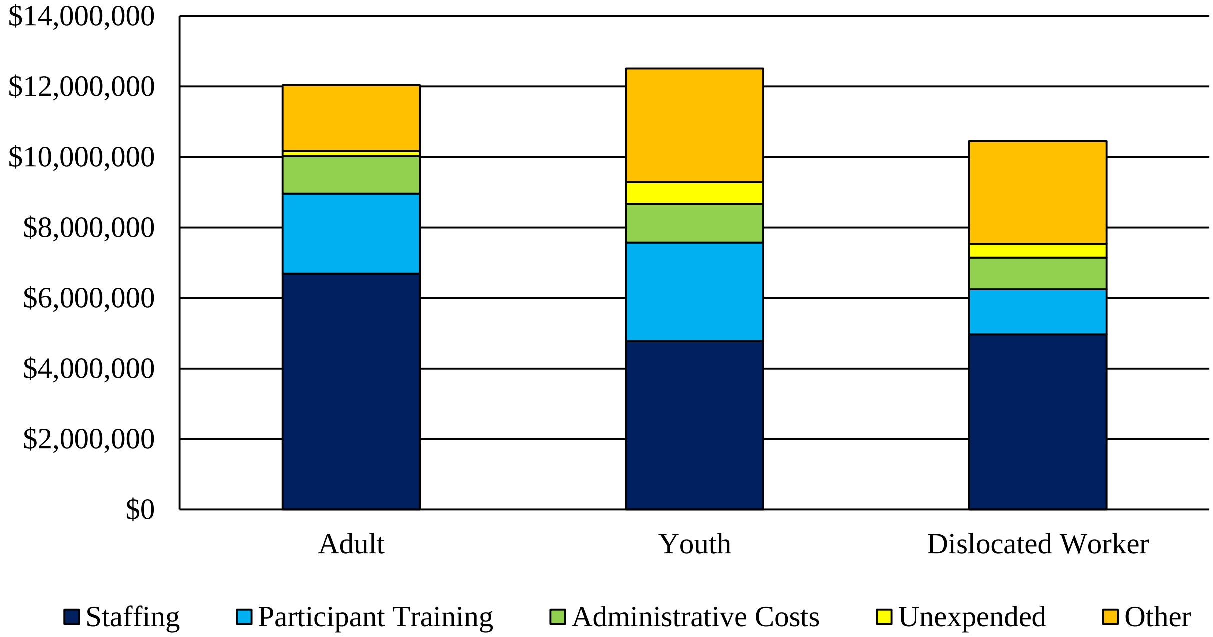
The largest source of funding for MDL's workforce development programs is the federal WIOA Title I programs, including $54.2 million in the fiscal 2023 allowance, or 58% of the department's total workforce development funding, excluding COVID-19 relief funding. In addition, Chapter 39 of 2021 (RELIEF Act) provided $7 million in federal ARPA funds to supplement the department's WIOA funds in fiscal 2021. Supplemental Budget No. 5 to the fiscal 2022 budget added a further $75 million for this purpose from available ARPA funds, divided equally between fiscal 2022 and 2023. The fiscal 2023 portion was appropriated to the DPA; as noted earlier, a proposed deficiency appropriation withdraws these funds, as the funds are appropriated directly within MDL in fiscal 2023.

WIOA Overview

WIOA Title I includes three formula-funded programs: Adult; Youth; and Dislocated Worker. All three programs offer similar services but to different target populations. The WIOA Title I funds for all three programs are primarily distributed to the State's 13 LWAs based on formulas that take into account each area's shares of unemployed and economically disadvantaged individuals. LWAs use the funding to provide basic career services, such as job search assistance; individualized career services, such as development of an individual employment plan or short-term training in interviewing skills; and more substantial training services through eligible providers, such as community colleges or apprenticeship programs. WIOA career services are available to all adults, with priority for low-income adults. MDL also seeks to prioritize individuals with barriers to employment through targeted outreach as well as pilot programs focused on specific populations, including recent immigrants, youth aging out of foster care, or homeless job seekers.

While 86% of the funds in each program are distributed to LWAs, MDL retains 14% as the Governor's set-aside, which is used for program administration and oversight as well as for innovative pilot programs and other one-time funding needs. **Exhibit 4** shows LWA expenditures by program and category for program year 2019 (the most recently completed grant period), with the majority of funds being spent on staff (47%) and participant training (18%).

Exhibit 4
Local WIOA Expenditures by Category
Program Year 2019



WIOA: Workforce Innovation and Opportunity Act

Note: WIOA funds are granted on a two-year program cycle. The grant period for program year 2019 funds covers July 2019 through June 2021. Unexpended funds are returned to the Governor's set-aside. Other includes subsidized wages for participants, supportive services, equipment and supplies, and other contract costs.

Source: Maryland Department of Labor

WIOA Outcomes

MDL tracks five key performance indicators for its WIOA programs, per federal requirements:

- the percentage of program participants in unsubsidized employment in the second and fourth quarters after exiting the program. For youth programs, these indicators include the percentage of participants engaged in either unsubsidized employment or an educational program;

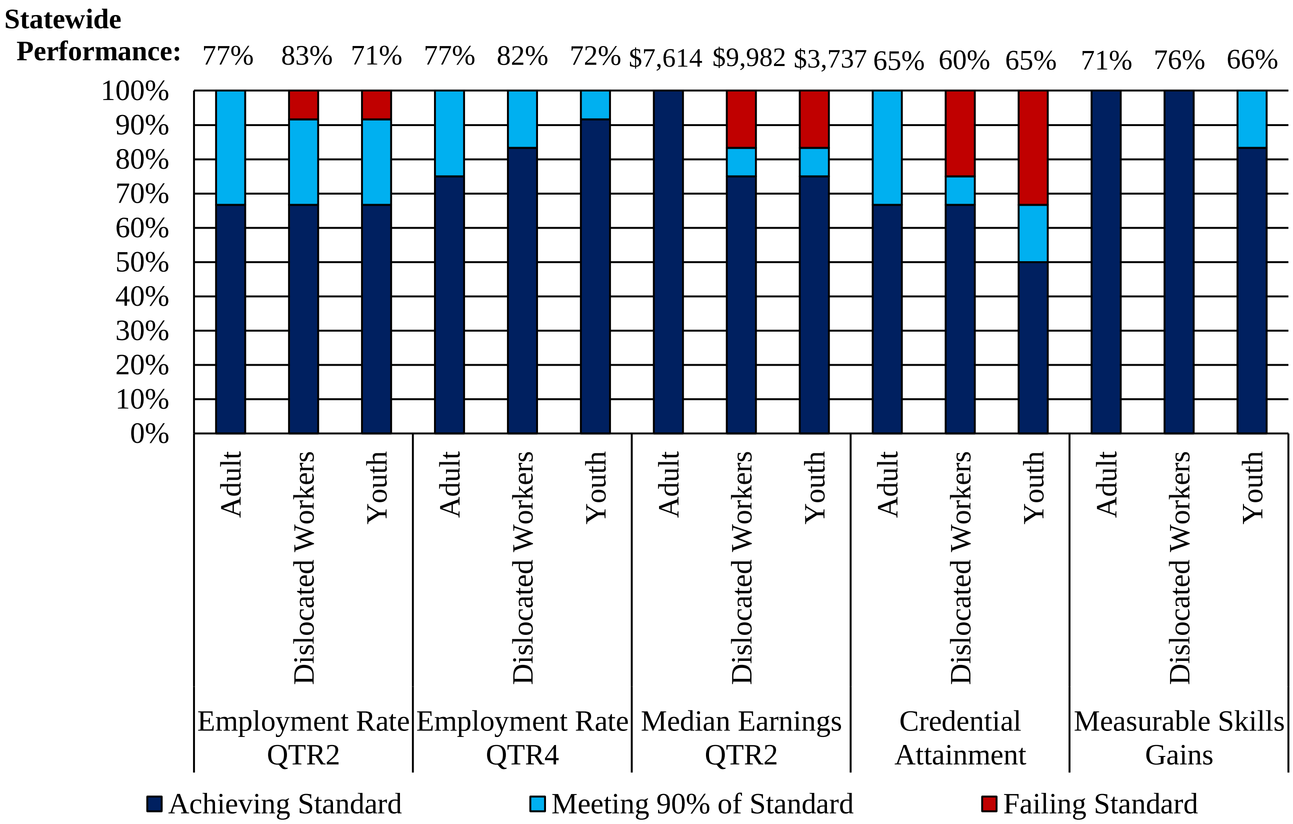
- the median earnings of participants in unsubsidized employment in the second quarter after exiting the program;

- the percentage of participants who obtain a recognized postsecondary credential during or within one year of participation; and

- the percentage of participants in certain education or training programs who are achieving measurable skill gains.

Exhibit 5 shows LWAs' performance against the performance standards for each Title I program for program year 2020. While Maryland exceeds the State standard for all indicators, the standards are adjusted for each LWA, and not all LWAs achieve the adjusted local standard in all categories. LWAs performed least well on credential attainment for youth, while all LWAs achieved the performance standard for measurable skills gains for adults and dislocated workers and adult median earnings. The statewide and locally adjusted standards are provided in **Appendix 7**.

Exhibit 5
Local Workforce Areas Achieving Select Performance Measures
Program Year 2020



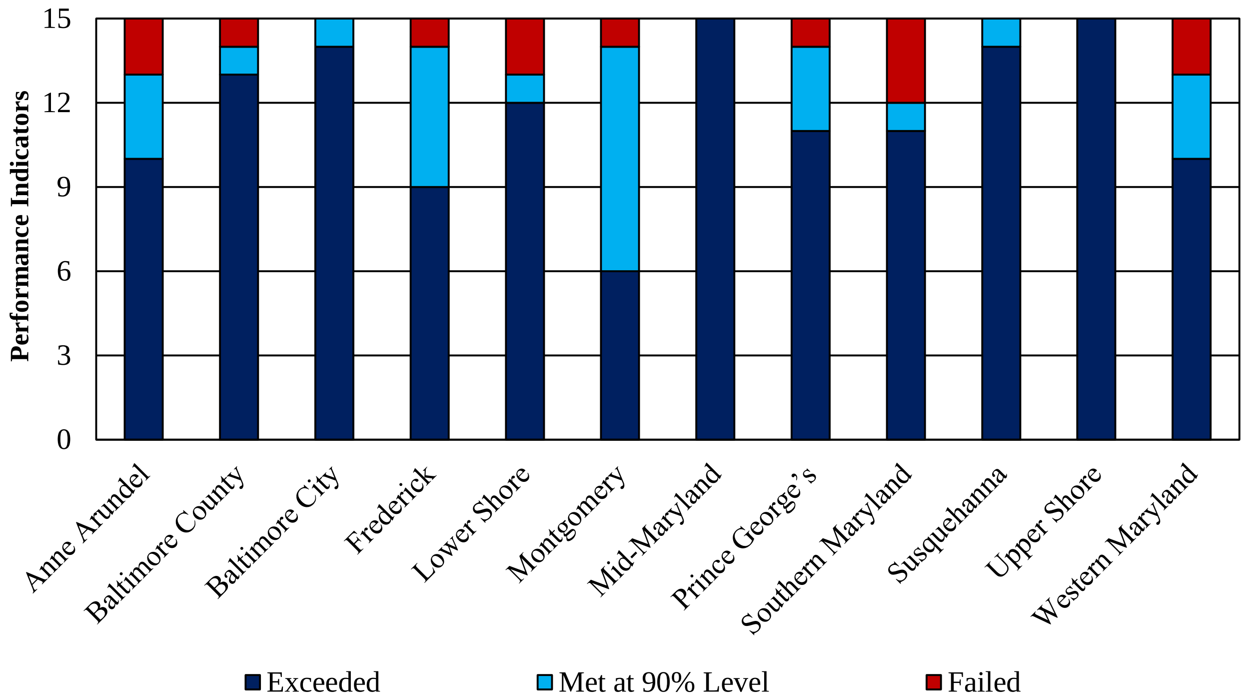
QTR: quarter

Note: For youth, the employment rate indicators also include education rate. Performance standards for each measure are adjusted for local conditions and vary by Local Workforce Area.

Source: Maryland Department of Labor

Exhibit 6 shows the variation in performance by LWA. MDL works with LWAs to provide technical assistance when an LWA is failing or close to failing a performance measure. If an LWA fails a measure for three consecutive years, corrective actions are taken, including reorganization of the local board and a prohibition on using providers that produced failing results. MDL also reviews outcomes by training provider annually and may remove providers from the list of eligible WIOA providers if their programs do not achieve established performance criteria.

Exhibit 6
Local Workforce Area Performance
Program Year 2020



Note: The Mid-Maryland Local Workforce Area (LWA) split into two separate LWAs for Carroll and Howard counties, effective July 1, 2021.

Source: Maryland Department of Labor

Funding Overview

As shown in **Exhibit 7**, ARPA funds represent a significant expansion of the funding available to LWAs for workforce development. The $75 million of ARPA funding provided over fiscal 2022 and 2023 more than doubles the regular WIOA funding available to LWAs in each year. Regular and ARPA funding for fiscal 2023 has not yet been allocated to LWAs. Unlike the regular WIOA funding, MDL did not retain any portion of ARPA funding as a set-aside for statewide activities due to the interpretation of language in the budget bill that directed funds to be distributed to LWAs based on the WIOA adult program formula, despite the typical distribution including a set-aside.

Exhibit 7
WIOA and COVID-19 Relief Funding by LWA

Local Workforce Area	RELIEF Act Fiscal 2021	ARPA Round 1 Fiscal 2022	WIOA Title I Fiscal 2022
Statewide Activities	$0	$0	$7,590,183
Anne Arundel	451,500	2,467,500	1,844,002
Baltimore City	1,537,900	6,825,000	5,988,950
Baltimore County	903,000	4,841,250	4,015,361
Carroll	218,987	1,263,750	861,119
Frederick	247,100	1,237,500	893,666
Howard	336,113	1,653,750	1,044,182
Lower Shore	399,700	1,950,000	1,675,991
Montgomery	686,700	4,241,250	3,193,631
Prince George's	829,500	5,943,750	4,783,929
Southern Maryland	328,300	1,638,750	1,200,122
Susquehanna	338,800	1,837,500	1,437,478
Upper Shore	267,400	1,406,250	962,527
Western Maryland	455,000	2,193,750	1,707,703
Total	**$7,000,000**	**$37,500,000**	**$37,198,844**

ARPA: American Rescue Plan Act
LWA: Local Workforce Area
WIOA: Workforce Innovation and Opportunity Act

Note: The Mid-Maryland LWA split into two separate LWAs for Carroll and Howard counties, effective July 1, 2021. Statewide activities funding includes both the Governor's set-aside as well as rapid response funding.

Source: Maryland Department of Labor

Uses of ARPA Funding

Each LWA submitted plans to MDL detailing how the RELIEF Act funds and the first tranche of supplemental ARPA funds would be used. In general, there are fewer restrictions on the use of ARPA funds compared to regular funding through WIOA. In addition to using the funds to provide training, job search assistance, and supportive services, many jurisdictions elected to spend funds from the RELIEF Act on one-time investments such as mobile career centers or on uses not supported by regular WIOA funding. For example, Howard County noted in its plan that RELIEF Act funds would be used to serve customers that do not meet WIOA eligibility criteria but are still in need, such as the asset limited, income constrained, employed (ALICE) population.

Most of the plans submitted by LWAs for the first tranche of $37.5 million lacked specificity, stating only that funding would support training and employment services for those impacted by the pandemic, emphasizing essential workers, service sector workers, and other impacted industries. Several programs noted community and business outreach as a focus for this funding. However, some LWAs provided a greater level of detail on the programs and services to be funded with ARPA funds. For example, Baltimore City indicated that the funding (in combination with ARPA funds received directly by Baltimore City) would support 406 seats in its Train Up program, which provides occupational training in high-demand industries; 165 occupational training seats for at-risk high school graduates; 100 apprenticeships in industries negatively affected by the pandemic; supportive services, such as transportation for training participants; as well as subsidized wages for employees at small, minority-, and women-owned businesses. Montgomery County plans to spend the first tranche of funding on out-of-school youth programming, a re-entry employment and training program, business incentives for hiring apprentices as well as jobseekers engaged in the public workforce system, pre-apprenticeship training, and occupational training outside of the regular WIOA training system in skills such as coding, biotechnology, and information technology (IT). Carroll County plans to spend its ARPA funding on programs that address the digital divide, provide rapid training for in-demand skills such as welding, and provide other opportunities for upskilling and apprenticeships. The county will also use ARPA funds to hire 6 additional staff to administer its programs.

Funding Oversight

Because MDL did not retain any portion of ARPA funding as a set-aside, MDL is unable to provide adequate oversight for the use of these funds. MDL workforce development staff are funded through federal WIOA funds, which cannot be used to administer ARPA funding. MDL advises that the department's request to the U.S. Department of Labor (DOL) to waive this restriction was not granted, and the department expects DOL to reclaim funds that MDL has expended to date for staff time to perform a limited review of LWA plans for the use of ARPA funding.

Other than this limited review, MDL has been unable to monitor how LWAs have been spending ARPA funds for workforce development. MDL is not reviewing the quarterly reports submitted by LWAs and is not evaluating program outcomes. In addition, while MDL would ordinarily reimburse LWA expenses using WIOA funds, LWAs were provided the entirety of their fiscal 2021 and 2022 ARPA allocations up front, further limiting oversight. **The Department of Legislative Services (DLS) recommends adding language to restrict 10% of the $37.5 million of ARPA funding for workforce development in the fiscal 2023 allowance to be used by MDL for oversight purposes, including reviewing fiscal and programmatic reporting from LWAs, performance evaluation, and any other oversight activities that the department deems necessary. The remaining 90% of funds will still be distributed to LWAs based on the WIOA Adult Program formula.**

2. Unemployment Insurance

Since the beginning of the COVID-19 pandemic, the volume of UI claims, including both regular and federal pandemic UI programs, has exceeded the level that MDL can handle with existing resources. As a result, the department has contracted with several outside providers for call center staff augmentation, claims adjudication, fraud prevention, and other services needed to process UI claims. Due to the high level of claims, the balance of the UITF was depleted, and the State committed federal ARPA funds to replenish the UITF to its prepandemic balance. Federal pandemic UI programs created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Continued Assistance for Unemployed Workers Act (CAUWA) ended in September 2021, and regular UI claims have decreased to a level consistent with the experience prior to the pandemic.

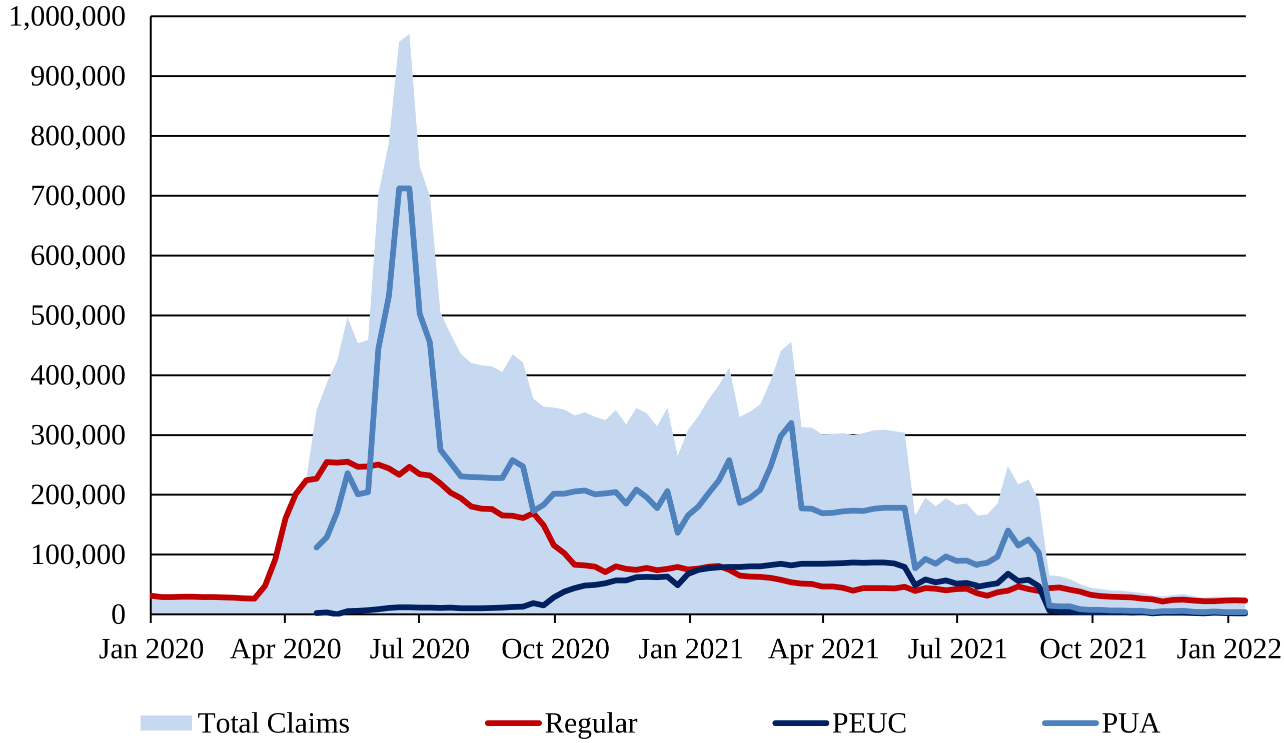
The department is also planning to issue a request for proposals (RFP) in March 2022 for a new omni-channel contact center system to manage call center interactions and integrate with other UI information systems. Additional details on this major IT project can be found in **Appendix 6**.

Federal Programs End and Claims Volume Returns to Prepandemic Level

On March 27, 2020, the CARES Act created three new temporary UI programs to expand eligibility for unemployment benefits: 1) the Pandemic Unemployment Assistance (PUA) program, which covered individuals typically ineligible for UI benefits, such as self-employed, independent contractors, and gig workers; 2) the Pandemic Emergency Unemployment Compensation (PEUC) program, which extended the duration of benefits beyond the typical 26 weeks; and 3) the Federal Pandemic Unemployment Compensation (FPUC) program, which provided a supplemental $600 weekly payment for all recipients. The PUA and PEUC programs were extended through both the CAUWA and the ARPA to cover up to a maximum of 75 benefit weeks through September 4, 2021. The supplemental benefit provided through FPUC lapsed at the end of July 2020, although the Lost Wages Assistance program authorized by presidential executive order provided a $300 supplement to certain claimants for the six weeks following the lapse of FPUC; and the CAUWA and the ARPA reinstated a $300 weekly supplement for the period covering January 2, 2021, to September 4, 2021. The CAUWA also created a Mixed Earner Unemployment Compensation program, beginning January 2, 2021, to provide a $100 weekly supplement to UI recipients, other than those receiving PUA benefits, that earned at least $5,000 in self-employment income in the prior tax year. The ARPA extended this program through September 4, 2021. The claims under all of these programs were federally funded and did not impact the UITF.

Exhibit 8 shows the number of weekly continued claims for the regular UI program as well as the PUA and PEUC programs from January 2020 to January 2022. MDL handled an unprecedented volume of claims during the COVID-19 pandemic, due both to regular claims as well as the major expansion in eligibility from the PUA program. Regular claims peaked in May 2020, exceeding 245,000 for six consecutive weeks in May and June 2020. For comparison, the peak of weekly claims during the Great Recession was 95,688. Since the new federal UI programs ended in September 2021, regular claims have continued to decline over the subsequent months and, by January 2022, had returned to a level consistent with the months leading up to the pandemic.

Exhibit 8
Weekly Unemployment Insurance Continued Claims by Program
Weeks Ending January 4, 2020, to January 15, 2022



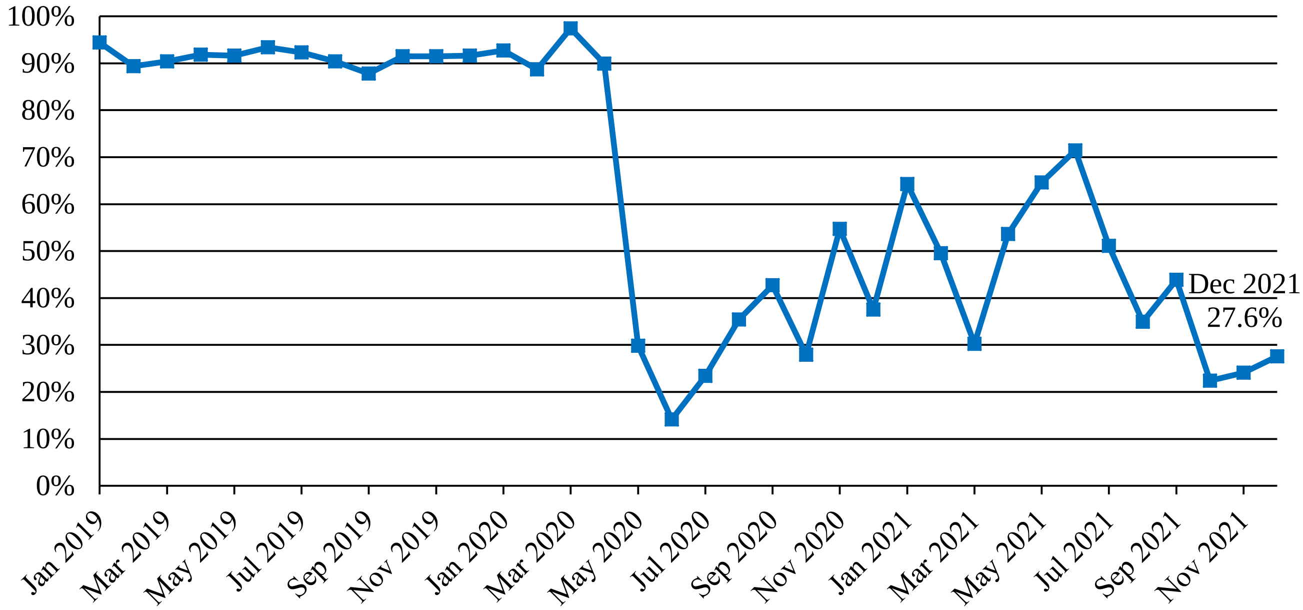
PEUC: Pandemic Extended Unemployment Compensation
PUA: Pandemic Unemployment Assistance

Note: Continued claims in the PUA and PEUC programs extend beyond the end of those programs in September 2021 due to the timing of when the claims were processed.

Source: U.S. Department of Labor

Given the high volume of claims, MDL struggled to pay benefits to claimants in a timely manner. DOL has set a timeliness standard that 87% of claimants receive benefits within three weeks of filing an initial claim. As shown in **Exhibit 9**, MDL has historically achieved this goal but fell far short as a result of the overwhelming number of claims filed during the pandemic. MDL continues to have performance well below prior levels despite lower claims volume and the end of federal programs, with fewer than 30% of initial claims processed within 21 days in each of October, November, and December 2021. **MDL should comment on the current status of pending claims and when the department expects to once again meet established timeliness standards, given the end of the federal pandemic UI programs and the return of regular claims to prepandemic levels.**

Exhibit 9
Unemployment Insurance Claims Paid within 21 Days of Initial Claim
Calendar 2019-2021



Note: This data is for regular unemployment insurance claims only. Neither the U.S. Department of Labor nor the Maryland Department of Labor reports timeliness data for the federal COVID-19 unemployment insurance programs.

Source: U.S. Department of Labor

Significant Contract Costs Not Reflected in Budget

Exhibit 10 provides detail on contracts that MDL has entered into with vendors to assist with UI call center staffing, adjudicating claims, and dealing with increased fraud throughout the COVID-19 pandemic, as approved by BPW. Although the not-to-exceed value of these three contracts alone totals more than $330 million, the total contract costs reflected in the fiscal 2020 to 2023 budgets for the Office of UI is only $145.6 million. As of February 2022, MDL's fiscal 2022 UI vendor costs already totaled $98.1 million, while the fiscal 2022 working appropriation only includes $11.6 million for these contracts.

Exhibit 10
Contracts for Unemployment Insurance Staffing and Services
Fiscal 2020-2023
($ in Millions)

Contractor	Amount	Term	Detail
Accenture	$258.3	Original: April 15, 2020, to December 31, 2020 Latest modification: January 1, 2022, to June 30, 2022, with one six-month renewal option	Provides a total of 1,975 staff resources through a virtual call center. The initial contract was awarded in April 2020 as a single-source procurement and totaled $22.4 million to provide 275 temporary staff. The contract has since been extended multiple times, with additional staff resources added with each extension.
Alorica	70.9	Original: November 10, 2020, to November 9, 2021 Modified: November 10, 2021, to May 10, 2022	Provides for up to 675 staff resources to support adjudication services at a rate of $40.49/hour per resource. The department received two bids for this emergency procurement, and Alorica offered the lower price bid.
LexisNexis Risk Solutions	3.6	May 19, 2021, to May 18, 2022, with one one-year renewal option	Provides claimant identity verification to combat fraud. The department received eight bids for this emergency procurement, and LexisNexis ranked first technically and sixth financially.
Total	**$332.8**		

Source: Board of Public Works

The contract with Accenture was initially awarded as a sole-source emergency procurement in April 2020 and has been extended multiple times since the original BPW approval was granted in August 2020. In December 2021, MDL asked BPW to approve a further one-year extension of the contract through the end of calendar 2022 that would have added $196.1 million to the contract total; however, BPW requested that MDL instead structure the extension as a six-month extension with one six-month renewal option due to the expected upcoming competitive procurement for this work. BPW approved the six-month extension, which added $98.3 million to the contract total, with a further $97.8 million six-month renewal option. Despite the fact that this $97.8 million renewal option covers the first six months of fiscal 2023, the allowance only includes $22.2 million for the contract. The fiscal 2022 working appropriation only includes $7.9 million for the Accenture contract, although fiscal 2022 expenditures as of February 2022 already total $87.3 million. The new RFP for call center staffing services is under development and expected to be issued by March 2022.

An audit released by OLA in January 2022 included a finding that MDL did not obtain documentation to support vendor billings for one of these contracts, and MDL later determined that overbilling had taken place totaling $1.6 million. MDL has received credits from the vendor for this overbilling. The audit also found that MDL did not always obtain BPW approval for contract modifications prior to execution, including two modifications totaling $590,631 relating to the UI modernization IT project for which approval was obtained more than four years after the modifications. The complete audit findings are listed in **Appendix 2**.

Federal Funds Used to Replenish UITF

As a result of the high level of claims, the balance of Maryland's UITF was largely depleted, and the department borrowed a total of $68.5 million over the period from February to April 2021 from the federal government to continue to pay claims. Federal COVID-19 relief legislation made such borrowing interest-free through September 6, 2021, and MDL repaid the loan in full in August 2021. The fiscal 2022 working appropriation includes $15 million in general funds that were intended to pay interest on MDL's loan. However, this funding was not needed and is expected to revert to the General Fund during the fiscal 2022 closeout process.

MDL used $830 million in the SFRF from the ARPA to replenish the UITF over two transactions. The first transaction transferred $450 million to the UITF in September 2021. This transfer was consistent with Chapter 73 of 2021, which required the Governor to appropriate funds to the UITF in an amount sufficient to result in Table C of the unemployment insurance tax rate table for employers applying in calendar 2022. Chapter 73 also specifies that Table C will apply in calendar 2023 regardless of the UITF balance. Typically, use of Table C requires about $800 million to $900 million in UITF balance as of September 30 of the prior calendar year. The first transfer of ARPA funds resulted in a UITF balance of $853.7 million as of the end of September 2021. The second transfer took place in December 2021 and brought the UITF balance back to the same level as in January 2020, which was the maximum level allowed using ARPA funds under federal guidance. The December 2021 closing balance of the UITF was $1.25 billion. The fiscal 2022 working appropriation includes $1 billion for these transactions, although the full amount was not needed. The unneeded funds are expected to be canceled during the closeout process.

Operating Budget Recommended Actions

1. Add the following language to the federal fund appropriation:

   , provided that $3,750,000 of this appropriation made for the purpose of workforce development programs funded through the American Rescue Plan Act (ARPA) may not be distributed to local workforce development boards but instead may be used only to provide oversight of ARPA funding provided to Local Workforce Areas (LWA), including reviewing fiscal and programmatic reporting from LWAs and performance evaluation. Further provided that the Maryland Department of Labor shall distribute $33,750,000 of this appropriation made for the purpose of workforce development programs funded through the ARPA directly to local workforce development boards according to the same formula used to distribute fiscal 2023 Federal Workforce Innovation and Opportunity Act adult funds to LWAs.

   Explanation: This language restricts 10% of the $37.5 million of funding from the ARPA for workforce development programs to be used only for oversight by the Maryland Department of Labor, including reviewing fiscal and programmatic reporting from LWAs, performance evaluation, and any other oversight activities that the department deems necessary. The remaining 90% of funds must be distributed to LWAs using the same formula used to distribute federal Workforce Innovation and Opportunity Act adult funds.

Appendix 1
2021 *Joint Chairmen's Report* Responses from MDL

The 2021 *Joint Chairmen's Report* (JCR) requested that MDL prepare four reports, in addition to monthly updates on UI claims data. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***BEACON Mobile Application:*** MDL reported in September 2021 that more than 600,000 users had installed the BEACON mobile application for unemployment insurance, and 17% of users used the application to file weekly certifications. The report listed the functionalities of the application as well as tasks that require the use of the web application, either on a computer or mobile device. As of the report date, claimants could not use the mobile application to submit an initial claim, view or complete action items, upload generic documents, or view various information including details regarding issues with their claim. MDL indicated that it is exploring adding capabilities such as allowing mobile users to upload photographs of documentation as well as to view the employment information screen, the monetary detail information screen, dependent information, and the appeal lookup screen.

- ***Reports on UI Implementation, Staffing, and Claims:*** The committees requested a report on MDL's staffing capacity and efforts to implement federal and State legislation related to UI, in addition to monthly reports on UI claims data. MDL reported that the department added more than 100 State staff to process UI claims during the pandemic in addition to contracts for 1,875 call center staff and 292 adjudicators. MDL also identified actions taken to implement State legislation enacted during the 2021 session, including updating policies related to the work sharing program, drafting regulations related to payment plans, and contracting with the Upjohn Institute to perform a study of possible reforms, among other actions. Rather than submitting monthly reports with specified UI claims data as requested, MDL submitted two reports, with the first covering data from July through September 2021 and a later report submitted in early December 2021 showing data from October 2021. Since that time, MDL has not submitted any further monthly reports. UI claims data and contracts related to additional staff resources are discussed further in Issue 2 of this analysis.

- ***Providing Our Workers Education and Readiness (POWER) Apprenticeship Act:*** MDL submitted a report updating the committees on the implementation of Chapter 782 of 2017. The Act requires that each contractor or subcontractor awarded a contract for at least $500,000 for a capital construction project that receives at least $1 million in the State's capital budget to be affiliated with a registered apprenticeship program and use apprentices in each covered craft that is used, or to make payments either to the State Apprenticeship Training Fund or directly to a registered apprenticeship program. A web portal to track contractors and subcontractors covered by the Act went live in January 2021. However, MDL reports that, as of November 2021, no organizations had registered their contracts in the system. MDL indicated that it would work with the Department of General Services to ensure that contractors were appropriately referred to the system.

- ***Auctioneer Licensing:*** The committees requested that MDL prepare a report on the current status of auctioneering oversight in the State by December 1, 2021. As of January 2022, MDL has not submitted the requested report.

Appendix 2

Audit Findings – Office of the Secretary, Division of Administration, and Division of Workforce Development and Adult Learning

Audit Period for Last Audit:	August 17, 2016 – October 15, 2020
Issue Date:	January 2022
Number of Findings:	10
Number of Repeat Findings:	3
% of Repeat Findings:	30%
Rating: (if applicable)	n/a

Findings 1 and 3 of this audit are discussed further in Issue 2 of this analysis. An audit of State Grants at select agencies issued in November 2021 also contained two findings related to MDL. One is repeated below as Finding 6. The other finding related to MDL noted that a lack of State standardized grant applications and agreements resulted in critical provisions being excluded, including two provisions missing from certain MDL grants. The State Grants audit is discussed further in the analysis for Executive Department Boards, Commissions, and Offices – D15A05.

Finding 1: MDL did not obtain documentation to support vendor billings that it paid for additional staffing at its Division of UI and for modernizing the Division of UI's unemployment insurance system.

Finding 2: MDL did not ensure it received technology enterprise services valued at $3.8 million from the Department of Information Technology (DoIT).

Finding 3: **MDL did not always obtain required BPW approval for contract modifications prior to execution and did not publish certain contract awards on *eMaryland Marketplace*, as required.**

Finding 4: MDL did not submit requests for reimbursement of federal fund expenditures in a timely manner, resulting in lost interest income totaling approximately $233,400.

Finding 5: MDL had not established adequate controls to ensure the propriety of biweekly payroll payments and leave balances.

Finding 6: MDL did not notify all grantees that received Maryland EARN grant awards of the opportunity to receive supplemental grant funds.

Finding 7: MDL lacked assurance that adequate IT security and operational controls existed over its Workforce Exchange system that was hosted, operated, and maintained by a primary service provider and two subservice providers.

Finding 8: MDL lacked assurance that the underlying code for its E-Licensing System web application was properly secured.

Finding 9: **MDL did not have an IT disaster recovery plan for recovering computer operations.**

Finding 10: **MDL's computer network had significant security weaknesses involving the lack of periodic assessments of its firewall rules, assignment of local administrative rights, and security settings for password and account controls for user network authentication.**

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Audit Findings – Division of Racing

Audit Period for Last Audit:	June 14, 2017 – August 31, 2021
Issue Date:	January 2022
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

This audit disclosed no findings.

Appendix 4
Maryland Workforce Exchange Project
Major Information Technology Project
Maryland Department of Labor

New/Ongoing: Ongoing								
Start Date: May 2020				**Est. Completion Date:** June 2024				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
FF	$0.273	$2.583	$3.010	$1.376	$4.332	$0.000	$0.000	$11.574
Total	**$0.273**	**$2.583**	**$3.010**	**$1.376**	**$4.332**	**$0.000**	**$0.000**	**$11.574**

- ***Project Summary***: The MDL Office of Workforce Information and Performance is upgrading the Maryland Workforce Exchange (MWE) system, which is used to track State and federal workforce programs and also integrates with UI and Department of Human Services systems. The system is used by employers, job seekers, training providers, labor market analysts, workforce staff, and American Job Centers. The project will deploy a commercial off-the-shelf (COTS) solution, and critical success factors for the project include Local Workforce Investment Area case management, customizable labor market information, and DOL performance reporting.

- ***Observations and Milestones:*** MDL awarded the contract for the MWE system to the incumbent provider, and the contract was approved by BPW in October 2021.

- ***Changes:*** Overall, estimated costs for the project have increased by $3.6 million compared to the fiscal 2022 budget books, as the previous estimate was based on the expired contract.

Appendix 5
Unemployment Insurance Modernization
Major Information Technology Project
Maryland Department of Labor

An audit finding related to this project is discussed in Issue 2 of this analysis. The audit findings are listed in Appendix 2.

New/Ongoing: Ongoing								
Start Date: April 2011				**Est. Completion Date:** December 2022				
Implementation Strategy: Waterfall								
($ in Millions)	**Prior Years**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
SF	$2.250	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$2.250
FF	70.493	4.563	0.000	0.000	0.000	0.000	0.000	75.056
Total	**$72.743**	**$4.563**	**$0.000**	**$0.000**	**$0.000**	**$0.000**	**$0.000**	**$77.306**

- ***Project Summary***: The MDL Division of UI modernized the technology associated with its three primary functions: benefits; contributions; and appeals. The project also incorporated new federal unemployment insurance programs created through the CARES Act in March 2020.

- ***Observations and Milestones:*** The project went live in September 2020 and is now in the maintenance phase. Beginning in fiscal 2023, this project is removed from the major IT program.

Appendix 6
Labor Omni-channel Contact Center System
Major Information Technology Project
Maryland Department of Labor

New/Ongoing: New								
Start Date: October 2021				**Est. Completion Date:** June 2023				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
FF	$0.000	$0.000	$3.315	$0.000	$0.000	$0.000	$0.000	$3.315
Total	**$0.000**	**$0.000**	**$3.315**	**$0.000**	**$0.000**	**$0.000**	**$0.000**	**$3.315**

- ***Project Summary***: The Labor Omni-channel Contact Center System (LOCCS) is intended to manage call center interactions between UI claimants and Division of UI staff. The project will deploy a COTS solution that will provide interactive voice response, workforce optimization, quality management, voice recording and transcription, among other functionalities. The project has three phases: (1) ability to support UI claimants calling the department; (2) adding functionality to support calls for other users, such as employers, as well as handling public facing emails and webforms; and (3) integration of LOCCS with the BEACON and Salesforce systems.

- ***Need:*** The volume of UI claims during the COVID-19 pandemic stressed MDL's existing UI call center beyond what the department could manage, and MDL procured outside call center services to handle the increased workload. Once the claims volume decreases and the current contract for outsourced call center services ends, the LOCCS system will provide a modernized and consolidated platform for managing the call center needs of the Division of UI.

- ***Observations and Milestones:*** The RFP was originally scheduled to be released in the second quarter of fiscal 2022 but has been delayed, and the RFP is now expected to be released in March 2022. MDL anticipates that an award will be made by the end of July 2022, which according to the original schedule should have been the completion date for the first phase of the project.

- ***Concerns*****:** The first phase of the LOCCS project must be complete when the contract for outsourced call center services ends, although the timing of this is still uncertain due to continued elevated UI claims volume. The department has identified several risk factors for the program, including insufficient staffing and dependence on DoIT infrastructure.

Appendix 7
Workforce Innovation and Opportunity Act Performance Standards
Program Year 2020

Performance Measure/Standard		Statewide	Anne Arundel	Baltimore County	Baltimore City	Frederick	Lower Shore	Montgomery	Mid-MD	Prince George's	Southern Maryland	Susquehanna	Upper Shore	Western Maryland
Employment Rate QTR2	Adult	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%
	Dislocated Workers	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
	Youth	69%	70%	72%	69%	70%	71%	69%	69%	70%	71%	68%	69%	70%
Employment Rate QTR4	Adult	72%	72%	72%	72%	72%	72%	72%	72%	71%	72%	71%	72%	72%
	Dislocated Workers	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%
	Youth	63%	65%	65%	65%	65%	63%	63%	65%	65%	64%	63%	63%	65%
Median Earnings QTR2	Adult	$6,200	$6,500	$6,500	$5,000	$6,800	$5,500	$6,000	$5,900	$6,900	$5,100	$7,500	$6,000	$6,500
	Dislocated Workers	8,000	8,500	8,700	7,000	8,700	6,500	9,200	9,000	11,000	6,900	8,500	7,000	7,500
	Youth	3,410	3,800	3,500	3,300	3,800	3,410	3,500	3,410	3,450	2,500	3,500	3,500	3,500
Credential Attainment	Adult	60%	58%	60%	60%	59%	62%	60%	59%	60%	60%	56%	60%	62%
	Dislocated Workers	56%	56%	56%	56%	56%	56%	56%	56%	56%	58%	51%	56%	56%
	Youth	62%	65%	65%	65%	62%	62%	62%	63%	60%	60%	50%	64%	62%
Measurable Skills Gains	Adult	52%	52%	52%	52%	55%	55%	52%	52%	52%	50%	52%	52%	55%
	Dislocated Workers	52%	52%	52%	55%	55%	55%	52%	55%	52%	55%	52%	52%	55%
	Youth	48%	48%	48%	49%	47%	48%	48%	48%	48%	45%	47%	48%	47%

QTR: quarter

Note: For youth, the employment rate indicators also include education rate. The Mid-Maryland Local Workforce Area (LWA) split into two separate LWAs for Carroll and Howard counties, effective July 1, 2021.

Source: Maryland Department of Labor

Appendix 8
Object/Fund Difference Report
Maryland Department of Labor

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	1,378.17	1,355.17	1,350.17	-5.00	-0.4%
02 Contractual	343.89	464.87	447.61	-17.26	-3.7%
Total Positions	**1,722.06**	**1,820.04**	**1,797.78**	**-22.26**	**-1.2%**
Objects					
01 Salaries and Wages	$ 127,615,588	$ 130,364,502	$ 130,400,057	$ 35,555	0%
02 Technical and Special Fees	12,235,823	21,160,019	17,583,048	-3,576,971	-16.9%
03 Communication	4,961,360	4,203,468	4,276,162	72,694	1.7%
04 Travel	248,729	1,753,895	1,448,019	-305,876	-17.4%
06 Fuel and Utilities	357,717	797,699	795,203	-2,496	-0.3%
07 Motor Vehicles	596,837	645,004	758,120	113,116	17.5%
08 Contractual Services	122,747,418	41,822,551	72,738,556	30,916,005	73.9%
09 Supplies and Materials	1,324,229	1,769,393	1,812,014	42,621	2.4%
10 Equipment – Replacement	1,036,780	1,561,628	1,528,539	-33,089	-2.1%
11 Equipment – Additional	388,842	82,310	89,166	6,856	8.3%
12 Grants, Subsidies, and Contributions	276,194,897	1,328,572,293	323,807,330	-1,004,764,963	-75.6%
13 Fixed Charges	5,423,942	6,998,563	6,298,932	-699,631	-10.0%
14 Land and Structures	1,831	0	0	0	0.0%
Total Objects	**$ 553,133,993**	**$ 1,539,731,325**	**$ 561,535,146**	**-$ 978,196,179**	**-63.5%**
Funds					
01 General Fund	$ 49,068,361	$ 64,839,598	$ 53,020,348	-$ 11,819,250	-18.2%
03 Special Fund	242,749,585	231,949,806	249,493,383	17,543,577	7.6%
05 Federal Fund	253,601,920	1,234,685,929	250,178,242	-984,507,687	-79.7%
09 Reimbursable Fund	7,714,127	8,255,992	8,843,173	587,181	7.1%
Total Funds	**$ 553,133,993**	**$ 1,539,731,325**	**$ 561,535,146**	**-$ 978,196,179**	**-63.5%**

Note: The fiscal 2022 working appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

Appendix 9
Fiscal Summary
Maryland Department of Labor

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
01 Executive Direction	$ 16,474,036	$ 17,488,058	$ 20,072,022	$ 2,583,964	14.8%
02 Program Analysis and Audit	446,988	424,604	423,791	-813	-0.2%
05 Legal Services	3,759,886	3,955,508	3,912,549	-42,959	-1.1%
08 Office of Fair Practices	237,309	323,634	468,928	145,294	44.9%
09 Governor's Workforce Development Board	871,794	852,816	850,922	-1,894	-0.2%
11 Appeals	1,627,699	1,717,083	1,726,368	9,285	0.5%
12 Lower Appeals	4,753,698	4,903,915	4,585,783	-318,132	-6.5%
01 Office of Administration	6,953,446	7,420,820	7,333,383	-87,437	-1.2%
04 Office of General Services	5,700,417	6,507,802	6,417,448	-90,354	-1.4%
05 Office of Information Technology	3,784,180	4,213,846	4,049,345	-164,501	-3.9%
02 Financial Regulation	9,963,122	12,325,165	12,231,032	-94,133	-0.8%
01 General Administration	1,008,637	987,453	1,051,217	63,764	6.5%
02 Employment Standards	2,099,667	2,390,166	2,027,574	-362,592	-15.2%
03 Railroad Safety and Health	429,314	441,598	419,551	-22,047	-5.0%
05 Safety Inspection	4,849,293	5,351,835	5,689,287	337,452	6.3%
07 Prevailing Wage	722,366	773,056	781,322	8,266	1.1%
08 Occupational Safety and Health Administration	9,172,560	10,916,306	10,505,428	-410,878	-3.8%
09 Building Codes Unit	324,520	750,859	557,379	-193,480	-25.8%
02 Maryland Racing Commission	67,389,227	69,846,989	78,366,029	8,519,040	12.2%
03 Racetrack Operation	2,819,825	2,459,350	2,467,892	8,542	0.3%
05 Maryland Facility Redevelopment Program	11,299,326	11,205,840	12,608,424	1,402,584	12.5%
06 Share of Video Lottery Terminal Revenue for	92,683,567	95,291,691	105,018,357	9,726,666	10.2%
01 Occupational and Professional Licensing	9,313,085	11,357,458	11,528,502	171,044	1.5%
07 Workforce Development Program	103,282,302	121,659,769	122,271,054	611,285	0.5%
12 Adult Education and Literacy Program	1,985,942	3,321,714	3,197,895	-123,819	-3.7%
13 Adult Corrections Program	19,568,874	19,285,022	19,928,828	643,806	3.3%

	FY 21	FY 22	FY 23		FY 22 - FY 23

Program/Unit	Actual	Wrk Approp	Allowance	Change	% Change
14 Aid to Education	16,387,135	16,837,968	16,891,959	53,991	0.3%
01 Office of Unemployment Insurance	137,491,742	1,099,575,668	99,828,210	-999,747,458	-90.9%
02 Major Information Technology Development	17,734,036	7,145,332	6,324,667	-820,665	-11.5%
Total Expenditures	**$ 553,133,993**	**$ 1,539,731,325**	**$ 561,535,146**	**-$ 978,196,179**	**-63.5%**
General Fund	$ 49,068,361	$ 64,839,598	$ 53,020,348	-$ 11,819,250	-18.2%
Special Fund	242,749,585	231,949,806	249,493,383	17,543,577	7.6%
Federal Fund	253,601,920	1,234,685,929	250,178,242	-984,507,687	-79.7%
Total Appropriations	**$ 545,419,866**	**$ 1,531,475,333**	**$ 552,691,973**	**-$ 978,783,360**	**-63.9%**
Reimbursable Fund	$ 7,714,127	$ 8,255,992	$ 8,843,173	$ 587,181	7.1%
Total Funds	**$ 553,133,993**	**$ 1,539,731,325**	**$ 561,535,146**	**-$ 978,196,179**	**-63.5%**

Note: The fiscal 2022 working appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.