



**Senate Bill 396/ House Bill 804 (as amended):
Workgroup to Study Maryland's Emerging Digital Economy
SUPPORT
Senate Finance Committee**

February 25th, 2020

Dear Chairwoman Kelley and Committee Members:

It comes with great respect that I write this letter of support for Senate Bill 369/ House Bill 804 (as amended), entitled Workgroup to Study Maryland's Emerging Digital Economy. As Executive Director of the **Maryland Manufacturing Extension Partnership (MD MEP)**, our **Organization** works to identify means on bridging the connections of qualified workers with manufacturing employers throughout the state.

New and emerging technologies are rapidly changing and modernizing the manufacturing landscape. While such technologies, including automation and artificial intelligence (AI), are becoming more prevalent, recent evidence is telling a different story that is proving to be consequential to current and future workers in today's modern manufacturing industries. Computers and the internet of things enabled a digitalization of work that made highly educated workers more productive and made less-educated workers easier to replace with machinery. According to a report published by MIT, entitled ***The Work of the Future: Shaping Technology and Institutions***, "outsourcing U.S. production work to China caused, blue-collar manufacturing employment to decline – falling by 1/3 between 1999 and 2010 rapidly." In Maryland, the manufacturing industry has witnessed a severe shortage of skilled workers. Last year, in one month, there were over 5,000 job openings in manufacturing listed by the Maryland Department of Labor's Maryland Workforce Exchange.

Displaced workers, an aging labor force, shortage of new workers in traditional non-college occupations, and disparities in earnings and career paths for minorities are other adverse examples related to these industrial shifts. These facts may help explain why a substantial majority believe that emerging technologies will magnify inequality and make high-paying jobs harder to find.

Investing and innovating to provide workers with new skills is an urgent and indispensable response to the labor market challenges due to emerging technological changes and advancements. Manufacturers will need to partner with industry leaders, education stakeholders, and others to explore these recommendations and other new solutions to prepare Maryland's employers and workforce adequately for the future. It is for these reasons why the passage of Senate Bill 369/ House Bill 804 (as amended) is so critical.

I write in support of this Senate Bill 369/ House Bill 804 (as amended) and respectfully request this committee to issue a **favorable** report.

Thank you for your consideration.

Sincerely,

Michael Kelleher, Executive Director