
MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SENATE BILL 777

TO: Finance Committee Members
FROM: Maryland Department of Labor (MD Labor)
DATE: March 11, 2026
BILL: Local Workforce Solutions Investment Act

MD LABOR POSITION: INFORMATIONAL

SB777 creates multiple requirements throughout the Labor and Employment Article for MD Labor to direct funding, **as available**, for existing initiatives to the state's 13 Local Workforce Development Boards (LWDBs), including but not limited to:

- A requirement to allocate funding from the Hospital Employees Retraining Fund to LWDBs in any event of a hospital closing, delicensing, downsizing or merger; and
- A requirement that, to the extent funding is available, for MD Labor to provide LWDBs with funding for “quick start” efforts supporting workers impacted by reductions in force.

Under the federal Workforce Innovation and Opportunity Act (WIOA), MD Labor oversees the LWDBs and distributes grants to support their program delivery for adults, youth, and dislocated workers through the State's American Job Center network. Each year, MD Labor allocates federal WIOA Title I funds— including Dislocated Worker/Rapid Response dollars— to support laid-off workers and “quick start” activities.

In the current Fiscal Year, MD Labor provided the LWDBs with \$9,234,646 of WIOA Title I Dislocated Worker/Rapid Response funding to administer dislocated services and Rapid Response programming, (referred to as “quick start” in State statute).

MD Labor's [Policy Issuance 2025-02: Rapid Response](#) already establishes annual funding for these services—exceeding federal requirements— and outlines a transparent process for LWDBs to request additional resources in response to significant closures or dislocation events. For example, in 2025, MD Labor provided \$350,000 in supplemental Rapid Response funding to WorkSource Montgomery in response to the increase of federal workers needing reemployment assistance. The Department also works closely with the LWDBs and regularly shares updates regarding mass layoffs and retraining initiatives.

MD Labor recognizes the critical role that the LWDBs play in the workforce system. However, to remain maximally responsive and to coordinate resources effectively at the regional level, the State must retain flexibility to invest in LWDBs or other workforce solutions as circumstances warrant. Finally, while the bill references various MD Labor investments, **the Department assumes that the “funding” referenced in item (D) of page 3 of the bill—which would require MD Labor to provide funding to LWDBs “to the extent funding is available”—only refers to existing WIOA Title I Dislocated Worker funds that are already allocated to LWDBs. At this time, the Department is not aware of additional resources that could be redirected for these purposes.**

The Department respectfully requests the Committee consider this information as they evaluate SB777. For questions, please contact Andrew Fulginiti at Andrew.Fulginiti@maryland.gov.