
Senate Bill 894

Date: March 17, 2021
Committee: Finance Committee
Bill Title: Post-Crisis Jobs Act of 2021
Re: Letter of Information

SB 894 establishes **three new substantial programs** under the MD Department of Labor’s Division of Workforce Development and Adult Learning (DWDAL), with a suggested total allocation of **\$110M annually**:

Program	Funding Envisioned
Digital Learning Conversion Grant Program	\$40M annually
Basic Numeracy and Literacy Grant Program	\$20M annually
Recruitment of High Growth Industries Workers Grant Program	\$50M annually

For perspective, for Fiscal Year 2022, DWDAL’s *entire* budget is \$132 million.

Each program would have a significant fiscal and operational impact on MD Labor. For each program established under SB 894, MD Labor would need to set up appropriate infrastructure, policies, and procedures; provide management and oversight; and adopt regulations to include requirements for grant applications and processes for reviewing and awarding grants.

MD Labor would require substantial staffing to achieve the purposes outlined in SB 894. At minimum, in terms of new staffing the Department would require 2.5 Program Manager, 1 Education Program Specialist, 2 Fiscal Specialists, 1 Apprenticeship Navigator. A number of existing staff would also need to charge to these new programs, as **federally funded staff are prohibited from working on State initiatives that are outside of the scope of their duties.** While the bill mentions that administrative costs for the Digital Learning Conversion Grant Program could be covered by the appropriations, the bill is silent on administrative costs for the other 2 grant programs in SB 894.

SB 894 directs the Governor to include in the annual budget bill appropriations of federal funds for the Department to fund these programs. **The Department is not aware of any federal funds that could be diverted to these programs and activities for any fiscal year.** Federal workforce dollars are provided to the State for very specific purposes (often distributed by specific formulas). The Governor could not commit federal grant dollars from these sources to the program unless the grants were applied for and awarded specifically for these precise programmatic purposes. The Department would need to meet the deliverables outlined in the federal grant agreements to ensure compliance and the continuation of existing federal resources to MD.

The Department respectfully requests that the Committee consider this information.

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