



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
Kelly M. Schulz | Secretary of Commerce

DATE: March 11, 2021 **COMMITTEE:** House Ways and Means
BILL NO: House Bill 1342
BILL TITLE: Economic Development - Partnership for Workforce Quality Program
– Alterations
POSITION: Support

The Maryland Department of Commerce supports House Bill 1342 – Economic Development - Partnership for Workforce Quality Program – Alterations.

Bill Summary:

HB 1342 alters the existing Partnership for Workforce Quality (PWQ) program by expanding the program eligibility to include new employee training.

Background:

The PWQ program was established in 1989 and is administered by the Department of Commerce (Commerce). PWQ encourages Maryland companies to invest in training for employees by providing reimbursable grants that match (1:1) the investments of Maryland’s manufacturing and technology companies in employee training, thus helping the companies improve their efficiency, develop quality management practices, modernized operations, and upgrade manufacturing processes. As a result, companies are better equipped to expand in Maryland and to compete in the global marketplace.

Funded annually through general and special funds, PWQ helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability. Since the program’s inception in 1989, the PWQ Program has invested in nearly \$39 million of training for more than 99,000 employee-training slots in Maryland companies.

Rationale:

The existing PWQ statute is designed specifically to upgrade or retain existing Maryland-based employees of manufacturers or businesses threatened by the pressure of increased foreign or domestic competition. Currently, the program does not cover new workforce development and training-related activities necessary in today’s high-tech economy.

Industries across the board are having difficulty hiring qualified applicants. The PWQ program does not address nontraditional applicants aiming to enter a new field or employers seeking to expand operations that need to hire and train additional employees. By expanding PWQ to include reimbursement of costs related to training new employees, the State can incentivize employers to hire employees who might not otherwise have qualified due to a skills gap and could encourage growth by increasing the number of new jobs created in the State.

Commerce respectfully requests a favorable report on House Bill 1342.