

**Department of Legislative Services**  
 Maryland General Assembly  
 2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 539 (Senator Smith)  
 Finance

**Department of Social and Economic Mobility – Workforce Opportunities Grant Program and Fund**

This bill establishes the Workforce Opportunities Grant Program and associated special fund in the Department of Social and Economic Mobility (DoSEM) to provide grants to support the planning and execution of workforce events and job fairs in the State that connect job seekers with employers. Subject to the availability of funding, DoSEM must establish an application process to award grants on a competitive basis, as specified. For each of fiscal 2028 through 2030, the Governor must include in the annual budget bill an appropriation of at least \$500,000 for the fund. DoSEM must submit a report with specified information on the program to the Governor and General Assembly annually beginning January 1, 2028. **The bill terminates September 30, 2031.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$500,000 in FY 2028 through 2030 to capitalize the Workforce Opportunities Grant Fund. Correspondingly, special fund revenues and expenditures increase by \$500,000 in FY 2028 through 2030. DoSEM can implement the bill with existing resources. General fund revenues increase minimally from interest earnings of the new special fund in FY 2028. **This bill establishes a mandated appropriation for FY 2028 through 2030.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0	\$500,000	\$500,000	\$500,000	\$500,000
GF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
SF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Net Effect	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Revenues increase for local workforce development boards (LWDBs) that are also a unit of local government for FY 2028 to 2030 to the extent such boards are awarded grants under the program. Expenditures for authorized uses of grant funds accordingly increase for such LWDBs.

**Small Business Effect:** Potential meaningful.

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## Analysis

### Bill Summary:

#### *Workforce Opportunities Grant Program*

Subject to the availability of funding for the program, DoSEM must award grants on a competitive basis to nonprofit organizations, local workforce board, and partnerships that include employers, community organizations and other stakeholders that meet specified criteria. Grant funds may be used for outreach, logistics, venues, support services, staffing, and event coordination.

#### *Workforce Opportunities Grant Fund*

The fund is a special, nonlapsing fund overseen and administered by DoSEM that is not subject to reversion. The State Treasurer must invest money of the fund in the same manner as other State money is invested. Any interest earnings of the fund must be credited to the fund. Expenditures from the fund may only be made in accordance with the State budget. The fund consists of money appropriated in the State budget to the fund, interest earnings, and any other money from any other source accepted for the benefit of the fund.

The fund may be used only for grant purposes, and expenditures from the fund may be made only in accordance with the State budget. For each of fiscal 2028 through 2030, the Governor must include in the annual budget bill an appropriation of at least \$500,000 for the fund.

#### *Reporting*

DoSEM must submit a report on the program to the Governor and General Assembly annually beginning January 1, 2028. The report must include the (1) the number and location of events held using grant funds awarded under the program; (2) the number of employers and job seekers participating in events supported by grant funds awarded under the program; and (3) data on job placements and hires resulting from events supported by grant funds awarded under the program.

## **Current Law:**

### *Department of Social and Economic Mobility*

Chapter 605 of 2025 established DoSEM as a principal department in the Executive Branch. The head of DoSEM is the Secretary of Social and Economic Mobility, who is appointed by the Governor with the advice and consent of the Senate. DoSEM consists of three units: (corresponding to three offices transferred to the new department): (1) the Office of Minority Business Enterprises (still referred to as OMBE) from the Maryland Department of Transportation; (2) the Office of Small, Minority, and Women Business Affairs (OSBA); and (3) the Office of Social Equity (still referred to as OSE) from the Maryland Cannabis Administration. The purpose of DoSEM is to:

- provide support for units of State government, individuals, and businesses for the maintenance of social equity policies in the State;
- monitor trends in social equity programs and policies across the nation;
- propose new and innovative approaches to social equity programs;
- compile and produce reports and recommendations related to social equity;
- ensure the fulfillment of the roles and responsibilities of the entities and social equity programs in the State for which it is the successor;
- track the performance of social equity programs and small or disadvantaged business assistance programs;
- promote and encourage full participation in the regulated cannabis industry by individuals from communities that have previously been disproportionately impacted by the war on drugs, as specified;
- support small or disadvantaged businesses in the State through all duties assigned to OSBA; and
- carry out OMBE's duties, including duties assigned to support small or disadvantaged businesses.

Chapter 605 also creates the DoSEM Special Fund; the purpose of the fund is to pay the costs of the operation of OSE and OMBE in the department. The Governor must include in the annual budget bill an appropriation from the Transportation Trust Fund to the fund equal to the amount needed to cover OMBE's operating and administrative expenses. Also, revenues collected from the sales and use tax imposed on the sale of adult-use cannabis must be deposited into the fund in an amount necessary to cover OSE's operating and administrative expenses.

## *Local Workforce Development Boards*

LWDBs are mandated under the federal Workforce Innovation and Opportunity Act (WIOA), with local employers making up a majority of the members of each board. Maryland has 13 regional LWDBs serving all 24 counties, including Baltimore City; although most LWDBs operate independently, some are administered by local governments. Primarily through more than 30 American Job Centers located throughout the State, LWDBs offer basic career services (*e.g.*, job search assistance); individualized career services (*e.g.*, training in interviewing skills); and referrals to more industry specific training (*e.g.*, apprenticeships or technical classroom training). Priority is given to people with barriers to employment, as defined by WIOA. Some services target youth, returning citizens, and veterans.

The Maryland Department of Labor (MD Labor) advises that the agency works closely with Maryland's 13 LWDBs to ensure strong outreach to businesses that foster jobseeker connections. MD Labor further advises that co-planning and hosting job fairs is a regular part of the department's existing programming, as is competitive grantmaking.

**State Revenues:** Although the bill indicates that interest earnings of the new special fund remain in the fund, the bill does not amend Section 8 of Chapter 717 of 2024 (the Budget Reconciliation and Financing Act of 2024) which requires, notwithstanding any other provision of law, that interest earnings from special funds or accounts (with certain exceptions) accrue to the general fund from fiscal 2024 through 2028. Thus, general fund revenues increase from interest earnings of the new special fund in fiscal 2028. The fund is exempted from a similar requirement under § 6-226(a)(2) of the State Finance and Procurement Article that applies beginning in fiscal 2029.

**Small Business Effect:** Small businesses that are part of eligible partnerships may receive grant funds for authorized workforce opportunity activities. Small businesses that do not directly receive grant funding may also benefit from any connections the grant program makes between job seekers and small business employers.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1070 (Delegate Smith) - Government, Labor, and Elections.

**Information Source(s):** Department of Budget and Management; Department of Social and Economic Mobility; Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2026  
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