



Martin O'Malley Governor
Anthony G. Brown Lt. Governor
Dominick E. Murray Secretary
Robert L. Walker Deputy Secretary

December 29, 2014

The Honorable Thomas V. Mike Miller, Jr.
President, Maryland Senate
State House, H-107
Annapolis, Maryland 21401-1991

The Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401-1991

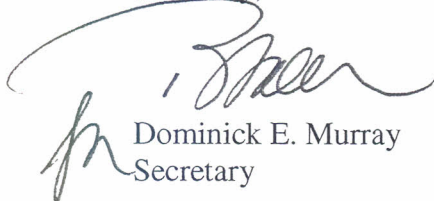
RE: Partnership for Workforce Quality Annual Report

Dear President Miller and Speaker Busch:

The Maryland Department of Business and Economic Development is pleased to submit the Annual Report for the Partnership for Workforce Quality, as required by Economic Development Article, Sec. 3-404(e) of the Annotated Code of Maryland.

We look forward to a continued working relationship with the Partnership for Workforce Quality to address the concerns of the State's manufacturing and technology industries and others within the purview of the program. Please let me know if you require any additional information regarding the Partnership for Workforce Quality or its annual report.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Murray".

Dominick E. Murray
Secretary

Enclosure

DIVISION OF BUSINESS & ENTERPRISE DEVELOPMENT
PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2014

ECONOMIC DEVELOPMENT
ARTICLE

SECTION 3-404(e)

Submitted by:

Maryland Department of Business and Economic Development

As of June 30, 2014

PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

TABLE OF CONTENTS

History & Program Description.....	1
Performance Since Inception of the Program Through June 30, 2014	1
Program Highlights for Fiscal Year 2014.....	1
Projected Program Performance for Fiscal Year 2015.....	2
 <i>Exhibits</i>	
Listing of PWQ Activity 07/01/2013 – 06/30/2014.....	3

PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

History and Program Description

The Partnership for Workforce Quality Program (PWQ or Program) was established by legislation in 1989 and is administered by the Department of Business and Economic Development (the Department). The Program encourages Maryland companies to invest in training for employees.

PWQ provides reimbursable grants that match (1:1) the investments of Maryland's manufacturing and technology companies, and those threatened by the pressures of increased foreign or domestic competition 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 a global marketplace.

Funded annually through general or 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.

The Department's goal for use of PWQ funds is "maintaining the quality of the state's workforce", which is consistent with Maryland's economic development strategy. PWQ provides critical funding support that is integrated with Department's overall efforts to grow Maryland's businesses and economy. Funds are disbursed to eligible Maryland companies in the form of grants for up to 50 percent of qualified reimbursable direct cost of training. These funds enable companies to acquire new skills and technologies that have been identified by the business plan as a catalyst for growth and competitiveness in the industry.

Program Performance Since Inception

Program funds are used for grants to eligible Maryland companies with 150 or fewer employees. PWQ assists these companies to provide:

- Training in manufacturing, professional, scientific and technical services;
- Job-specific training and training to upgrade or retain existing employees; or
- Training related to strategic goals and objectives of a company.

Since the Program's inception in 1989, PWQ has invested \$37 million of training for more than 97,000 employee-training slots in Maryland companies.

Program Performance for Fiscal Year 2014

During fiscal year 2014, the Program approved (9) nine training grants and settled (7) seven to Maryland companies. Approvals totaled \$99,989 with training costs of \$190,465 for the projected training of 388 employees. Settlements totaled \$33,089 with training costs of \$51,665 for the training of 161 employees.

Projected Program Performance for Fiscal Year 2015

The appropriation for PWQ for fiscal year 2015 is \$100,000; however, there is only an \$82,251 fund balance. Consequently, the significant reduction in funding has left the Program ineffective as an economic development tool. Furthermore, the Department expects the Program to run out of funds by the end of the fiscal year unless certain transactions do not move forward and are recycled back into the program. The Department however is actively working to identify additional eligible training opportunities and anticipates full usage of the fund balance. The Department's strategy for use of PWQ funds will emphasize support of upgrading the skills of Maryland employees, to encourage Maryland companies to expand, and to compete in a global marketplace.

Approved Report

7/1/2013 Through 6/30/2014

<i>Approved Retained</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan</i>	<i>Guarantor</i>	<i>Loan</i>	<i>County</i>	<i>Total Project</i>	<i>Trainees</i>	<i>New</i>		
<i>Date</i>		<i>Amount</i>	<i>Percentage</i>	<i>Guarantee</i>			<i>Costs</i>	<i>Pro /</i>	<i>Actual</i>	<i>Jobs</i>	<i>Jobs</i>
<i>Partnership for Workforce Quality</i>											
8/28/2013	Tate Andale, Inc.	12880201	\$3,993.50	0.0%	\$0.00	Baltimore County	\$3,993.50	8	5	0	0
9/16/2013	Temple Allen Industries	15110101	\$5,000.00	0.0%	\$0.00	Montgomery	\$10,000.00	5	Active	0	11
10/11/2013	Berry Plastics Corporation	14480201	\$5,000.00	0.0%	\$0.00	Baltimore City	\$10,000.00	30	88	0	15
11/13/2013	RTR Technologies, LLC	15260101	\$4,095.00	0.0%	\$0.00	Harford	\$2,750.00	6	Active	1	3
1/28/2014	Viskon Aire Corp.	15430101	\$5,000.00	0.0%	\$0.00	Wicomico	\$10,000.00	5	Active	1	2
5/30/2014	Triton Metals, Inc.	9910201	\$5,000.00	0.0%	\$0.00	St. Mary's	\$9,921.00	14	Active	10	20
6/30/2014	Holcim Trading Inc.	15990101	\$30,000.00	0.0%	\$0.00	Washington	\$60,000.00	125	Active	0	0
6/30/2014	Peter Pappas & Sons, Inc.	15980101	\$15,000.00	0.0%	\$0.00	Howard	\$30,000.00	70	Active	0	0
6/30/2014	Tulkoff Food Products	14540201	\$26,900.00	0.0%	\$0.00	Baltimore County	\$53,800.00	125	Active	0	0
	Totals:	9 Loans	\$99,988.50		\$0.00		\$190,464.50	388	93	12	51
	Grand Totals:	9 Loans	\$99,988.50		\$0.00		\$190,464.50	388	93	12	51

Settled Report

7/1/2013 Through 6/30/2014

<i>Settled</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan</i>	<i>Guarantor</i>	<i>Loan</i>	<i>County</i>	<i>Total Project</i>	<i>Trainees</i>	<i>New</i>		
<i>Retained</i>			<i>Amount</i>	<i>Percentage</i>	<i>Guarantee</i>		<i>Costs</i>	<i>Pro / Actual</i>	<i>Jobs</i>	<i>Jobs</i>	
<i>Date</i>											
<i>Partnership for Workforce Quality</i>											
9/10/2013	Tate Andale, Inc.	12880201	\$3,993.50	0.0%	\$0.00	Baltimore County	\$3,993.50	8 5	0	0	
9/25/2013	Temple Allen Industries	15110101	\$5,000.00	0.0%	\$0.00	Montgomery	\$10,000.00	5 Active	0	11	
11/22/2013	Schroeder Industries, Llc	14660101	\$5,000.00	0.0%	\$0.00	Allegany	\$5,000.00	68 68	7	68	
3/26/2014	Berry Plastics Corporation	14480201	\$5,000.00	0.0%	\$0.00	Baltimore City	\$10,000.00	30 88	0	15	
3/26/2014	RTR Technologies, LLC	15260101	\$4,095.00	0.0%	\$0.00	Harford	\$2,750.00	6 Active	1	3	
4/1/2014	Viskon Aire Corp.	15430101	\$5,000.00	0.0%	\$0.00	Wicomico	\$10,000.00	5 Active	1	2	
6/26/2014	Triton Metals, Inc.	9910201	\$5,000.00	0.0%	\$0.00	St. Mary's	\$9,921.00	14 Active	10	20	
	Totals:	7 Loans	\$33,088.50		\$0.00		\$51,664.50	136 161	19	119	
	Grand Totals:	7 Loans	\$33,088.50		\$0.00		\$51,664.50	136 161	19	119	