

**Maryland Department of Labor
Fiscal Year 2023 Operating Budget
Response to Department of Legislative Services Budget Analysis**

**Appropriations Committee
Education and Economic Development Subcommittee
Delegate Ben Barnes
March 4, 2022**

**Budget and Taxation Committee
Education, Business and Administration Subcommittee
Senator Nancy King
February 24, 2022**

The Department greatly appreciates the thoughtful and thorough analysis from Ms. Emily Haskell. Her analysis highlights some of the unprecedented demand for department services and the excellent work being done in our agency.

DLS Recommendations:

- 1. Add language restricting federal funds to provide oversight of workforce development programs funded through the American Rescue Plan Act of 2021.**

Department of Labor Responses:

The Department agrees with this recommendation. When evaluating the cost to implement programming, MD Labor's Division of Workforce Development and Adult Learning (DWDAL) considers administrative expenses related to oversight, fiscal management, and monitoring activities. The majority of DWDAL staff are federally funded and the dollars to support their salaries are for specific purposes outlined in executed grant agreements with federal partners. When the State does not comply with this requirement, it can jeopardize crucial federal funding coming to Maryland.

To implement a new initiative, the Division typically will account for a percentage of salary time for oversight with a program manager (this ranges from 5%-100% depending upon the scope of work) to oversee subgrantees and reporting. DWDAL may add in time for the Division's Fiscal Manager and a Fiscal Grants Specialist (as an example, budgetary oversight of twenty new grants at \$50,000 each would incur 5% and 25% of the noted staff's annual salaries, respectively) to review expenditures and process invoices. And finally, in order to ensure sub-awardees are spending appropriated funds in the manner in which they are

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intended, the Division may also require funds to support the Monitoring and Compliance team (again, percentage is dependent upon scope).

This oversight is critical to ensuring public dollars are spent appropriately and in the best manner to support constituents.