

DIVISION OF BUSINESS & ENTERPRISE DEVELOPMENT
PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2012

ECONOMIC DEVELOPMENT
ARTICLE

SECTION 3-404(e)

Submitted by:

Maryland Department of Business and Economic Development

As of June 30, 2012

PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

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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 (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 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.

The Department has focused the use of the PWQ funds on Maryland companies that are manufactures, technology companies, and those threatened by the pressures of increased foreign or domestic competition.

Program Performance Since Inception

Program funds are used for grants to eligible Maryland companies primarily in manufacturing and technology industries 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 in \$37 million of training for more than 97,000 employee-training slots in Maryland companies.

Program Performance for Fiscal Year 2012

During fiscal year 2012, the Program approved (9) nine training grants and settled (13) thirteen to Maryland companies. Approvals totaled \$131,362, with training costs of \$253,724 to fund training for 262 employees. Settlements totaled \$279,362, with training costs of \$2,313,724 to fund training for 4,644 employees. However, two training projects for RG Steel Sparrows Point, LLC were withdrawn and the company did not receive any PWQ funding. (See Settled Report.)

Projected Program Performance for Fiscal Year 2013

The appropriation for PWQ for fiscal year 2013 is \$85,000 of special funds. The Department is actively working to identify additional eligible training opportunities and anticipates full usage of the \$85,000 appropriation. However, the significant reduction in funding has left the Program virtually ineffective as an economic development tool. An infusion of new funds is critical to the Program in order to achieve the Department's goal at supporting small businesses. 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

7/1/2011 Through 6/30/2012

<i>Approved Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>Partnership for Workforce Quality</i>										
7/6/2011	Pillar Innovations, LLC	11820201	\$29,780.00	0.0%	\$0.00	Garrett	\$59,560.00	38 30	0	0
7/12/2011	Ark Systems, Inc.	9560201	\$7,360.00	0.0%	\$0.00	Howard	\$11,720.00	17 14	0	0
8/3/2011	DynPort Vaccine, LLC a CSC	9280301	\$26,563.50	0.0%	\$0.00	Frederick	\$53,127.00	67 29	0	0
8/10/2011	M-Cubed Information Systems, Inc.	8810301	\$20,000.00	0.0%	\$0.00	Montgomery	\$80,000.00	15 11	20	45
8/22/2011	Tate Andale, Inc.	12880101	\$12,947.00	0.0%	\$0.00	Baltimore County	\$25,894.00	14 5	1	0
8/31/2011	J. F. Taylor, Inc.	10980301	\$2,111.50	0.0%	\$0.00	St. Mary's	\$4,223.00	2 2	1	0
9/14/2011	Masterworks Machining, Inc.	8960201	\$3,600.00	0.0%	\$0.00	Carroll	\$7,200.00	6	Active	1 0
10/7/2011	Motile Robotics, Inc.	13060101	\$4,000.00	0.0%	\$0.00	Harford	\$12,000.00	3 2	0	0
12/9/2011	Protenergy Natural Foods	7650302	\$25,000.00	0.0%	\$0.00	Dorchester	\$0.00	100	Active	0 0
Totals:		9 Loans	\$131,362.00		\$0.00		\$253,724.00	262	93	23 45
Grand Totals:		9 Loans	\$131,362.00		\$0.00		\$253,724.00	262	93	23 45

Settled Report

7/1/2011 Through 6/30/2012

<i>Settled Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>Partnership for Workforce Quality</i>										
7/18/2011	Pillar Innovations, LLC	11820201	\$29,780.00	0.0%	\$0.00	Garrett	\$59,560.00	38 30	0	0
7/22/2011	Ark Systems, Inc.	9560201	\$7,360.00	0.0%	\$0.00	Howard	\$11,720.00	17 14	0	0
8/8/2011	Manufacturing Support Industries,	12780101	\$30,000.00	0.0%	\$0.00	Wicomico	\$60,000.00	12 9	10	26
8/16/2011	DynPort Vaccine, LLC a CSC	9280301	\$26,563.50	0.0%	\$0.00	Frederick	\$53,127.00	67 29	0	0
8/22/2011	M-Cubed Information Systems, Inc.	8810301	\$20,000.00	0.0%	\$0.00	Montgomery	\$80,000.00	15 11	20	45
8/24/2011	Tate Andale, Inc.	12880101	\$12,947.00	0.0%	\$0.00	Baltimore County	\$25,894.00	14 5	1	0
9/13/2011	J. F. Taylor, Inc.	10980301	\$2,111.50	0.0%	\$0.00	St. Mary's	\$4,223.00	2 2	1	0
9/16/2011	Masterworks Machining, Inc.	8960201	\$3,600.00	0.0%	\$0.00	Carroll	\$7,200.00	6	Active	1 0
10/26/2011	Motile Robotics, Inc.	13060101	\$4,000.00	0.0%	\$0.00	Harford	\$12,000.00	3 2	0	0
11/4/2011	Maryland World Class	7590202	\$15,000.00	0.0%	\$0.00	Multiple	\$0.00	40	Active	0 0
11/8/2011	RG Steel Sparrows Point, LLC	12740101	\$45,000.00	0.0%	\$0.00	Baltimore County	\$2,000,000.00	2100	0	0 0 W
11/8/2011	RG Steel Sparrows Point, LLC	12740102	\$33,000.00	0.0%	\$0.00	Baltimore County	\$0.00	0	0	0 0 W
5/9/2012	Knorr Brake Corporation	12340102	\$50,000.00	0.0%	\$0.00	Carroll	\$0.00	230	Active	0 0
Totals:		13 Loans	\$279,362.00		\$0.00		\$2,313,724.00	2544	102	33 71
Grand Totals:		13 Loans	\$279,362.00		\$0.00		\$2,313,724.00	2544	102	33 71