

OFFICE OF FINANCE PROGRAMS
PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2019
ECONOMIC DEVELOPMENT
ARTICLE

SECTION 3-404(e)

Submitted by:

Maryland Department of Commerce

June 30, 2019

PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM

(PWQ)

TABLE OF CONTENTS

History & Program Description.....	2
Performance Since Inception of the Program Through June 30, 2019	2
Program Highlights for Fiscal Year 2019.....	2
Projected Program Performance for Fiscal Year 2020.....	4
Customer Services Survey	5
Approved and Settled Reports for Fiscal Year 2019.....	9

PARTNERSHIP FOR WORKFORCE QUALITY PROGRAM (PWQ)

History and Program Description

The PWQ Program established by legislation in 1989 and is administered by the Department of Commerce (the “Department”). The PWQ Program encourages Maryland companies to invest in training for employees.

The Program 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 the global marketplace.

Funded annually through general and special funds, the Program 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 the Department’s overall efforts to grow Maryland’s economy. Funds are disbursed to eligible Maryland companies in the form of a grant of up to 50 percent of qualified reimbursable direct cost of training. These funds enable companies to acquire new skills and technologies identified by the companies as a catalyst for growth and competitiveness in their industry.

Program Performance Since Inception

Program funds are in the form of grants given to eligible Maryland companies to provide:

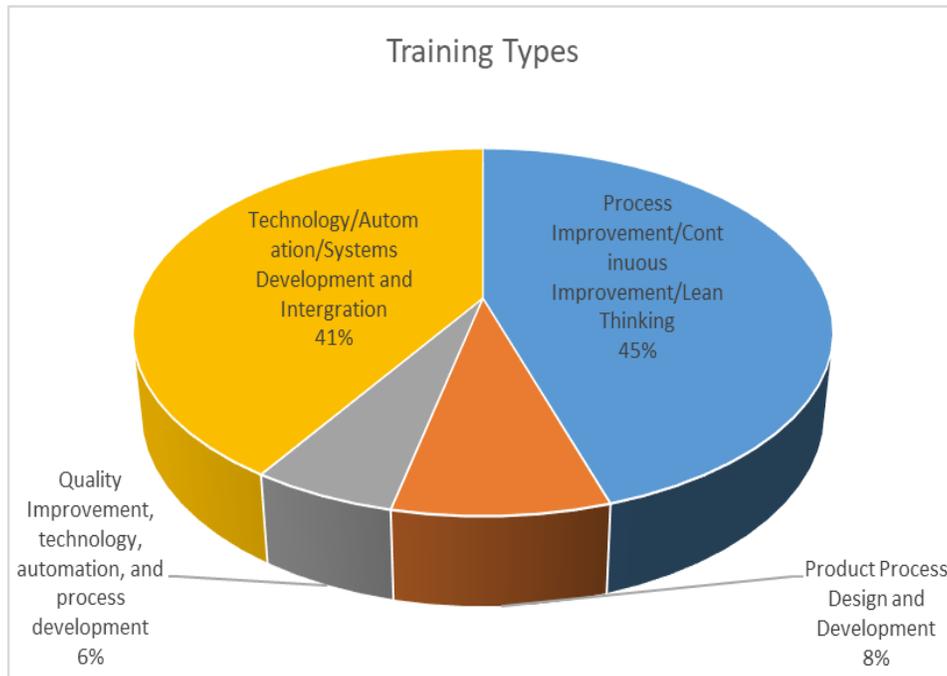
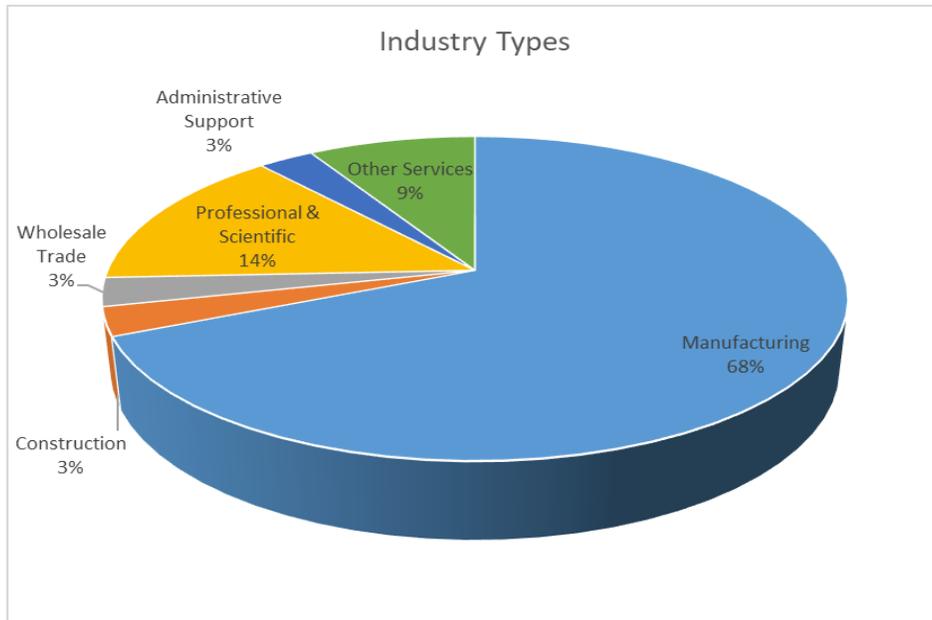
- Training in manufacturing, professional, scientific and technical services;
- Job-specific training and training to upgrade or retain existing employees; or
- Training related to strategic goals and objectives of a company.

Since the program’s inception in 1989, the PWQ Program has invested in nearly \$38.7 million of training for more than 99,000 employee-training slots in Maryland companies.

Program Performance for Fiscal Year 2019

During fiscal year 2019, the Program approved thirty-seven (37) training Grants for \$1,183,894, and settled thirty-five, (35) training grants for \$1,060,646. The grants are projected to support training of 1,619 employees.

Of the thirty-five companies receiving raining grants, 69% were to companies identified as Manufactures. These companies participated in training types categorized as Process Improvement, Product & Process Design, Quality Improvement, and Technology/Automation. Training in the area of process improvement and technology and automation made up the bulk of the training projects at 86%, with product design, and quality improvement rounding out the remaining training projects at 14%.



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Maryland World Class Consortia \$50,000 Grant (MWCC)

The Department entered into an Agreement with MWCC on April 30, 2019 to arrange training courses for employees in Lean training techniques. The funds provided in the Agreement are used by the Consortia to offset 50% of the costs of the training courses taken by employees. In fiscal year 2019, the Consortia provided training to three companies providing training to 47 employees, and 424 training hours.

Company	Consultant	Training Program	Number of			
			Employees	Hours	Begin date	End date
Aphena Pharma	MLS Enterprises	Lean implementation & training	14	96	4/17/2019	5/31/2019
Chutes International	Business Improvement Group	Lean implementation & training	8	320	6/25/2019	8/30/2019
Terumo Medical Corporati	Neovista Consulting	One Day Lean Overview	25	8	8/1/2019	8/1/2019

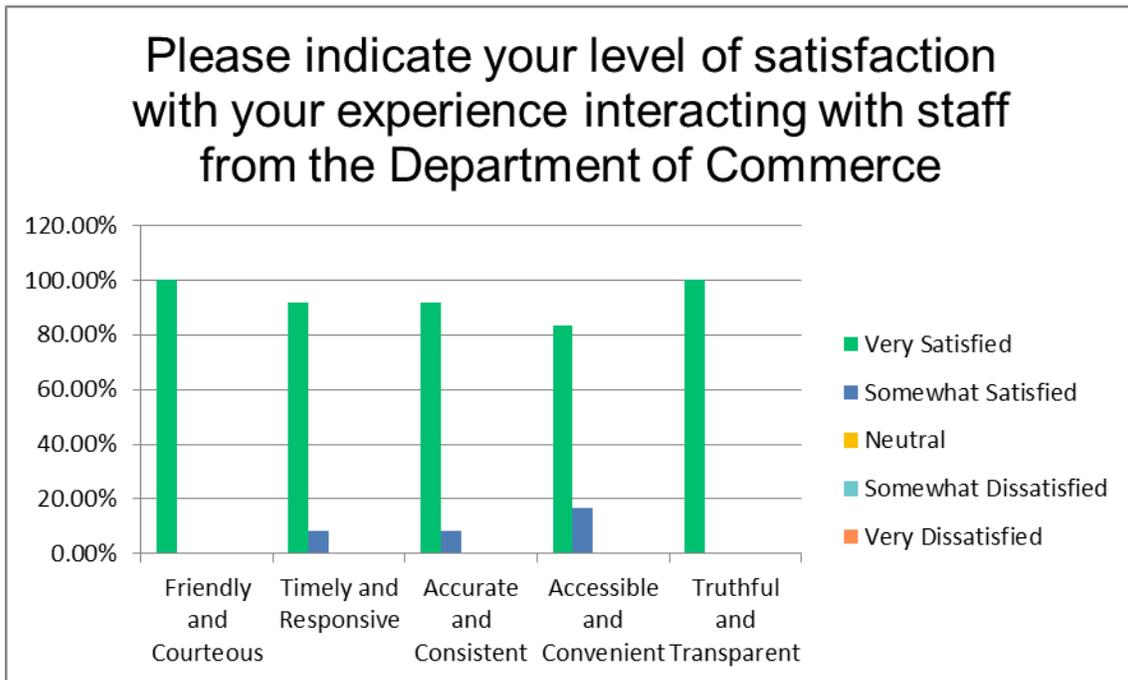
Projected Program Performance for Fiscal Year 2020

The fund received a \$1.0 million appropriation in FY 2020. The Department has an active pipeline of training in fiscal year 2020, and expects to utilize the full appropriation.

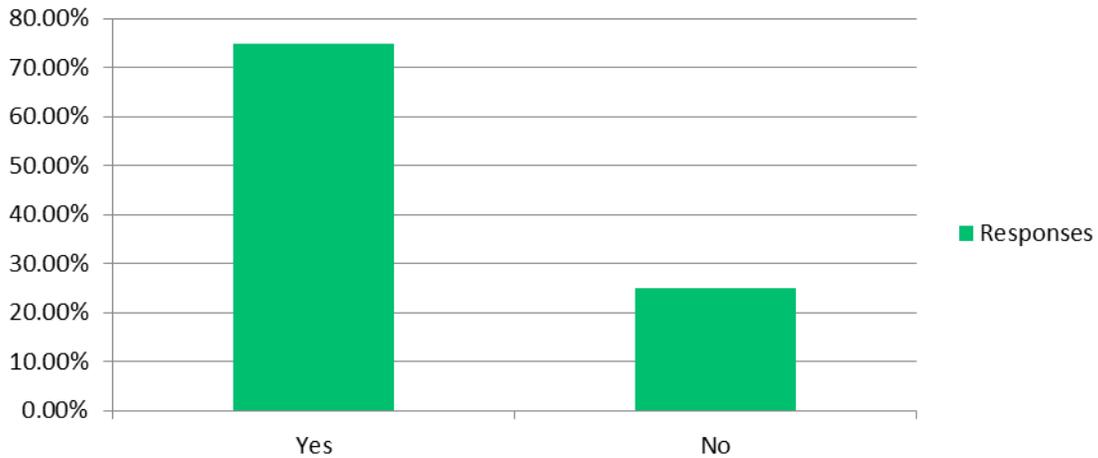
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Customer Service Survey Results

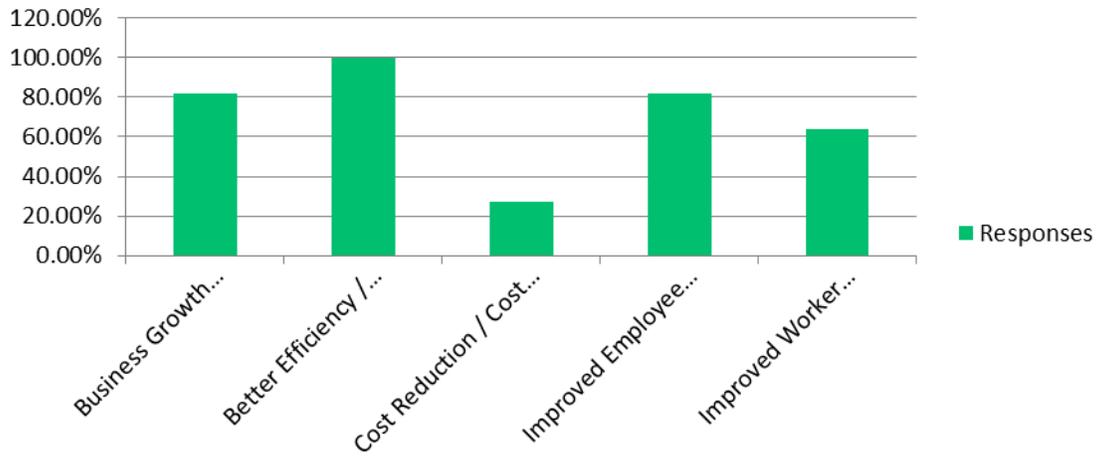
Commerce developed a customer satisfaction survey. The survey consisted of ten questions and distributed via email to 59 companies using *Survey Monkey*. Recipients selected were from Commerce’s portfolio management system. Out of the 59 companies, eleven companies responded resulting in a 19% response rate. Below is a summary of the results:



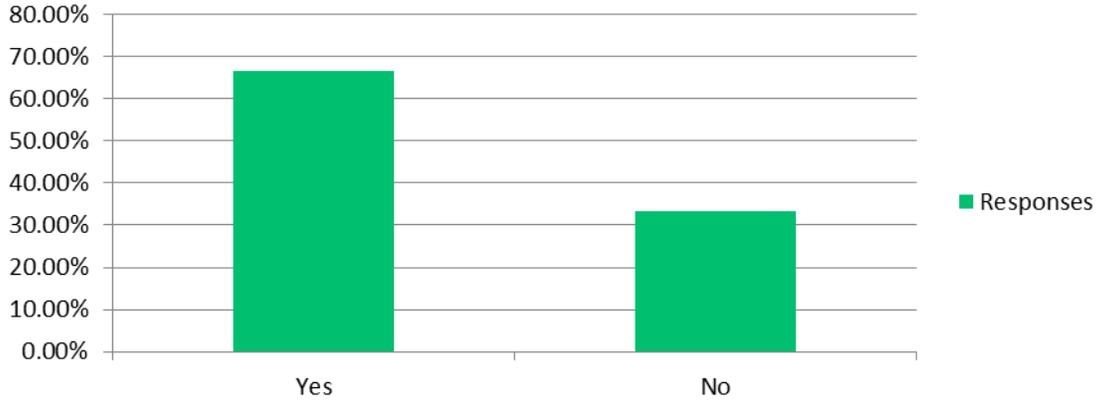
Do you anticipate any promotions and/or wage increases as a result of the training of your employees?



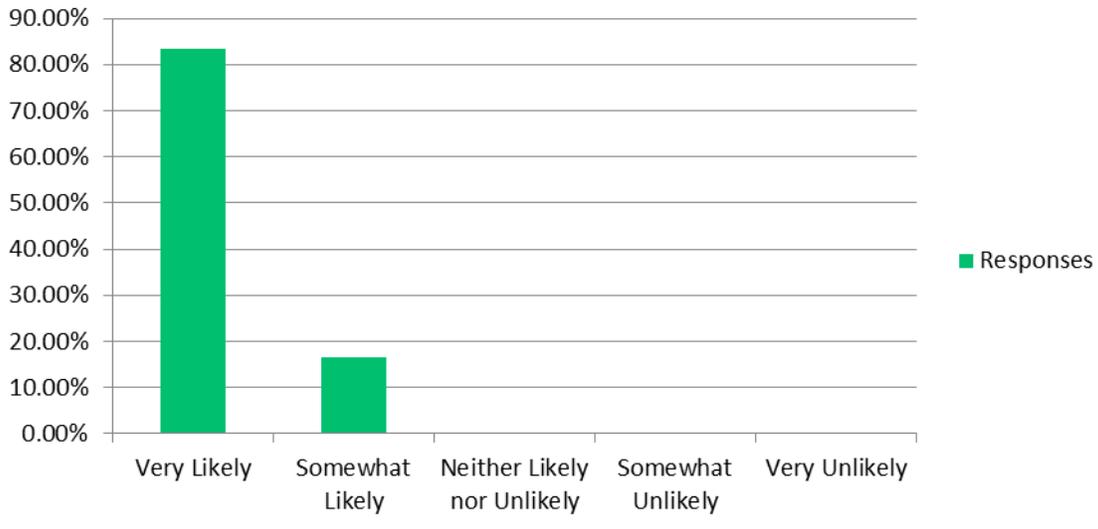
What impact to your business do you foresee as a result of the training? (check all that apply)



Do you anticipate the creation of any additional positions for new hires as a result of the promotion of your existing workers who received training?



How likely are you to recommend the PWQ program to another business?



What suggestions do you have to improve the PWQ program?

Currently, I have no suggests to improve the program. The steps were easier than I thought. ATB is still in the early stages of the program. The communication with Tamar Osterman and Darla Garrett was helpful in answering my questions. We have submitted anything for reimbursement as all the training has not been completed.

I believe there have been process efficiencies put in place that improved performance.

Make the Application an online form that can reduce the amount of paperwork involved.

Strouse truly enjoyed the partnership on this initiative with the Commerce Department. It was very useful. We wish the PWQ program offers additional incentives besides 50% match to train employees towards newer technologies to create the workforce for the future.

The biggest area that grants do not provide training for is training managers. This is a key component of any businesses success and if there is a way to expand the program to offer management training programs that would be very beneficial.

Are there any other issues related to your experience with the PWQ program that you would like to share with the Maryland Department of Commerce?

If it wasn't for Tamar Osterman introducing the PWQ to ATB we would not have known about. Darla Garrett was patient when I called in a panic about an issue. She was able to resolve the issue immediately.

I enjoy working with my partners - Lori and Darla!

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Approved Report

7/1/2018 Through 6/30/2019

<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 Jobs</i>	<i>Retained Jobs</i>	<i>Reason for Termination</i>
<i>Partnership for Workforce Quality</i>											
7/11/2018	Tri State Printing, Inc	19310101	\$4,462.50	0.0%	\$0.00	Washington	\$8,525.00	11 11	2	0	Grant Closed
7/16/2018	Naiad Dynamics US, Inc.	19340101	\$4,071.00	0.0%	\$0.00	St. Mary's	\$8,142.00	11 Active	0	19	
7/20/2018	Datawatch Systems, Inc.	19330101	\$17,875.00	0.0%	\$0.00	Montgomery	\$35,750.00	225 Active	25	0	
8/14/2018	Hub Labels Inc	19430101	\$4,710.00	0.0%	\$0.00	Washington	\$9,420.00	7 3	0	97	Grant Closed
9/4/2018	Nestle Dreyer's Ice Cream Comp	19160201	\$61,393.00	0.0%	\$0.00	Howard	\$61,393.00	20 Active	0	855	
9/13/2018	Phoenix Mecano, Inc	19460101	\$6,000.00	0.0%	\$0.00	Frederick	\$12,000.00	30 24	0	0	Grant Closed
9/18/2018	Ring Container Technologies, L	19480101	\$27,035.78	0.0%	\$0.00	Washington	\$54,071.55	18 18	0	18	Grant Closed
9/27/2018	Hub Labels Inc	19430201	\$3,980.00	0.0%	\$0.00	Washington	\$7,960.00	7 7	0	97	Grant Closed
10/1/2018	Waco Products, Inc.	14410201	\$4,600.00	0.0%	\$0.00	Baltimore City	\$9,200.00	2 2	2	25	Grant Closed
10/9/2018	Kelly Generator & Equipment, I	19530101	\$12,150.00	0.0%	\$0.00	Calvert	\$24,300.00	80 24	0	80	Grant Closed
10/17/2018	Bardon, Inc	19550101	\$7,300.00	0.0%	\$0.00	Prince George's	\$14,600.00	27 27	0	418	Grant Closed
11/2/2018	Holcim (US) Inc./Hagerstown MD	15990201	\$47,000.00	0.0%	\$0.00	Washington	\$94,000.00	20 Active	0	20	
11/19/2018	03 Technologies, LLC	17860201	\$17,843.00	0.0%	\$0.00	Prince George's	\$35,686.00	15 Active	0	105	
11/19/2018	Metro Laundry Service II, LLC	19640101	\$32,843.00	0.0%	\$0.00	Howard	\$65,685.00	17 Active	0	20	
12/3/2018	Aerospace & Technology Metalwo	18920201	\$8,342.50	0.0%	\$0.00	Baltimore County	\$16,685.00	10 10	4	10	Grant Closed
12/7/2018	Mistral, Inc.	19690101	\$63,875.00	0.0%	\$0.00	Montgomery	\$127,750.00	50 Active	0	50	
12/17/2018	Gamse Lithographing Co.	18330201	\$30,000.00	0.0%	\$0.00	Baltimore County	\$60,000.00	9 Active	0	144	
12/17/2018	Netzer Metalcraft Inc.	12080201	\$80,000.00	0.0%	\$0.00	Baltimore County	\$160,000.00	111 Active	0	0	
12/19/2018	Northrop Grumman Innovation Sy	19650101	\$200,000.00	0.0%	\$0.00	Cecil	\$400,000.00	273 Active	0	0	
12/21/2018	Midpoint Technology Group, LLC	19750101	\$13,500.00	0.0%	\$0.00	Anne Arundel	\$27,000.00	12 Active	0	0	
12/27/2018	MainSpring, Inc.	19760101	\$15,489.50	0.0%	\$0.00	Frederick	\$30,979.00	28 Active	0	28	
1/15/2019	Hub Labels Inc	19430301	\$4,156.25	0.0%	\$0.00	Washington	\$8,312.50	3 3	0	0	
1/18/2019	Maryland World Class Manufactu	7590301	\$100,000.00	0.0%	\$0.00	Harford	\$200,000.00	93 Active	0	0	
2/11/2019	Marlin Steel Wire Products, LL	15880301	\$23,543.00	0.0%	\$0.00	Baltimore City	\$47,086.00	15 Active	3	0	
3/8/2019	HI Innovation LLC	19930101	\$8,843.00	0.0%	\$0.00	Frederick	\$17,685.98	22 Active	0	34	
3/11/2019	DrFirst.com, Inc.	19960101	\$15,210.00	0.0%	\$0.00	Montgomery	\$30,420.00	14 Active	10	0	
3/21/2019	Practical Technologies, Inc.	19990101	\$12,860.00	0.0%	\$0.00	Baltimore County	\$25,720.00	35 Active	10	35	
4/26/2019	Marva Maid Landover Operation	20000101	\$1,287.50	0.0%	\$0.00	Prince George's	\$2,575.00	3 3	0	0	

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<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>Retained Jobs</i>	<i>Reason for Termination</i>
5/2/2019	TDR Systems, Inc. and Chutes I	16660301	\$21,400.00	0.0%	\$0.00	Charles	\$42,800.00	8 Active	0	0	
5/8/2019	Paul Reed Smith Guitars, Limit	2930601	\$39,000.00	0.0%	\$0.00	Queen Anne's	\$78,000.00	170 Active	0	0	
5/24/2019	Mobtown Fermentation, LLC	20070101	\$3,376.00	0.0%	\$0.00	Baltimore City	\$6,752.00	5 Active	0	0	
5/28/2019	Dixon Valve & Coupling Company	9890301	\$59,500.00	0.0%	\$0.00	Kent	\$119,000.00	111 Active	0	558	
6/10/2019	Chags Health Information Techn	20090101	\$50,000.00	0.0%	\$0.00	Howard	\$100,000.00	117 Active	40	117	
6/19/2019	Advanced Thermal Batteries, In	16550201	\$43,247.50	0.0%	\$0.00	Carroll	\$86,495.00	7 Active	3	0	
6/19/2019	Wright Manufacturing, Inc.	20120101	\$18,500.00	0.0%	\$0.00	Frederick	\$37,000.00	15 Active	3	0	
6/21/2019	AL-Tech Associates	20140101	\$40,500.00	0.0%	\$0.00	Wicomico	\$81,000.00	25 Active	0	25	
6/28/2019	Crystal Steel Fabricators, Inc	17780201	\$80,000.00	0.0%	\$0.00	Caroline	\$160,000.00	69 Active	20	0	
Totals:		37 Loans	\$1,183,893.53		\$0.00		\$2,305,993.03	1695	132	122	2755
Grand Totals:		37 Loans	\$1,183,893.53		\$0.00		\$2,305,993.03	1695	132	122	2755

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Settled Report

7/1/2018 Through 6/30/2019

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10/5/2018	Hub Labels Inc	19430201	\$3,980.00	0.0%	\$0.00	Washington	\$7,960.00	7 7	0	97	Grant Closed
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Grand Totals:		35 Loans	\$1,060,646.03		\$0.00		\$2,059,498.03	1619	132	99	2755