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FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 978

(Senator Klausmeier, *et al.*)

Education, Health, and Environmental Affairs Economic Matters and Ways and Means
 and Finance

Career Preparation Expansion Act

This bill requires the Maryland Higher Education Commission (MHEC) to collect and provide to the Maryland Longitudinal Data System Center (MLDS) specified identifying information on specified business licensees and students receiving industry and vocational certificates. The bill makes other changes generally related to assisting students who participate in registered apprenticeship programs in the State.

Fiscal Summary

State Effect: General fund expenditures increase by \$179,100 in FY 2019 to collect the identifying information on licensees and students. Out-year expenses reflect annualization, salary increases, and ongoing operating costs. No effect on revenues.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	179,100	146,500	150,900	156,300	162,000
Net Effect	(\$179,100)	(\$146,500)	(\$150,900)	(\$156,300)	(\$162,000)

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

Local Effect: Community colleges can likely transmit data to MHEC with existing resources. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Collection of Identifying Information

“Identifying information” is defined as demographic information and, if applicable, information about students that includes (1) program sequences taken; (2) start and end dates of enrollment; (3) program completion status; and (4) credentials earned.

MHEC must collect the following identifying information:

- from the Department of Labor, Licensing, and Regulation (DLLR) and the Maryland Department of Health (MDH), identifying information on each holder of a business license granted under specified articles of State law;
- from postsecondary educational institutions, identifying information on each student who has earned a vocational certificate, as defined by the bill; and
- from any nationally recognized third-party entity that uses predetermined standards for knowledge and skills to teach individuals, identifying information on each individual who holds an industry certificate awarded by the entity.

MHEC must provide MLDS with the identifying information it collects so that MLDS can link student data and workforce data. By December 1 of each year, MLDS and the Governor’s Workforce Development Board must report specified workforce information to the Governor and General Assembly.

A student or student’s parent or guardian may choose to release the student’s personal information and Armed Services Vocational Aptitude Battery (ASVAB) test scores to registered apprenticeship programs, youth apprenticeship programs, and employers registered with DLLR or local workforce development boards.

Education-related Provisions

The Maryland State Department of Education may adopt regulations to require the award of credit toward high school graduation for the time that a student spends participating in either a registered apprenticeship program or a youth apprenticeship program.

The definition of a “workforce development sequence,” for the purpose of awarding a Workforce Development Sequence Scholarship, includes a registered apprenticeship program. The scholarship may be used to cover the costs to participate in a registered

apprenticeship program. MHEC must include information on participation in the registered apprenticeship program in its reporting on the scholarship program.

Current Law:

Apprenticeship Programs

Generally, apprenticeship is a voluntary, industry-sponsored system that prepares individuals for occupations typically requiring high-level skills and related technical knowledge. Apprenticeships are sponsored by one or more employers and may be administered solely by the employer or jointly by management and labor groups. An apprentice receives supervised, structured, on-the-job training under the direction of a skilled journey person and related technical instruction in a specific occupation. Apprenticeships are designed to meet the workforce needs of the program sponsor. Many industry sponsors use apprenticeship as a method to train employees in the knowledge necessary to become a skilled worker. This also means the number of apprenticeships available is dependent on the current workforce needs of the industry.

Apprenticeships are available to individuals age 16 and older; an employer, however, may set a higher entry age. By law, individuals must be age 18 to apprentice in hazardous occupations. Apprenticeships last from one to six years, although most are three to four years, and involve a minimum of 144 hours of classroom instruction per year and at least 2,000 hours per year of on-the-job training. A national apprenticeship and training program was established in federal law in 1937 with the passage of the National Apprenticeship Act, also known as the Fitzgerald Act. The purpose of the Act was to promote national standards of apprenticeship and to safeguard the welfare of apprentice workers.

Along with 24 other states, Maryland has chosen to operate its own apprenticeship programs under the federal law. The Division of Workforce Development and Adult Learning (DWDAL) within DLLR is responsible for the daily oversight of State apprenticeship programs. More specifically, DWDAL approves new apprenticeship programs and changes to current programs. The approval process involves assessing the appropriateness of an apprenticeship program in a proposed industry, the education that will be provided to the apprentice, the current staffing level of the entity proposing the program to determine whether adequate supervision can be provided, recruitment and retention efforts, and the overall operations of the entity. The Maryland Apprenticeship and Training Council serves in an advisory role for legislation and regulations, recommending changes to update apprenticeship laws.

Maryland Longitudinal Data System

Chapter 190 of 2010 established MLDS to contain individual-level student data and workforce data from all levels of education and the State's workforce. The legislation also established the MLDS Center within State government to serve as a central repository for the data, to ensure compliance with federal privacy laws, to perform research on the data sets, and to fulfill education reporting requirements and approved public information requests.

The purpose of the data system is to facilitate and enable the exchange of student data among agencies and institutions within the State as well as generate timely and accurate information about student achievement that can be used to improve the State's education system and guide decision makers at all levels. The data system allows users to effectively organize, manage, disaggregate, and analyze individual student data and to examine student progress and outcomes over time, including preparation for postsecondary education and the workforce.

The MLDS Center may only use de-identified data in the analysis, research, and reporting conducted by the center. The center may only use aggregate data in the release of data in reports and in response to data requests.

In its December 2017 annual report, MLDS reports that it is able to match 95% of all Maryland public high school twelfth graders to a higher education record, a workforce record, or both.

Collection/Release of Student Data

A student or a student's parent or guardian may choose to release the student's personal information and scores on ASVAB to recruiting representatives of the military services.

MHEC advises that it does not collect information on students in noncredit programs at community colleges. Although MHEC does collect student-level data from private career schools, the bill expands and alters the data that is collected.

Public High School Diploma Requirements

With the advice of the State Superintendent of Schools, the State Board of Education must establish minimum requirements for issuing certificates and diplomas by public and private high schools.

According to regulations, to be awarded a high school diploma, a student must be enrolled in a Maryland public school system and have earned a minimum of 21 credits in specified subjects as detailed in **Exhibit 1**.

Exhibit 1
Distribution of Credits Required to Graduate High School

<u>Subject</u>	<u>Credits</u>
English	4.0
Fine Arts	1.0
Mathematics ¹	3.0
Physical Education	0.5
Health Education	0.5
Science	3.0
Social Studies	3.0
Technology Education	1.0
World Language <i>or</i> American Sign Language <i>or</i> Advanced Technology Education ²	2.0
Electives ²	3.0

Note: The credits must meet other requirements specified in the Code of Maryland Regulations. Elective programs and instruction must be developed at the discretion of the local school system, be open to enrollment for all students, and focus on in-depth study in required subject areas, exploration, or application and integration of what has been learned. In addition, all students must complete a locally designed high school program of environmental literacy approved by the State Superintendent of Schools.

¹However, beginning with students entering grade 9 in the 2014-2015 school year, each student must enroll in a mathematics course in each year of high school that the student attends, up to a maximum of four years of attendance, unless in the fifth or sixth year a mathematics course is needed to meet a graduation requirement.

²Alternatively, a student may successfully complete a State-approved career and technology program for four credits and one credit in an elective.

Source: Code of Maryland Regulations; Department of Legislative Services

Workforce Development Sequence Scholarships

Chapter 149 of 2017 established the Workforce Development Sequence Scholarships for eligible students who are enrolled in a workforce development sequence, which is defined as a program at a community college composed of courses that are related to job preparation or an apprenticeship, licensure or certification, or job skills enhancement. The scholarships are not explicitly authorized to be used for registered apprenticeship programs.

Background: Within DLLR, there are 25 occupational boards, commissions, or administrative offices that issue professional licenses to plumbers, electricians,

cosmetologists, real estate brokers, and many more professions. Within MDH, there are 20 boards and commissions that issue professional licenses to doctors, nurses, psychologists, and many other health-related professions.

State Expenditures: The bill requires MHEC to coordinate collection of students' identifying information with DLLR, MDH, community colleges, private career schools, and an unspecified number of industry certifiers. The data collection would have to be in a uniform format and also able to be transmitted to MLDS in a format that it could use to match the data with its own records. This effort requires upgrades to MHEC's information technology (IT) systems and staff to coordinate the data collection on an ongoing basis. MHEC advises that it needs to develop a new platform to collect the data from private career schools and to redesign its existing platform for community colleges to accommodate data on noncredit programs and from DLLR, MDH, and industry certifiers.

Therefore, general fund expenditures by MHEC increase by \$179,071 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date. This estimate reflects the cost of hiring a staff specialist and an IT programmer to manage the collection of data from disparate sources. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including a one-time expense of \$60,000 to develop an IT platform for private career schools. Among other duties, the IT programmer is expected to redesign the existing platform for community colleges.

Positions	2
Salaries and Fringe Benefits	\$108,353
Contractual IT costs	60,000
Other Operating Expenses	<u>10,718</u>
MHEC FY 2019 State Expenditures	\$179,071

Future year expenditures reflect full salaries with annual increases and employee turnover, ongoing operating expenses, and termination of one-time contractual IT costs.

Other State agencies can likely implement the bill with existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 1216 (Delegate Clippinger) - Economic Matters and Ways and Means.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Maryland Department of Health; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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