

MARYLAND REGISTER

Proposed Action on Regulations

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2. COMAR Codification

Title Subtitle Chapter Regulation

13A 05 08 01—.06

3. Name of Promulgating Authority

Maryland State Department of Education

4. Name of Regulations Coordinator Telephone Number
Charlene L Necessary 410-767-0467

Mailing Address

200 W. Baltimore Street

City State Zip Code
Baltimore MD 21201

Email
charlene.necessary@maryland.gov

5. Name of Person to Call About this Document Telephone No.
Jeanne-Marie S. Holly 410-767-0182

Email Address
jeanne-marie.holly@maryland.gov

Title 13A
A STATE BOARD OF EDUCATION
Subtitle 05 SPECIAL INSTRUCTIONAL PROGRAMS
13A.05.08 Approved Paid Work-Based Learning Programs
Authority: Education Article, §21-501, Annotated Code of Maryland

Notice of Proposed Action

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The Maryland State Board of Education proposes to repeal Regulations .01 through .06 under COMAR 13A.05.08 Approved Paid Work-Based Learning Programs. This action was considered at the June 28, 2016 meeting of the State Board of Education.

Statement of Purpose

The purpose of this action is to repeal existing regulations that are no longer needed because the law sunset on June 30, 2013. The tax credit is no longer available to employers who hire students in approved work-based learning programs.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Jeanne-Marie S. Holly, Program Manager, Career and Technology Education Systems Branch, Maryland State Department of Education, 200 West Baltimore Street, Baltimore, Maryland 21201, or call 410-767-0182 TTY: 410-333-6442, or email to jeanne-marie.holly@maryland.gov, or fax to 410-333-2084. Comments will be accepted through October 17, 2016. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by the Maryland State Board of Education during a public meeting to be held on December 5, 2016, 9:00 a.m., at 200 West Baltimore Street, Baltimore, Maryland 21201.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2017

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

Regulations will be repealed - no funds needed.

E. If these regulations have no economic impact under Part A, indicate reason briefly: The law has sunset and the tax credit is no longer available to employers who hire students in approved work-based learning programs. Therefore, the regulations are no longer needed.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

Attached Document:

[Title 13A STATE BOARD OF EDUCATION

Subtitle 05 SPECIAL INSTRUCTIONAL PROGRAMS

Chapter 08 Approved Paid Work-Based Learning Programs

Authority: Education Article, §21-501, Annotated Code of Maryland

.01 Scope.

This chapter implements Education Article, §21-501, Annotated Code of Maryland, which establishes a tax credit for businesses that employ work-based learning program students.

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Department" means the Maryland State Department of Education.

(2) "Eligible party" means:

(a) An employer;

(b) A group of employers;

(c) An industry trade association;

(d) A labor organization;

(e) An operator of a registered apprenticeship program; or

(f) Any other entity that the Department approves to establish a paid work-based learning program under this chapter.

(3) "Established safety standards" means all federal, State, and local safety standards.

(4) "Local workforce investment board (LWIB)" means a board as defined by 29 U.S.C. §2832.

(5) "Multicraft construction site" means a construction site where more than one construction trade operation is taking place at the same time.

(6) "Student" has the meaning stated in Education Article, §21-501(a), Annotated Code of Maryland.

(7) "Work-based learning agreement" means the agreement which sets forth the approved paid work-based learning program for students and includes:

(a) A description of the knowledge and skills to be developed;

(b) A description of the methodology to be used;

(c) A description of the criteria for monitoring, assessing, and credentialing; and

(d) Evidence of approval of appropriate school personnel.

(8) "Work-based learning coordinator" means the individual at a school who oversees the work-based learning programs for students.

(9) "Work-based learning program" means a program which provides for approved paid work-based learning arrangements between employers and schools with structured employer-supervised learning for students, in which:

(a) The structured employer-supervised learning:

(i) Occurs in the workplace in conformance with established safety standards,

(ii) Integrates classroom instruction and work to result in the acquisition of at least one unit of academic credit, and

(iii) Links employment to each student's career interest; and

(b) The program:

(i) Provides approved paid work-based learning experiences for students that are consistent with the strategic economic development goals established for the State which include careers in consumer service, hospitality, and tourism; business management and finance; manufacturing, engineering technology; environmental, agricultural, and natural resources; health and biosciences; arts, media, and communication; transportation technologies; human resource services; construction and development, and

(ii) Strives to achieve geographic representation of students participating in paid work-based learning experiences.

.03 Approval for Work-Based Learning Program Tax Credit.

A. An eligible party may establish a paid work-based learning program for students, as described in Regulation .02 of this chapter, that is consistent with current State and federal employment of minors laws and approved by the Department as provided under this chapter.

B. Certification by the LWIB.

(1) Certification Forms.

(a) A potential eligible party or a work-based learning coordinator shall submit to the LWIB information concerning the student and the employer on a work-based learning certification form provided by the LWIB.

(b) A copy of a completed work-based learning agreement shall be attached to the certification form.

(c) The certification form shall include a verification from the employer of the number of hours the student worked for the employer.

(2) LWIB Approval.

(a) The LWIB, or its designee, shall review the certification form and the work-based learning agreement.

(b) The LWIB shall approve the employer as an eligible party for purposes of the tax credit if:

(i) The LWIB determines that the employer meets the definition of an eligible party under Regulation .02B of this chapter; and

(ii) The work-based learning agreement meets the criteria of a work-based learning program under Regulation .02B of this chapter.

(c) The LWIB shall forward the certification form and work-based agreement to the Department for authorization.

C. Authorization by the Department.

(1) Upon receipt of a certification form and work-based training agreement from the LWIB, the Department shall authorize the employer as an eligible party for purposes of the tax credit.

(2) The Department shall return one copy of the authorized form to the LWIB and one copy to the eligible party.

(3) The eligible party shall keep the authorized form in its file as justification for including the tax credit on its tax return.

.04 Amount of Credit.

A. The wage credit shall equal 15 percent of wages paid to each student during the taxable year for which the work-based learning program was authorized.

B. Cumulative credit covers the current taxable year and all previous taxable years and may not exceed \$1,500 per student.

.05 Calculation Carryover Credit.

If the taxable credit exceeds the taxes owed for this taxable year, the excess may be carried over to the next taxable year as a credit until the earlier of:

- A. The entire amount of the excess credit is used; or
- B. The close of the 5th taxable year after the contribution was made.

.06 Limitation on Claim of Credit by the Eligible Entity.

- A. The tax credit is authorized only for the taxable years beginning on or before December 31, 2012.
- B. The eligible party may not claim the credit until it has notified the LWIB that a student participating in a work-based learning program has been hired.
- C. An eligible party may claim the credit even if the student's employment lasts less than 1 year, if the student is employed for a minimum of 200 hours during the taxable year.
- D. Not more than 1,000 work-based learning program students may be approved by the LWIBs during the course of each taxable year.
- E. An employer at a multicraft construction site may not qualify for the tax credit authorized under this chapter for more than two students during a single taxable year.]

KAREN B. SALMON, Ph.D.
State Superintendent of Schools