

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1157
Economic Matters

(Delegate Carter, *et al.*)

Business Occupations - Security Guards - Qualifications

This bill requires that the standards set by the Secretary of State Police for certification of security guards include a requirement that an individual complete a minimum level of education and training prescribed by the Secretary at: (1) a private career school; or (2) an organization approved by the Secretary. The Secretary is allowed to waive this training requirement based on experience or other extenuating circumstances.

The Maryland Higher Education Commission is required to include a private career school that provides security guard training as an eligible school under the Private Career School Student Grant Program. The bill's requirements are applied to all security guard certifications issued on or after July 1, 2006.

Fiscal Summary

State Effect: The requirements of the bill could be handled with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The licensing of security guard agencies and the certification of security guards is done by the Department of State Police (DSP). A licensed security guard agency may provide an individual for hire as a security guard only if the individual is certified by the Secretary of State Police as a security guard. A licensed security guard agency may provide an uncertified individual for hire as a security guard if: (1) the

agency has submitted to the Secretary the required application for certification, fingerprint cards, and records fee; and (2) the Secretary has not disapproved the application; or (3) the individual has obtained and currently possesses certification by the Maryland Police and Corrections Training Commission as a police officer.

Regulations issued by DSP provide that the application process also include the following:

- signature and sworn oath;
- \$200 fee for an individual/\$375 for a firm;
- fingerprints;
- five notarized recommendations;
- security guard surety bond for \$3,000 with power of attorney;
- liability insurance for a firm applicant; and
- proposed businesses addresses and trade names.

Background: Maryland's private career schools offer a wide variety of occupational, technical, and vocational training. The following types of programs are currently offered:

- allied health – acupuncture, dental assistant, medical assistant, medical imaging, medical office, nurse assistant, and phlebotomy;
- audio/visual arts – broadcasting, photography, and recording;
- beauty industry – barbering, cosmetology and manicuring, esthetics and make-up artistry, massage, and modeling;
- computer;
- mechanics/drafting – mechanics and drafting;
- real estate;
- tax – basic income tax preparation, six-week income tax course, and computerized tax course;
- teacher education – Montessori teacher education;

- transportation – truck driving; and
- all others – accounting and bookkeeping, bartending, cooking, dog grooming, dry-cleaning, hazardous materials, heating, ventilation and air-conditioning, neon signs, polygraph training, travel, and welding.

State Fiscal Effect: DSP advises that it maintains a staff of four office clerks and five sworn troopers to review 6,000 security guard applications and 2,000 guard renewal applications each year. The department asserts that to (1) add an education component to the existing requirements; and (2) add a check for education on each application would require five additional clerks, three additional sworn troopers, one office secretary, and a high-end network server at a total cost of \$544,154 in fiscal 2006. The Department of Legislative Services (DLS) disagrees with this assessment and believes that the requirements could be accomplished with existing resources.

The Maryland Higher Education Commission would have to review additional applications for grants from the Private Career School Student Grant Program. The total program grant is currently set at \$300,000, with more than 30,000 students competing for an award. DLS believes that the additional grant applications could be reviewed with existing resources; however, DLS notes that the future volume of applications could merit additional personnel at the Maryland Higher Education Commission.

Small Business Effect: Potential meaningful. Private career schools would benefit from security guard applicants needing to meet the new educational requirements.

The education component for security guard certification could increase the employee demand for wages, as employees would bear the cost of the education. Security guard agencies could pass this cost through to customers. Accordingly, costs could increase to the extent that small businesses that employ security guards are subject to this pass-through charge from security guard agencies.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police, Maryland Higher Education Commission, Department of Legislative Services

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mp/ljm

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