

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 92

(Chair, Finance Committee)(By Request - Departmental -
Labor, Licensing and Regulation)

Finance

Economic Matters

**Planned Apprenticeship Standards and On-the-Job Training Activities -
Revisions**

This departmental bill transfers the Maryland Apprenticeship and Training Council (MATC) and the Youth Apprenticeship Advisory Committee from the Division of Labor and Industry (DLI) within the Department of Labor, Licensing, and Regulation (DLLR) to the Division of Workforce Development and Adult Learning (DWDAL) within DLLR. The bill also makes several changes relating to the duties of MATC and the membership of the Youth Apprenticeship Advisory Committee.

Fiscal Summary

State Effect: None. The State is not required to reimburse committee members for travel expenses so adding members to the Youth Apprenticeship Advisory Committee has no effect on State finances. The other changes are procedural in nature and do not directly affect governmental finances.

Local Effect: None.

Small Business Effect: DLLR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: The membership of MATC and consultants to the council must, to the extent practicable, reflect the geographic, racial, ethnic, cultural, and gender diversity of

the State rather than include representation by black and female persons. Duties of the council include determining the apprenticeability of occupations, instead of trades, in the State and no longer include providing guidance and counsel on the establishment of other forms of on-the-job training. The Director of Apprenticeship and Training no longer has the responsibility of promoting and obtaining assistance in promoting on-the-job training. A person, firm, or corporation is no longer prohibited from offering, establishing, maintaining, or operating specified on-the-job training programs without approval from MATC.

The Assistant Secretary of Workforce Development and Adult Learning or designee, instead of the Commissioner of Labor and Industry or designee, serves as a member of the Youth Apprenticeship Advisory Committee, and the bill adds two additional members to the committee.

The bill expresses the General Assembly's intent that regulations and guidelines promulgated by DLLR give adequate attention to training individuals in the State agencies involved with the transition from the federal Workforce Investment Act to the federal Workforce Innovation and Opportunity Act (WIOA).

Current Law/Background: DWDAL is charged with promoting apprenticeship and training programs; administering job training, placement, and service programs; implementing WIOA; and other related functions. DWDAL administers several programs that promote employment through labor exchange and training services. WIOA also provides training to increase participants' earning potential and provides assistance to individuals with barriers to employment.

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. In 1962, Maryland created the 12-member MATC. Within the framework established in federal law, the State's apprenticeship and training law also established the guidelines, responsibilities, and obligations for training providers and created certain guarantees for workers who become apprenticed.

MATC, along with DLI, serves in a regulatory and advisory capacity by providing guidance and oversight to the Maryland Apprenticeship and Training Program, which is responsible for the daily oversight of State apprenticeship programs. More specifically, MATC and DLI approve 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. MATC also serves in an advisory role for legislation and regulations, recommending changes to update apprenticeship laws.

The U.S. Department of Labor recommends that states consider bringing their respective state apprenticeship offices within their state workforce agencies in order to drive innovation in apprenticeships. DLLR advises that moving MATC to DWDAL will enable the department to more effectively match apprenticeship programs with workforce partnerships by aligning and creating apprenticeship opportunities within segments of the labor force that are not traditionally thought of as apprenticeable fields.

Chapter 646 of 2014 established a Youth Apprenticeship Advisory Committee in DLI to evaluate the effectiveness of existing high school youth apprenticeship programs in the State, other states, and other countries based on a systematic review of data. The committee must review and identify ways to implement high school youth apprenticeship programs in the State and means through which employers and organizations can obtain grants, tax credits, and other subsidies to support establishment and operation of high school youth apprenticeship programs. The committee must set targets for the number of apprenticeship opportunities for youth that the State should reach over the next three years. The committee must report by December 1 of each year to the General Assembly regarding any recommended legislation to promote high school youth apprenticeship programs in the State.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; U.S. Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 18, 2016
md/mcr Revised - Senate Third Reader - March 19, 2016

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Apprenticeship – Apprenticeship and Training Council in Division of Workforce Development and Adult Learning

BILL NUMBER: SB 92

PREPARED BY: Brandon Butler, Deputy Assist Sec., Workforce Dev. and Adult Learning

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed action will have minimal or no economic impact on Maryland's small businesses. The proposed action amends statutory language to transfer responsibilities regarding apprenticeships in general, the Maryland Apprenticeship and Training Council and the Youth Apprenticeship Advisory Committee under the Division of Workforce Development and Adult Learning.