

SB0335/787170/1

BY: Finance Committee

AMENDMENT TO SENATE BILL 335
(First Reading File Bill)

On page 1, in the sponsor line, strike “Senator Rosapepe” and substitute “Senators Rosapepe, Middleton, Astle, Benson, Feldman, Hershey, Jennings, Klausmeier, Mathias, Oaks, and Reilly”.

On pages 1 through 7, strike in their entirety the lines beginning with line 3 on page 1 through line 2 on page 7, inclusive, and substitute:

“FOR the purpose of requiring the State Board of Education to develop, on or before a certain date and in consultation with the Department of Labor, Licensing, and Regulation and Governor’s Workforce Development Board, certain goals for percentages of certain students for completing certain career and technical education programs and earning certain credentials; requiring the Maryland Longitudinal Data System Center and the Board to develop certain income earnings goals; stating certain goals of the State; requiring, on or before a certain date, the State Board to develop a method to consider, under certain circumstances, a student’s attainment of a certain credential or completion of a certain apprenticeship program as equivalent to a certain Advanced Placement examination score for a certain purpose; requiring the State Board to report to the Governor and the General Assembly on or before a certain date regarding the progress toward attaining certain goals; requiring the Division of Workforce Development and Adult Learning in the Department to partner with certain State departments to identify, by a certain date, opportunities to create certain registered apprenticeship programs for a certain purpose; requiring the Division to identify opportunities to create certain registered apprenticeship programs to address the workforce needs of the State; allowing a credit against the State income tax for the employment of a certain eligible apprentice under certain circumstances; providing that the credit may not exceed a certain amount;

(Over)

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providing that any unused credit may be carried forward to another taxable year; limiting the amount of certain credits approved by the State Comptroller in a taxable year; requiring a taxpayer claiming the credit to attach certain proof to the taxpayer's return; requiring the State Comptroller to adopt certain regulations; requiring certain institutions of postsecondary education to apply to participate in a certain program; requiring the Commission to provide assistance and support to certain institutions that apply to participate in a certain program; stating the intent of the General Assembly; providing for the application of this Act; providing for the termination of certain provisions of this Act; providing for the effective dates of this Act; defining certain terms; and generally relating to career and technical education programs and certain apprenticeships in the State.

BY adding to

Article – Education
Section 21–204
Annotated Code of Maryland
(2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,

Article – Labor and Employment
Section 11–102(a)
Annotated Code of Maryland
(2016 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Labor and Employment
Section 11–103
Annotated Code of Maryland
(2016 Replacement Volume)

BY adding to

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Article – Tax – General
Section 10–741
Annotated Code of Maryland
(2016 Replacement Volume)

Preamble

WHEREAS, Maryland employers are challenged by shortages of skilled workers in occupations such as information technology, health care, manufacturing, and skilled trades; and

WHEREAS, Many Maryland young people face challenges learning skills that will earn them middle class incomes without taking on excessive college debt; and

WHEREAS, Apprenticeships, which allow young people to earn while they learn, are pathways proven in Maryland, as well as elsewhere in America and the world, to improve competitiveness of workers, employers, and regions; and

WHEREAS, The federal and state governments are committed to expanding access to apprenticeship programs in traditional occupations such as skilled trades and nontraditional occupations such as information technology, health care, logistics, education, retail, hospitality, and financial services; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

21–204.

(A) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD, IN CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND

(Over)

REGULATION AND THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD, SHALL ESTABLISH, FOR EACH YEAR FOR 2018 THROUGH 2024, INCLUSIVE, STATEWIDE GOALS THAT REACH 45% BY JANUARY 1, 2025, FOR THE PERCENTAGES OF HIGH SCHOOL STUDENTS WHO, PRIOR TO GRADUATION:

(1) COMPLETE A CAREER AND TECHNICAL EDUCATION (CTE) PROGRAM;

(2) EARN INDUSTRY-RECOGNIZED OCCUPATIONAL OR SKILL CREDENTIALS; AND

(3) COMPLETE A REGISTERED YOUTH OR OTHER APPRENTICESHIP.

(B) ON OR BEFORE DECEMBER 1, 2017, THE MARYLAND LONGITUDINAL DATA SYSTEM CENTER AND THE GOVERNOR'S WORKFORCE DEVELOPMENT BOARD SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL GRADUATES WHO HAVE NOT EARNED AT LEAST A 2-YEAR COLLEGE DEGREE BY AGE 25.

(C) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD SHALL DEVELOP A METHOD TO CONSIDER A STUDENT'S ATTAINMENT OF A STATE-APPROVED INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT EXAMINATION FOR PURPOSES OF THE MARYLAND ACCOUNTABILITY PROGRAM ESTABLISHED BY THE DEPARTMENT IF THE STUDENT:

(1) (I) WAS ENROLLED IN THE STATE-APPROVED CTE PROGRAM AT THE CONCENTRATOR LEVEL OR HIGHER; AND

(II) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH THE STATE-APPROVED CTE PROGRAM; OR

(2) SUCCESSFULLY COMPLETED A YOUTH OR OTHER APPRENTICESHIP TRAINING PROGRAM APPROVED BY THE MARYLAND APPRENTICESHIP TRAINING COUNCIL IN ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE.

(D) ON OR BEFORE DECEMBER 1, 2017, AND DECEMBER 1 OF EACH YEAR THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE PROGRESS TOWARD ATTAINING THE GOALS ESTABLISHED BY THE STATE BOARD IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION AND THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.

Article – Labor and Employment

11-102.

(a) There is a Division of Workforce Development and Adult Learning within the Department of Labor, Licensing, and Regulation.

11-103.

(a) The Division shall:

(1) promote apprenticeship and training programs;

(2) administer job training, placement, and service programs;

(Over)

(3) implement the provisions of the federal Workforce Innovation and Opportunity Act;

(4) administer adult education and literacy services programs;

(5) conduct educational and job skills training programs in adult correctional facilities;

(6) oversee any other units established pursuant to State or federal employment, training, or manpower statutes;

(7) administer those programs assigned to the Division by law or designated by the Secretary; and

(8) administer any community service employment programs delegated to the State under Title V of the federal Older Americans Act of 1965.

(b) The Division shall meet and confer on a regular basis with representatives of the State's community colleges, appointed by the Maryland Association of Community Colleges, and the adult education community, appointed by the Maryland Association for Adult Continuing and Community Education, to assure that adult education and literacy services and job training activities and resources are effectively coordinated.

(C) THE DIVISION SHALL PARTNER WITH STATE DEPARTMENTS AND THEIR EXCLUSIVE REPRESENTATIVES TO IDENTIFY, BEFORE JANUARY 1, 2018, OPPORTUNITIES TO CREATE REGISTERED APPRENTICESHIP PROGRAMS TO HELP ADDRESS THE CAREER WORKFORCE NEEDS OF THOSE DEPARTMENTS.

(D) IN ACCORDANCE WITH THE IDENTIFICATION OF APPRENTICESHIP PROGRAMS UNDER SUBSECTION (C) OF THIS SECTION, THE DIVISION SHALL

IDENTIFY OPPORTUNITIES TO CREATE REGISTERED APPRENTICESHIP PROGRAMS, INCLUDING GOALS FOR THE NUMBER OF APPRENTICESHIPS REGISTERED EACH YEAR, TO HELP ADDRESS THE CAREER WORKFORCE NEEDS OF THE STATE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

10-741.

(A) IN THIS SECTION, “ELIGIBLE APPRENTICE” MEANS AN INDIVIDUAL WHO:

(1) IS ENROLLED IN AN APPRENTICESHIP TRAINING PROGRAM REGISTERED WITH THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL IN ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE; AND

(2) HAS BEEN EMPLOYED BY THE TAXPAYER FOR AT LEAST 7 FULL MONTHS OF THE TAXABLE YEAR.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE FIRST YEAR OF EMPLOYMENT OF AN ELIGIBLE APPRENTICE.

(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(Over)

(I) \$1,000 FOR EACH ELIGIBLE APPRENTICE; OR

(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.

(2) IF THE CREDIT OTHERWISE ALLOWABLE UNDER SUBSECTION (B) OF THIS SECTION EXCEEDS THE LIMIT UNDER PARAGRAPH (1) OF THIS SUBSECTION, AN INDIVIDUAL MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS USED.

(3) FOR ANY TAXABLE YEAR, THE TOTAL AMOUNT OF CREDITS APPROVED BY THE STATE COMPTROLLER UNDER THIS SECTION MAY NOT EXCEED \$500,000.

(D) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION SHALL ATTACH TO THE TAXPAYER'S RETURN, FOR EACH ELIGIBLE APPRENTICE FOR WHICH THE CREDIT IS CLAIMED, PROOF OF:

(1) THE ENROLLMENT OF THE ELIGIBLE APPRENTICE IN A REGISTERED APPRENTICESHIP PROGRAM; AND

(2) THE DURATION OF THE ELIGIBLE APPRENTICE'S EMPLOYMENT BY THE TAXPAYER.

(E) THE STATE COMPTROLLER SHALL ADOPT REGULATIONS TO:

(1) IMPLEMENT THE PROVISIONS OF THIS SECTION; AND

(2) SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION FOR, APPROVAL OF, AND MONITORING CONTINUING ELIGIBILITY FOR THE TAX CREDIT UNDER THIS SECTION.

SECTION 3. AND BE IT FURTHER ENACTED, That the State Department of Education, the Department of Labor, Licensing, and Regulation, and the Maryland Longitudinal Data System Center jointly shall determine ways to expand and analyze available data, including participation in career and technology education courses, relating to individuals who participate in registered apprenticeship training programs. On or before September 1, 2017, the State Department of Education and the Department of Labor, Licensing, and Regulation jointly shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, regarding the results of the discussions and determinations made under this section.

SECTION 4. AND BE IT FURTHER ENACTED, That the Department of Labor, Licensing, and Regulation shall explore ways to combine the Youth Apprenticeship Pilot Program with the Apprenticeship and Training Program. On or before December 1, 2018, the Department shall report to the General Assembly, in accordance with § 2–1246 of the State Government Article, regarding its findings and recommendations in this regard.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016. It shall remain effective for a period of 3 years and, at the end of June 30, 2020, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect June 1, 2017.”