

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 588

(Senator Rosapepe)

Education, Health, and Environmental Affairs

Rules and Executive Nominations

Career Education Act of 2019

This bill, in order to facilitate youth participation in apprenticeship and workforce development sequence programs (1) authorizes local school systems to award credit and count attendance time for youth apprentice programs as specified and (2) alters existing senatorial and delegate scholarship. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$35,000 in FY 2020. Future years reflect the elimination of one-time programing costs after FY 2020. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	35,000	0	0	0	0
Net Effect	(\$35,000)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Requirements for Local School Systems

A local board may award credit to a high school student toward a high school diploma or postsecondary credential, or both, for the work-based training and classroom instruction

completed under a youth apprenticeship program. Likewise, a local board may count toward high school attendance the time a youth apprentice spends during work-based training with an employer under a registered apprenticeship program.

Criteria for Existing Scholarship Programs

Senatorial Scholarships: The bill makes applicants who are enrolled in a workforce development sequence at a community college or participating in a registered noncredit apprenticeship training program that takes place at least in part at a community college in the State eligible for senatorial scholarships. Participants in a noncredit apprenticeship program or who are or were enrolled in a certificate or license program at a community college or who are participating in a noncredit apprenticeship training program are exempt from the exam requirement for a senatorial scholarship. Senatorial scholarships may be used for specified expenses related to an apprenticeship training program or for certificate or license programs at a community college. Recipients of the scholarship who are enrolled in either a workforce development sequence or a registered apprenticeship program may hold the scholarship award until the program is completed. The requirement for full-time enrollment at a private career school in order to receive a scholarship is repealed.

Delegate Scholarships: Specified delegate scholarships may be used by (1) a student who is or was enrolled within the last two years in a certificate or license program at a community college; (2) a student enrolled in a workforce development sequence at a community college; or (3) a participant in a registered noncredit apprenticeship at a community college. Delegate scholarships may be used (1) at a community college for workforce development sequence courses; (2) for registered noncredit apprenticeships; or (3) at community colleges for a certificate or license program. A recipient of a part-time delegate scholarship who is enrolled in a workforce development sequence or who is participating in a registered apprenticeship program is not required to carry a minimum number of courses.

Current Law:

Technology Education Graduation Requirement

State high school graduation requirements include one credit in technology education that includes the application of knowledge, tools, and skills to solve practical problems and extend human capabilities. Each local school system is required to offer a technology education program in grades 9-12 that enable students to meet graduation requirements and select advanced technology education electives.

Career and Technology Education Programs

The Strengthening Career and Technical Education for the 21st Century Act is the 2018 reauthorization of the federal Carl D. Perkins Career and Technical Education Act (Perkins), which was last overhauled in 2006. The new Perkins law provides approximately \$1.2 billion in formula grants to states to implement career and technology education (CTE) programs in their secondary schools and postsecondary institutions. The new law allows states to set their own goals for CTE programs, requires them to make progress toward those goals, and makes other changes to federal CTE law. Generally, Perkins requires states to develop sequences of academic and CTE coursework, called programs of study, that prepare students for postsecondary degrees or industry-recognized credentials. Many of the programs of study – which range from plumbing and culinary arts to aerospace engineering and cybersecurity – include or encourage apprenticeship or pre-apprenticeship opportunities.

In federal fiscal 2018, Maryland received \$17.0 million in Perkins Title I grants to support CTE programs in secondary schools and postsecondary institutions. Of that amount, \$14.4 million (85%) was distributed to local governments and the remaining 15% was designated for statewide activities and administration. Of the \$14.4 million distributed to local governments, 65% was used for secondary school programs and 35% was spent on postsecondary programs. Perkins funds are used for a variety of purposes at the local level, including teacher professional development, equipment, and program development and administration.

The Maryland State Department of Education (MSDE) has developed several dozen programs of study grouped within 10 career clusters. Each program of study includes a sequence of four courses that begin in either grade 10 or 11 and prepares students for either further study or industry certification; students that complete the course sequence by high school graduation are considered “CTE completers.” Almost one-quarter of the class of 2017 (22.5%) completed a CTE program of study, and more than half of those also completed the requirements for admission to the University System of Maryland (*i.e.*, “dual completers”).

Chapter 149 of 2017 required MSDE, in consultation with the Department of Labor, Licensing, and Regulation (DLLR) and the Governor’s Workforce Development Board, to develop statewide goals each year from 2018 through 2024 so that by January 1, 2025, 45% of high school students successfully complete a CTE program, earn industry-recognized occupational or skill credentials, or complete a registered youth or other apprenticeship before graduating high school.

Maryland State Department of Education

MSDE may adopt regulations to require the award of credit toward high school graduation requirements for the time a student spends participating in (1) a registered apprenticeship program approved by the Division of Workforce Development and Adult Learning (DWDAL) within DLLR or (2) a youth apprenticeship program under Title 18, Subtitle 18 of this article.

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 journeyman 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. DWDAL 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.

Senatorial Scholarships

Until June 30, 2019, each senator may award \$138,000 in scholarship funds each year. Beginning on July 1, 2019, that amount will grow by the increase in tuition and mandatory fees over the previous year at the University System of Maryland (USM) institution with the highest annual expenses for a full-time resident undergraduate student other than University of Maryland University College (UMUC) and University of Maryland, Baltimore Campus (UMB).

To qualify for an award, an individual must be a resident of Maryland and demonstrate a definite financial need. In addition, a senatorial scholarship may be awarded to an individual who is on active duty with the U.S. military and domiciled in the legislative district of the State from which the applicant seeks an award. Each senator must consider an applicant's financial need. An award under the program may not be less than \$400 and may not exceed the tuition and mandatory fees at the USM institution with the highest annual tuition and fees, not including UMUC and UMB. Except under certain circumstances, a scholarship may be held for up to four years of full-time study or eight years of part-time study.

A senatorial scholarship may be used at any undergraduate, graduate, or professional school in the State or at select in-state private career schools that offer two-year certificate programs that can transfer to a baccalaureate degree, including (1) at a degree-granting institution of higher education, if the curriculum is approved by the Maryland Higher Education Commission (MHEC); (2) at a hospital diploma school for training registered nurses; or (3) to attend as a full-time student a private postsecondary proprietary institution that is accredited by a national accrediting association approved by the U.S. Department of Education.

Each senator may award at most 10% of scholarship funds to applicants planning to attend accredited undergraduate, graduate, or professional institutions outside of the State. Those students must be studying an academic area that is not available in the State or be a person with a hearing impairment who will be studying at an institution outside the State that makes special provisions for persons with a hearing impairment. A senatorial scholarship may also be used at an out-of-state institution of higher education if the applicant is an individual who is on active duty with the U.S. military and domiciled in the State.

The scholarship may be used for educational expenses as defined by the Office of Student Financial Assistance within MHEC, including tuition and mandatory fees and room and board. If on-campus housing is available, a senatorial scholarship may not be used to pay for off-campus housing. A recipient of a senatorial scholarship who is currently enrolled, or was enrolled within the last two years, in a certificate or license program, course, or sequence of courses at a community college that leads to certification or licensure may use

the scholarship to reimburse specified educational expenses, including tuition, mandatory fees, and room and board.

Delegate Scholarships

During a term in office, each delegate may award the equivalent of four four-year, full-time scholarships or two part-time scholarships for each full-time scholarship available. A delegate may select scholarship recipients on any basis he or she considers appropriate. The annual amount of a scholarship for any one recipient may not exceed the tuition and mandatory fees at the USM institution with the highest annual tuition and fees, not including UMUC and UMB. A scholarship award may be used to pay tuition and mandatory fees at a Maryland institution of postsecondary education or, when the desired program of study or appropriate accommodations are not available in Maryland, an out-of-state institution. Instead of awarding the scholarships himself or herself, a delegate may authorize MHEC to award funding to eligible applicants under the Delegate Howard P. Rawlings Educational Excellence Awards program.

A delegate scholarship may be used at an in-state institution of higher education whose primary campus is located in Maryland and whose authority to grant degrees is conferred in Maryland for a program of undergraduate, graduate, or professional studies. If the applicant will be studying in an academic area that is not available in the State or under certain circumstances where the applicant is disabled, the scholarship may be used at an accredited undergraduate, graduate, or professional studies institution outside the State. The scholarship may also be used at a private career school within the State that is approved by MHEC and that is accredited by a national accrediting association that is approved by the U.S. Department of Education. A recipient of a delegate scholarship who is currently enrolled, or was enrolled within the last two years, in a certificate or license program, course, or sequence of courses at a community college that leads to certification or licensure may use the scholarship to reimburse specified educational expenses, including tuition, mandatory fees, and room and board.

Workforce Development Sequence Scholarship

One provision of the More Jobs for Marylanders Act of 2017 (Chapter 149) established Workforce Development Sequence Scholarships for eligible students who are enrolled in 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 Career Preparation Expansion Act of 2018 (Chapters 694 and 695) expanded the scholarship to include a registered apprenticeship program approved by DWDAL. The bill uses a similar definition a workforce development sequence.

Background: The [Annual Report to the Governor and General Assembly More Jobs for Marylanders Act of 2017 \(Chapter 149, Acts of 2017\)](#) and [Career Youth and Public Sector Apprenticeship Act \(Chapter 403, Acts of 2018\)](#) was published February 2019. According to the report, in 2018, total CTE enrollment was 109,808 students, more than 42% of all high school students. However, only approximately 23% of the Class of 2018 completed a CTE program, earned an industry credential as a CTE concentrator or completed a registered youth or other apprenticeship.

State Expenditures: General fund expenditures increase by \$35,000 in fiscal 2020 for one-time contractual costs associated with enhancements to MHEC’s scholarship system, known as Maryland College Aid Processing System, necessitated by the bill. MHEC advises that the scholarship system must be upgraded to allow awards to be distributed in the manner described by the bill.

The changes in the criteria for the senatorial and delegate scholarships do not affect funding levels for those programs, which are set in statute.

Additional Information

Prior Introductions: A similar bill, SB 949 of 2018, received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. Its cross file, HB 1599, received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: HB 1250 (Delegate Kerr) - Ways and Means.

Information Source(s): Maryland Association of Counties; Governor’s Office; Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Community College; Department of Budget and Management; Department of Labor, Licensing, and Regulation; Baltimore City Public Schools; Anne Arundel County Public Schools; Legislative Services; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2019
mag/rhh Third Reader - April 12, 2019
Revised - Amendment(s) - April 12, 2019

Analysis by: Caroline L. Boice

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