

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 308
Finance

(The President, *et al.*) (By Request - Administration)

Appropriations

**Foster Care Recipients and Unaccompanied Homeless Youth - Employment
Program (Fostering Employment Act of 2018)**

This Administration bill establishes the Fostering Employment Program to provide employment opportunities for “foster care recipients” and “unaccompanied homeless youth” through training that leads to industry-recognized credentials. The program must be jointly supervised by the Department of Human Services (DHS) and the Department of Labor, Licensing, and Regulation (DLLR). **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: The bill’s requirements can be handled with existing resources.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: The Administration 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: DHS, in coordination with DLLR, must develop and implement the program and coordinate with the local departments of social services and local workforce development boards in the State workforce development areas. The program must provide foster care recipients and unaccompanied homeless youth with opportunities to obtain credentials through a registered apprenticeship program or job readiness training. A foster care recipient or an unaccompanied homeless youth who is not exempt from paying tuition under specified provisions is eligible to receive funding under the program if the individual

is at least age 16 and enrolled in a registered apprenticeship program or job readiness training through a provider funded by DLLR.

An “unaccompanied homeless youth” is a child or youth who (1) has had a consistent presence in the State for at least one year before enrollment in a job readiness training program or registered apprenticeship program that is documented by school, employment, or other records; (2) is not in the physical custody of a parent or guardian; (3) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) was determined to be a homeless child or youth by one of several specified individuals.

DHS and DLLR may jointly adopt regulations to implement the bill.

Current Law/Background: “Foster care recipient” is an individual who was placed in an out-of-home placement by DHS and resided in an out-of-home placement (1) on the individual’s eighteenth birthday or at the time the individual graduated from high school or successfully completed a GED; (2) on the individual’s thirteenth birthday and was placed into guardianship or adopted out of an out-of-home placement after the individual’s thirteenth birthday; or (3) for at least one year on or after the individual’s thirteenth birthday and returned to live with the individual’s parents after the out-of-home placement ended. “Foster care recipient” includes a younger sibling of an individual described above if the younger sibling is concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

Pursuant to the Education Article, an “unaccompanied homeless youth” is an individual who (1) has had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented by school, employment, or other records; (2) is not in the physical custody of a parent or guardian; (3) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) was determined to be a homeless child by one of several specified individuals.

Foster care recipients and unaccompanied homeless youth who meet specified eligibility requirements are allowed tuition exemptions at public institutions of higher learning, including community colleges.

DLLR advises that when registered apprenticeship programs partner with community colleges, the tuition waiver afforded to foster care recipients and unaccompanied homeless youth may cover the cost of the related instruction at community colleges. However, foster care recipients and unaccompanied homeless youth are responsible for the costs of instruction if they elect to participate in a registered apprenticeship program that does not partner with a community college, as there is no tuition waiver equivalent. The bill allows foster care recipients and unaccompanied homeless youth to access training from registered

apprenticeship sponsors who are not associated with a community college, as well as other initiatives such as the Employment Advancement Right Now (EARN) program.

Job Readiness Training and Registered Apprenticeship Programs

State services to support the training and placement of workers span a broad spectrum of activities. For example, the Governor's Workforce Development Board, housed within DLLR, coordinates the efforts among agencies to deliver education and training for anyone seeking employment. Local workforce boards are established in 12 areas of the State to ensure that each area's workforce is well-prepared to meet the current and future needs of local businesses. DLLR's Division of Workforce Development and Adult Learning supports the State's economic growth through a workforce development, education, and training system. It includes the Office of Apprenticeship and Training, which is responsible for registering and regulating apprenticeship programs in the State.

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. DLLR advises that the State currently has nearly 10,000 active apprentices and 133 active registered apprenticeship sponsors.

The EARN program was established by Chapter 1 of 2013 to create partnerships to advance the skills of the State's workforce, grow the State's economy, and increase sustainable employment for working families. Specifically, the program provides general fund grants on a competitive basis for (1) an approved strategic industry partnership for development of a plan consistent with the purpose of the EARN program; (2) workforce training programs and other qualified programs that provide industry-valued skills training to individuals that result in a credential or identifiable skill consistent with an approved strategic partnership plan; and (3) job readiness.

State Fiscal Effect: DHS and DLLR can supervise the program with existing budgeted resources. Although the bill may attract additional foster care recipients and unaccompanied homeless youth to participate in apprenticeship and job training programs, DLLR can leverage existing funding sources to meet any increased demand. The Governor's proposed fiscal 2019 budget includes \$8.0 million for the EARN program and \$42.2 million in federal funds for Adult, Youth, and Dislocated Worker formula grants.

Additional Information

Prior Introductions: None.

Cross File: HB 431 (The Speaker, *et al.*) (By Request - Administration) - Appropriations.

Information Source(s): Baltimore, Garrett, and Montgomery counties; Department of Human Services; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2018
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Foster Care Recipients and Unaccompanied Homeless Youth –
Employment Program (Fostering Employment Act of 2018)

BILL NUMBER: SB 308/HB 431

PREPARED BY: Brandon S. Butler, Esq.

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 impact would only be to apprenticeship sponsors and organizations related to the apprenticeship sponsor participating in the Fostering Employment Act program. To the extent that there would be an impact, it would be positive, as the sponsor is receiving training funds to train the foster care recipient or unaccompanied homeless youth.