

Department of Legislative Service
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 795
 Finance

(Senator Rosapepe, *et al.*)

Youth Apprenticeship 2.0 Act of 2020

This bill creates a High School Level of Registered Youth Apprenticeships Program within the Maryland Department of Labor (MDL) for the purpose of enabling high school students to accelerate their acquisition of occupational skills and work experience. Each local board of education must cooperate with MDL and registered apprenticeship sponsors to make the program’s job opportunities available to students. MDL must issue a skills certificate to each student who completes the program.

Fiscal Summary

State Effect: General fund expenditures increase by \$202,100 in FY 2021 for MDL. Out-year expenditures reflect annualization and elimination of one-time costs. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	202,100	234,200	239,100	246,600	254,300
Net Effect	(\$202,100)	(\$234,200)	(\$239,100)	(\$246,600)	(\$254,300)

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

Local Effect: Local school systems that do not currently participate in the Apprenticeship Maryland Career and Technical Education Program of Study (AMP) may experience additional costs. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: A student who participates in the program must be a junior or senior in a high school in Maryland and may start the program in the summer or fall of the student's junior or senior year. A participating student must complete at least 450 hours of supervised work-based training, must receive at least one year of classroom instruction related to an apprenticeship in the program, and complete the program before August 31 immediately following the student's graduation from high school. A participating student must complete a high school career and technical training program or other approved courses or an equivalent amount of training provided by an apprenticeship sponsor or an institution of higher education.

An employer that has an apprentice position available for a high school student in a career pathway must pay a participating student at least the State minimum wage.

MDL must report annually by December 1 to the Governor and the General Assembly regarding the program. Nothing in the bill may be construed to alter or amend registered apprenticeship programs as recommended by the Apprenticeship and Training Council and approved by the Division of Workforce Development and Adult Literacy (DWDAL).

MDL and the Maryland State Department of Education (MSDE) must revise and update their policies to conform to the bill's requirements.

Current Law/Background: DWDAL within MDL is charged with, among other things, (1) administering job training, placement, and service programs and (2) promoting apprenticeship and training programs. Within the division, there is a Youth Apprenticeship Advisory Committee that (1) evaluates the effectiveness of existing high school youth apprenticeship programs; (2) reviews and identifies ways to implement youth apprenticeship programs and means through which employers can obtain grants, tax credits, and other subsidies to support such programs; and (3) sets targets for the number of apprenticeship opportunities for youth that the State should reach over the next three years.

Apprenticeship Maryland Career and Technical Education Program of Study

In 2018, MSDE in partnership with MDL implemented [AMP](#), which is a State apprenticeship model program and is available to all school systems for local adoption. Students can earn credit for completion of requirements in AMP. AMP requires that eligible employers hire Apprenticeship Maryland participants in eligible career track occupations related to in-demand industries, including manufacturing, science, technology, engineering and math, and provide paid compensation, thus creating an "earn and learn" opportunity. Eligible employers also must be located in close proximity to the local school

systems selected to participate in AMP and must have expected future entry-level job openings in the eligible career track occupations. In partnership with MDL and MSDE, the Youth Apprenticeship Advisory Committee provides oversight of AMP.

As of February 2020, local public school systems from the following jurisdictions participate in the program: Baltimore City, and Allegany, Baltimore, Caroline, Carroll, Dorchester, Frederick, Howard, Kent, Montgomery, Queen Anne's, St. Mary's, Talbot, Washington, and Wicomico counties. Currently, there are 68 youth apprentices and 160 approved employer sites.

Career and Technical Education

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 technical 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. At a minimum, a program of study must:

- incorporate and align secondary and postsecondary education elements;
- include academic and CTE content in a coordinated, nonduplicative progression of courses;
- offer the opportunity, where appropriate, for secondary students to acquire postsecondary credits; and
- lead to an industry-recognized credential or certificate at the postsecondary level, or an associate's or baccalaureate degree.

MSDE has developed several dozen programs of study grouped within 10 career clusters. Each program of study includes a sequence of four courses that begins 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."

Of the class of 2018, approximately 13,400 students completed a CTE program of study; more than half of those also completed the requirements for admission to the University

System of Maryland (*i.e.*, “dual completers”). In addition, some CTE courses enable students to earn industry certifications and transcript college credit.

Chapter 149 of 2017 required MSDE, in consultation with MDL 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.

State Expenditures: AMP, as currently implemented, meets the requirements of the bill, but is active only in 15 local school systems. The bill requires the program to be in all local school systems. MDL cannot fully absorb the additional workload within existing resources and requires additional staff to oversee onboarding of students, conduct employer outreach, and meet the bill’s reporting requirements.

Thus, general fund expenditures increase for MDL by \$202,088 in fiscal 2021, which accounts for the bill’s October 1, 2020 effective date. This estimate reflects the cost of hiring three apprenticeship navigators to expand the existing AMP program to the remaining school systems that do not currently participate. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, including in-state travel costs for the navigators.

Positions	3.0
Salaries and Fringe Benefits	\$161,839
Operating Expenses	<u>40,249</u>
Total FY 2021 MDL Expenditures	\$202,088

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

Local Expenditures: The bill generally codifies current practice for 15 local school systems. Local school systems that do not currently participate in AMP may experience additional costs for classroom-related instruction and student transportation to apprenticeship worksites beginning in fiscal 2021.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Department of Labor; Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Frederick County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2020
af/mcr

Analysis by: Heather N. MacDonagh

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