

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 668 (Senator Rosapepe, *et al.*)
 Education, Health, and Environmental Affairs

Good Job Opportunities for High School Graduates Act of 2021

This bill generally requires local school systems to assist high school students in preparing for admission to registered apprenticeship programs in a manner similar to how they assist students in preparing for admission to postsecondary institutions. The bill also alters, for fiscal 2022 through 2031, the purpose of the Career and Technology Education (CTE) Innovation Grant, and transfers responsibility for administering the grant program from the Maryland State Department of Education (MSDE) to the CTE Committee. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: No net effect on State expenditures until FY 2025; special fund expenditures increase by \$2.0 million annually beginning in FY 2025 to continue CTE Innovation Grant funding (as discussed below); it is assumed that the CTE Committee will have sufficient staff to manage the CTE Innovation grants when it is constituted. No net effect on revenues. **This bill continues a mandated appropriation beginning in FY 2025.**

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	0	0	0	2,000,000	2,000,000
Net Effect	\$0	\$0	\$0	(\$2,000,000)	(\$2,000,000)

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

Local Effect: Local school system expenditures may increase minimally to pay for apprenticeship-related exams for some students; otherwise, local school systems can implement the bill’s requirements with existing resources. The change in purpose for CTE Innovation grants has no net effect on local revenues or expenditures but may redistribute funding among local governmental entities.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Provisions of the bill are contingent on House Bill 1300 of 2020 being enacted.

To help high school students prepare to apply for admission to registered apprenticeship programs, local school systems must:

- with regard to college and career readiness software “platforms” that help align students’ strengths and interests to postsecondary goals and careers, consider the pursuit of a vocational certificate, industry certification, or apprenticeship program as the equivalent of pursuing postsecondary education;
- allow parents or guardians to release their students’ personal information and platform results to registered apprenticeship programs and specified employers;
- in the same manner in which they inform students of postsecondary educational options, make students aware of employment and skills training opportunities available through registered apprenticeships and specified employers; and
- if the local school system pays for any student to take specified college admissions or college preparatory exams, pay for a student to take specified apprenticeship entrance or certification exams.

Career and Technology Education Innovation Grants

For fiscal 2022 through 2031, the purpose of the CTE Innovation Grant program is to provide funds to redesign high school and community college CTE programs to maximize their role in providing related instruction for registered apprenticeship programs. Local boards of education and community colleges applying for a grant must have an apprenticeship sponsor as a partner. For fiscal 2022 and 2023 only, the purpose of the program also includes providing grants of \$100,000 to each local workforce board to (1) implement an Armed Services Vocational Aptitude Battery (ASVAB) Results Partnership, as specified in the bill or (2) create a system to release a student’s personal information and ASVAB scores to specified apprenticeship and youth apprenticeship programs.

Current Law: For an overview of registered apprenticeship programs in the State, please see the **Appendix – Apprenticeship**.

Career and Technology Education and the Carl D. Perkins Career and Technical Education Act

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 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.

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.”

House Bill 1300 of 2020

House Bill 1300 of 2020 (Blueprint for Maryland’s Future – Implementation) passed the General Assembly and was vetoed by the Governor. In February 2021, the General Assembly overrode the Governor’s veto, enacting the bill into law as Chapter 36 of 2021. Chapter 36 takes effect in March 2021.

Career and Technology Education Committee

Chapter 36 creates the CTE Committee within the Governor’s Workforce Development Board to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, institutions of postsecondary education, and the workforce. The CTE Committee may employ the staff necessary. Beginning with the 2023-2024 school year, CTE programs offered by public schools must be aligned with the CTE system developed by the CTE Committee. The CTE Committee must set annual goals so that by fiscal 2030, 45% of high school students will have completed the high school level of a registered apprenticeship or an industry-recognized occupational credential.

Career and Technology Education Innovation Grants

Chapter 261 of 2018 established the CTE Innovation Grant program in MSDE. The purpose of the program is to fund partnerships between at least one local board of education, community college, and industry partner to develop and implement an innovative CTE curriculum framework and pathway that includes the United States and international best practices. To be eligible for a grant, the pathway to be developed must be of high quality; aligned with skills needed by employers; lead to an industry-recognized license or certificate; create internship or apprenticeship opportunities; and prepare students to successfully compete in a global economy. The Governor must appropriate at least \$2.0 million annually for the grant program; mandated funding for the program terminates after fiscal 2024. MSDE may use up to 3% of this appropriation (\$60,000) to administer the program.

Blueprint for Maryland's Future Fund

The Blueprint for Maryland's Future Fund was created by Chapter 771 of 2019 as the successor to the Commission on Innovation and Excellence in Education Fund. The purpose of the fund is to assist in providing adequate funding for early childhood education and primary and secondary education to provide a world-class education to students. The fund consists of (1) specified allocations of personal income tax and sales tax revenues; (2) money appropriated in the budget for the fund; and (3) any other money from other sources accepted for the benefit of the fund. The fund is the source of funding for the CTE Innovation Grant program.

State Fiscal Effect: With the enactment of House Bill 1300 of 2020 as Chapter 36 of 2021, this fiscal and policy note assumes that the bill transfers responsibility for managing the CTE Innovation Grant program from MSDE to the CTE Committee. Thus, beginning in fiscal 2022, \$2.0 million in special funds from the Blueprint for Maryland's Future Fund transfers from MSDE to the CTE Committee within the Maryland Department of Labor. This has no net impact on special fund revenues or expenditures in fiscal 2022 through 2024.

As of the publication of this fiscal and policy note, the CTE Committee has not been constituted or staffed. The fiscal and policy note for Chapter 36 assumes a permanent staff of five positions for the committee, and it is further assumed that, with the \$60,000 in special funds available for program administration, those staff members can manage the grant program. Therefore, there is no further fiscal effect from this bill for program administration.

Beginning in fiscal 2025, the bill extends mandated funding for the CTE Innovation Grant program beyond the termination date in Chapter 36. Since Chapter 36 was not in effect at

the time this bill was introduced, it could not repeal the termination (and extend the mandate) as it had not yet taken effect. Given that the bill institutes new requirements for CTE Innovation grants beyond fiscal 2024, this analysis assumes that the bill's intent (and effect) is to reinstate the funding mandate beginning in fiscal 2025. Thus, special fund expenditures from the Blueprint for Maryland's Future Fund increase by \$2.0 million annually beginning in fiscal 2025 to maintain the grant program.

Small Business Effect: Small businesses that rely on apprentice labor may have a broader pool of applicants from which to choose.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Community College; Maryland Department of Labor; Baltimore County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Department of Legislative Services

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Appendix – Apprenticeship

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 and the capacity and willingness of employers to supervise them.

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 and the District of Columbia](#), Maryland has chosen to operate its own apprenticeship programs under the federal law. The Division of Workforce Development and Adult Learning (DWDAL) within the Maryland Department of Labor is responsible for the daily oversight of State apprenticeship programs. More specifically, DWDAL approves new apprenticeship programs, changes to current programs, and compliance with State and federal requirements. 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.

As of December 2019, there were 10,442 apprentices registered, and there were 3,781 participating employers and 162 program sponsors. During calendar 2019, the State added 17 new apprenticeship programs and reactivated 2 apprenticeship programs. Since

2016, 77 new apprenticeship sponsors have been registered, 26 sponsors were reactivated, and nearly 200 sponsor reviews have been conducted.