

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

Senate Bill 926  
 Finance

(Senator Patterson)

Economic Matters

**Labor and Employment - Apprenticeships and Representation on the  
 Apprenticeship and Training Council**

This bill establishes the Apprenticeship 2030 Commission, staffed by the Department of Legislative Services (DLS) with the assistance of staff from State agencies represented on specified workgroups. The purpose of the commission is to examine and make recommendations to reduce skill shortages in high-demand occupations and provide affordable training for career pathways for young people in the public and private sectors. Additionally, the Governor must include in the annual budget bill an appropriation of \$1,030,030 for fiscal 2024, \$1,106,996 for fiscal 2025, and \$1,119,482 for fiscal 2026 to the County Executive and County Council of Prince George’s County to award grants to a nonprofit entity located in Prince George’s County to provide workforce development services to at least 2,000 youth and adults in the community. **The commission terminates June 30, 2024.**

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$548,200 in FY 2023 for consultant fees and for the Maryland Department of Labor (MDL) to assist the commission. Future years reflect the bill’s mandated appropriations and elimination of the contractual position in FY 2024. **This bill establishes a mandated appropriation beginning in FY 2024 through 2026.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	548,200	1,051,700	1,107,000	1,119,500	0
Net Effect	(\$548,200)	(\$1,051,700)	(\$1,107,000)	(\$1,119,500)	\$0

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

**Local Effect:** Prince George’s County revenues and expenditures increase by \$1,030,030 in FY 2024, \$1,106,996 in FY 2025, and \$1,119,482 in FY 2026 to award grants to a nonprofit entity in Prince George’s County.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Bill Summary:** The Apprenticeship 2030 Commission must review the work of specified workgroups, make preliminary recommendations regarding funding needed to expand public and private sector apprenticeship pathways, and work with any consultants contracted by DLS as required by the fiscal 2023 operating budget to examine national and international best practices. By December 1, 2023, the commission must report its findings and recommendations to the Governor and the General Assembly. The bill establishes legislative intent that in the event of a conflict between a decision or policy of the Apprenticeship 2030 Commission and the Career and Technical Education (CTE) Committee related to youth apprenticeships, the CTE Committee’s decision or policy shall control.

Additionally, the bill specifically requires that the Maryland Apprenticeship and Training Council (MATC) and consultants to the council include representation of individuals who are Black and Latino.

**Current Law:** For an overview of apprenticeship programs in Maryland, including the role of MATC, please see the **Appendix – Apprenticeship**.

MATC consists of 12 members, all of whom are appointed by the Governor with the advice of the Secretary of Labor and the advice and consent of the Senate of Maryland. Four members must be representatives of employee organizations, 1 must be an employee, 5 must be representatives of employers, and 2 must be appointed from the general public.

The membership of MATC (and any nonvoting consultants to MATC) must, to the extent practicable, reflect the geographic, racial, ethnic, cultural, and gender diversity of the State and must include representation by individuals with disabilities. Of MATC’s current 12 members, 4 are people of color (3 are Black and 1 is Latino) and 3 are women.

### *Career and Technical Education Committee*

Chapter 36 of 2021 (Blueprint for Maryland’s Future – Implementation) created the CTE Committee as a unit within the Governor’s Workforce Development Board. The purpose

of the committee is to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, postsecondary institutions, and the workforce.

By December 1, 2022, the CTE Committee must establish for each school year between the 2023-2024 school year and the 2030-2031 school year, statewide goals so that by the 2030-2031 school year, 45% of high students prior to graduation have completed the high school level of a registered apprenticeship or an industry-recognized occupational credential. To the extent practicable, the CTE Committee must ensure the largest number of students achieve this goal by completing a high school level of a registered apprenticeship program approved by the Division of Workforce Development and Adult Learning within MDL. By December 1, 2022, and annually thereafter, the committee must report to the Governor, the General Assembly, and the Accountability and Implementation Board on the progress, by high school, toward attaining the goals established by the committee.

**State Expenditures:** General fund expenditures increase by \$1,030,030 in fiscal 2024, \$1,106,996 in fiscal 2025, and \$1,119,482 in fiscal 2026 to meet the bill’s mandated appropriations to Prince George’s County to award grants to a nonprofit entity located in Prince George’s County to provide workforce development services to at least 2,000 youth and adults in the community.

DLS can staff the Apprenticeship 2030 Commission with existing resources since staff from other State agencies represented on specified workgroups are required to assist DLS. However, general fund expenditures for DLS increase by \$500,000, as provided in the fiscal 2023 budget, as enacted, for consultant fees associated with supporting the commission. As MDL administers the State’s Apprenticeship and Training Program, it anticipates needing one contractual policy analyst to assist the commission beginning October 1, 2022, through December 1, 2023; any additional assistance needed until the commission terminates in June 2024 can be provided with existing resources. Other State agencies represented on the commission can likely assist with existing resources. Thus, general fund expenditures for MDL increase by \$48,209 in fiscal 2023 and by \$21,641 in fiscal 2024.

Contractual Position	1.0
Salary and Fringe Benefits	\$40,866
Operating Expenses	<u>7,343</u>
<b>MDL Expenditures</b>	<b>\$48,209</b>
<b>DLS Consultant Expenses</b>	<b><u>\$500,000</u></b>
<b>Total FY 2023 Expenditures</b>	<b>\$548,209</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

**Local Fiscal Effect:** Prince George’s County revenues and expenditures increase by \$1,030,030 in fiscal 2024, \$1,106,996 in fiscal 2025, and \$1,119,482 in fiscal 2026 to award grants to a nonprofit entity in Prince George’s County.

**Small Business Effect:** To the extent that the commission is able to grow the number of apprenticeships, small businesses that rely on apprentice labor may have a broader pool of applicants from which to choose. Small businesses in Prince George’s County looking for skilled labor may benefit from a nonprofit entity receiving additional funds.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Prince George’s County; Maryland Higher Education Commission; Department of Commerce; Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2022  
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## Appendix – Apprenticeship

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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 [26 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 2020, there were 11,076 apprentices registered, and there were 3,713 participating employers. During calendar 2020, the State added 25 new apprenticeship programs.