

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1405 (Delegate Metzgar)
Judiciary

Department of Public Safety and Correctional Services - Incarcerated Individual Apprenticeship Program

This bill requires the Department of Public Safety and Correctional Services (DPSCS) to establish an Incarcerated Individual Apprenticeship Program, as an independent program that is separate from Maryland Correctional Enterprises (MCE), to provide incarcerated individuals the opportunity to serve as paid apprentices in an agency or a unit of State or local government or with a private entity. The bill establishes requirements for DPSCS and participating employers, including the requirement to determine the wage paid to an incarcerated individual that is not less than the State minimum wage. In addition, if an incarcerated individual successfully completes the program, within 30 days of the scheduled release of the incarcerated individual, DPSCS must provide the incarcerated individual with a certificate demonstrating successful completion of the program.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$154,400 in FY 2025; future years reflect annualization, inflation, and minimum ongoing costs. Revenues are not affected.

Table with 6 columns: (in dollars), FY 2025, FY 2026, FY 2027, FY 2028, FY 2029. Rows include Revenues, GF Expenditure, and Net Effect.

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

Local Effect: Potential minimal increase in expenditures for local governments that choose to participate in the Apprenticeship Program. Otherwise, the bill is enabling in nature and does not materially affect local finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: The Apprenticeship Program must prioritize employment in skilled trades, with the purpose of assisting incarcerated individuals to develop marketable job skills and to provide incarcerated individuals with the opportunity to earn money that can be used once the incarcerated individual is released from incarceration. An incarcerated individual participating in the program is entitled to the same deductions or allowances for good behavior, observance of discipline and rules, and diligent and faithful labor, and is subject to the same forfeitures or punishments for bad behavior and other violations that otherwise apply to incarcerated individuals under State laws.

DPSCS must assign Apprenticeship Program participants to eligible employers who are participating in the program. An employer may reject the department's proposed assignment or cease participation in the program at any time.

An employer who is an Apprenticeship Program participant must pay to DPSCS the amount agreed on, as part of the agreement for the program, for each day that an incarcerated individual is employed as part of the program. From the payments received, DPSCS must credit the amount held to the incarcerated individual's account, as determined by the department. If DPSCS finds that the spouse, child, or other dependent of an incarcerated individual needs financial support, DPSCS may pay all or part of the payments made under the program, as DPSCS considers proper, to the spouse, child, or dependent.

The Division of Correction must provide, or make arrangements that it considers to be adequate and proper to provide, for the guarding, transporting, lodging, feeding, clothing, and medical and other care of an incarcerated individual while the incarcerated individual is participating in the Apprenticeship Program. If an incarcerated individual is assigned to an agency or a unit of State government as a participant in the program, the State must pay the expenses incurred. If an incarcerated individual is assigned to a municipal corporation, county, or private entity, the municipal corporation, county, or private entity must pay the expenses incurred under arrangements made with or satisfactory to DPSCS.

DPSCS may adopt regulations to carry out the bill's provisions.

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

Maryland Correctional Enterprises: MCE provides work and job training for incarcerated individuals in State correctional facilities. MCE produces goods and supplies services at a cost that does not exceed the prevailing average market price. These goods and services are used by local, State, and federal agencies. These goods are also available for use by charitable, civic, educational, fraternal, or religious organizations.

Management Council: The MCE Management Council is responsible for advising MCE on its specific proposals to establish new industries and improve the quality and quantity of job training programs and recommending the establishment and maintenance of industrial plants and service centers, as specified. In addition, the council must:

- review the operation of MCE programs to determine (1) whether there is undue competition with private enterprise and recommend necessary adjustments to prevent undue competition and (2) whether there is any negative impact on workers in the State, including wage depression or job displacement;
- review the standards for goods and services and the pricing schedules as recommended by the Chief Executive Officer of MCE;
- review the occupational health and safety record of programs and other working conditions of incarcerated individuals in MCE programs;
- review the success of MCE in (1) meeting the employability development needs of incarcerated individuals and (2) coordinating work programs with other rehabilitative programs;
- solicit and review information pertaining to concerns of participating incarcerated individuals;
- recommend changes as necessary to meet the goals and objectives of MCE;
- solicit ideas, proposals, and suggestions from business representatives, nonprofit organizations, government entities, and members of the public as to how MCE could enhance the work experience of incarcerated individuals and increase the ability of incarcerated individuals to obtain gainful employment after release;
- review and recommend opportunities with private sector employers to expand the Prison Industries Enhancement Program;
- review and identify ways to improve the business practices of MCE in its sales, marketing, inventory, warehousing, and product line operations;
- monitor customer satisfaction with price, quality, delivery, and after delivery service; and
- review and comment on MCE operating and capital budgets, including cash forecasts.

Council members may not receive compensation but are entitled to reimbursement for expenses, as specified.

State Expenditures: General fund expenditures increase by at least \$154,400 in fiscal 2025, which accounts for the bill's October 1, 2024 effective date. This estimate reflects the cost of hiring one program coordinator and two correctional officers to develop and implement the Apprenticeship Program, including supervising the apprentices when

they are at their workplace. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	3.0
Salaries and Fringe Benefits	\$132,632
Operating Expenses	<u>21,768</u>
Minimum FY 2025 State Expenditures	\$154,400

Future year expenditures – which reflect minimum costs – reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

This estimate does not include any costs for transporting program participants to participating employers. In addition, this estimate assumes that the Apprenticeship Program is established and operated at one DPSCS correctional facility. DPSCS advises that it operates six facilities classified as pre-release with individuals who may meet the criteria for participation in the Apprenticeship Program. However, at this time, the need to establish and operate the program at multiple DPSCS facilities is unclear. To the extent that the program is implemented in additional facilities, the need for additional staff and transportation increases and general fund expenditures increase further. To the extent that private employers participate, some costs may be mitigated since the employer must pay all security, transportation, and related costs.

DPSCS can adopt the required regulations with existing budgeted resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City; Harford and Montgomery counties; Maryland Association of Counties; City of Frostburg; Maryland Municipal League; Department of Budget and Management; Maryland Department of Labor; Department of Public Safety and Correctional Services; 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 or jointly by a labor-management committee. 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 or employer groups 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, although there are some exemptions available to minors who are registered as apprentices. Time-based apprenticeships last from one to six years and involve a minimum of 144 hours of related technical instruction 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 [more than half of 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 as well as changes to current programs and ensures 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 November 28, 2023, there were 11,530 apprentices registered in 125 different occupations, with more than 400 approved registered apprenticeship programs and more than 3,800 employers. There were 1,825 Certificates of Completion for apprentices processed between January 1, 2023, and November 28, 2023. The State added 38 new apprenticeship programs in 2023. The diversity of Maryland's apprenticeship system has also increased since the transfer of the program to DWDAL in 2016. The percentage of minority apprentices increased from 36% in November 2016 to 44% in November 2023. Likewise, the percentage of female apprentices increased from 3.7% in November 2016 to 7.7% in November 2023.

Chapter 168 (Senate Bill 104) of 2023 established the Apprenticeship 2030 Commission. 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 by:

- expanding registered apprenticeships in industry sectors with skill shortages;
- growing the number of registered apprentices to at least 60,000 by 2030; and
- reaching the Blueprint for Maryland's Future goal for 45% of high school graduates completing the high school level of a registered apprenticeship.

The Apprenticeship 2030 Commission met four times in 2023 and published the [Interim Report of the Apprenticeship 2030 Commission](#).