

Program which grants scholarships to students who maintain a 3.0 average in fields such as computer science, engineering and technology-related disciplines where qualified applicants are in short supply. To retain the scholarship, recipients must agree to work in their fields in Maryland after finishing their degrees. During the 1999 Session, I proposed and the General Assembly enacted the Maryland Teacher Scholarship Program to address the State's critical teacher shortage. The Legislature also enacted House Bill 9, which provides income tax credits and other incentives to attract and retain qualified educators. This incentive program is expected to cost approximately \$25 million when fully phased-in. Additionally, in fiscal year 2001, we began phasing-in other disciplines under the HOPE Scholarship Program, concentrating first on those academic fields with shortages of employees with critical skills. In FY 2002, \$21.8 million was appropriated for this program. During the 2001 Session, the General Assembly passed and I signed House Bill 13, which establishes the Skills-Based Training for Employment Promotion (STEP) Pilot Program. This innovative program will provide grants to local workforce investment boards to fund skills-based, employer-based training and wraparound services for specified low-income individuals with dependent children and proven work histories. I included \$1 million in the FY 2002 supplemental budget for the first phase of the STEP program.

While I agree with the sponsors of Senate Bill 455 that we should do more to train students and employees in the skills that are critical to Maryland's economic development future, I cannot support the legislation in its present form. I expressed numerous concerns with the 1999 bills and offered to work with the General Assembly to develop a less expensive, narrowly tailored approach to encourage critical skill training. Unfortunately, the General Assembly chose to pass the identical legislation I vetoed. My concerns, however, have not changed.

First and foremost, I am concerned that the legislation could be prohibitively expensive, easily costing up to \$20 million annually, if implemented consistent with the bill's intent. While the State would determine what skills and occupations are eligible, it would have no control over the number of participants involved. It is certainly reasonable to expect that a list of skills and occupations in short supply will include fields already targeted in the above mentioned scholarship programs, as well as nursing, agriculture, tourism and a host of work-related skills such as electronics repair and software development. MHEC has identified 74,500 students, for example, who are enrolled in colleges, universities and private career schools in the fields of nursing, teacher education and science and technology, many of who could be eligible for the tax credit.

Second, the program is too unfocused and open-ended. It grants MHEC broad authority but with little guidance to designate skills and occupations that would be eligible for the tax credit. Once skills and occupations are identified, virtually any apprenticeship, skill training, or other program of study in those disciplines could qualify.

My third concern is that the program could overlap with, and to a certain extent devalue, the Science and Technology, Teacher, and HOPE Scholarship programs. Under the bill, a student studying computer science could receive a \$3,000 HOPE scholarship to cover tuition and fees and potentially receive an additional \$600 tax