

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1286 (Delegate Hixson, *et al.*)
Ways and Means

School Construction - Apprenticeship Program

This bill requires that contractors on State-funded school construction projects have in place an approved apprenticeship program.

Fiscal Summary

State Effect: Potential indeterminate increase in expenditures; revenues would not be affected.

Local Effect: Potential indeterminate increase in expenditures; revenues would not be affected.

Small Business Effect: Potential meaningful impact on small businesses as discussed below.

Fiscal Analysis

State Expenditures: To the extent that the business costs discussed below are passed on in bids for contracts, State expenditures on school construction projects could increase.

Local Expenditures: To the extent that the business costs discussed below are passed on in bids for contracts, local matching funds on school construction projects could increase.

Small Business Effect: Small businesses that receive contracts for State-funded school construction projects could have increased costs under the bill. Small businesses without apprenticeship programs would either have to set up their own program or join an approved program through union shops or an association in order to work on school construction projects. These programs are certified through the Apprenticeship and Training program within the Department of Labor, Licensing and Regulation. Associations charge specified

dues and charge specific amounts for each apprentice in the training program; unions pass on the costs through bargaining agreements. It is not clear if businesses would have to hire apprentices in addition to signing on to an approved program.

Information Source(s): Department of Labor, Licensing and Regulation, School Construction, Associated Builders and Contractors, Maryland State and D.C. Building and Construction Trade Council, Department of Fiscal Services

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