

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 884

(Senator Jones-Rodwell, *et al.*)

Finance and Budget and Taxation

Rules and Executive Nominations

Transportation - Highway or Capital Transit Construction Training and Supportive Services

This bill authorizes the Maryland Department of Transportation (MDOT) to use the maximum feasible amount of specified federal funds to develop, conduct, and administer highway or capital transit construction training and supportive services, including skill improvement programs. MDOT must administer the training programs in collaboration with the Governor's Workforce Investment Board (GWIB) to ensure that highway or capital transit construction training and supportive services are provided to the greatest extent feasible to individuals in each relevant workforce investment area. MDOT and GWIB must submit a report on compliance with the bill's requirements over the two previous calendar years to specified committees of the General Assembly by February 1 annually.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: While MDOT and GWIB can develop the required annual report with existing resources, Transportation Trust Fund expenditures of approximately \$1.1 million annually may shift from other projects to highway or capital transit construction training and supportive services. Revenues are not affected.

Local Effect: The bill is not expected to materially affect local finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Highway or capital transit construction” is actual construction, preliminary engineering, planning and research, or any other work or activity to implement federal laws for the administration of federal aid for highways or capital transit projects.

The report must (1) describe the highway or capital transit construction training, supportive services, and skill improvement programs MDOT and GWIB have conducted and administered in each workforce investment area, including specified information; (2) analyze the results of the training programs in each workforce investment area; (3) state the amount of specified federal funding available; and (4) identify the amount spent conducting and administering the programs in each workforce investment area.

Current Law: The State Highway Administration (SHA) may do anything necessary or desirable to comply with any term, condition, or provision and to obtain the benefits of any of the federal-aid highway acts, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any rule or regulation adopted under any of these acts. SHA is authorized to (1) accept any federal funds available to the State; (2) allocate and apportion these federal funds in accordance with the federal acts; (3) represent local jurisdictions for the purpose of negotiating, contracting, or dealing with the federal government on specified construction and reconstruction; (4) undertake all contracts, plans, specifications, and estimates relating to this construction and reconstruction; and (5) supervise directly the construction and reconstruction work done under federal acts.

In accordance with federal law, a state may use up to one-half of 1% of specified federal surface transportation and federal bridge program funding to “...develop, conduct, and administer highway construction training, including skill improvement programs.”

The federal Workforce Investment Act (WIA) of 1998 requires Maryland to create workforce development activities to be undertaken in the State and to decide how special populations, including welfare recipients, veterans, and individuals with multiple barriers to employment, will be served. Workforce investment areas are designated by the Governor in accordance with WIA.

Background: GWIB is within the Department of Labor, Licensing, and Regulation (DLLR) and coordinates efforts among agencies to deliver education and training for anyone seeking employment, as well as basic job-search skills development. GWIB is charged with performing duties specified in the federal WIA, including development of the State plan, development of allocation formulas for distribution of specified funds, and development and continuous improvement of comprehensive State performance, among

other related duties. GWIB is responsible for developing policies and strategies and does not directly implement training programs.

SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and 80 miles of sound barriers. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns.

The Maryland Transit Administration (MTA) operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services such as the light rail, Metro subway, commuter buses, Maryland Area Regional Commuter trains, and mobility/paratransit vehicles. Among other things, MTA's capital program provides funds to support the design, construction, rehabilitation, and acquisition of facilities and equipment for the bus, rail, and statewide programs.

The Federal Highway Administration's (FHA) on-the-job training program requires states to establish apprenticeship and training programs targeted to move women, minorities, and disadvantaged individuals into journey-level positions to ensure that a competent workforce is available to meet highway construction hiring needs and to address the historical under-representation of these groups in highway construction skilled crafts. FHA's on-the-job training and supportive services program provides supplemental services to highway construction contractors and assistance to highway construction apprentices and trainees. Both programs seek to make federal aid highway construction projects more effective and increase training opportunities for women, minorities, and disadvantaged individuals.

In December 2011, the Secretary of Transportation launched the BuildUp transportation job training program using \$1 million in federal funds. BuildUp seeks to prepare 150 individuals for transportation careers in construction craft skills, computer-aided design and drafting systems, and commercial driving. BuildUp follows SHA's Ready-Set-Go job training program, which started in 2011 with federal American Recovery and Reinvestment Act funds provided through FHA. MDOT advises that 50 participants graduated from Ready-Set-Go and nearly 20% of these participants are permanently employed. In the future, MDOT advises the BuildUp program will be broader in scope and offer more classes in various transportation and highway construction-related trades.

State Fiscal Effect: Because the U.S. Congress is currently considering different bills that authorize future federal surface transportation and federal bridge program funding, MDOT's future allocation from this source is not clear. However, assuming that MDOT

continues to receive approximately \$220 million annually, the bill authorizes \$1.1 million of this annual funding to be allocated to highway or capital transit construction training and supportive services. MDOT's *2012-2017 Consolidated Transportation Program* allocates these federal funds to SHA projects and not to training and supportive services in fiscal 2013 and future years.

DLLR can absorb the additional workload associated with implementing the bill; however, this assumes that MDOT takes primary responsibility for implementing programs and completing the reports and GWIB only provides advice and feedback.

Additional Information

Prior Introductions: HB 1139 of 2011, a similar bill, passed the House and received a hearing in the Senate Finance Committee, but no further action was taken. Its cross file, SB 796, received a hearing in the Senate Finance Committee, but no further action was taken.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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