

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 54

(Chair, Finance Committee)(By Request - Departmental -  
Labor, Licensing and Regulation)

Finance

Economic Matters

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**Labor and Employment - Maryland Apprenticeship and Training Council**

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This departmental bill specifies that the duties of the Maryland Apprenticeship and Training Council (MATC) must be consistent with the approval of the Division of Labor and Industry (DLI) within the Department of Labor, Licensing, and Regulation (DLLR). Apprenticeship or on-the-job training programs and reciprocity agreements with other state or U.S. apprenticeship and training councils must be jointly approved by MATC and DLI. If MATC and DLI disagree on any of MATC's duties and responsibilities, the Secretary of Labor, Licensing, and Regulation must issue a final decision after hearing from both parties.

The bill takes effect July 1, 2014.

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**Fiscal Summary**

**State Effect:** None. The change is procedural in nature and does not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** DLLR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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## Analysis

**Bill Summary:** The bill specifies that the duties of MATC must be consistent with the approval of DLI. If MATC and the division disagree, the Secretary of Labor, Licensing, and Regulation must issue a final decision on the issue.

Apprenticeship or on-the-job training programs must first be approved by MATC or, if there is a disagreement between MATC and DLI, by the Secretary of Labor, Licensing, and Regulation before the program is approved by MATC and recognized by DLI as an apprenticeable occupation. MATC and DLI must jointly issue a certificate of approval to an applicant operating or proposing to operate an apprenticeship or on-the-job training program if they, or the Secretary of Labor, Licensing, and Regulation if there is a disagreement, are satisfied with specified aspects of the program.

The Secretary of Labor, Licensing, and Regulation may suspend or revoke a program or course's approval if a disagreement arises between MATC and DLI on the suspending or revoking of a program or course. MATC must consult with DLI on adopting rules and regulations for the implementation of apprenticeship or on-the-job training programs, including the furnishing of relevant information about approved and proposed programs and the operator or proposed operator of the approved or proposed programs.

MATC, with the approval of DLI, must apply to any court of competent jurisdiction for an injunction restraining violations. MATC, with the approval of the DLI, may negotiate and adopt agreements allowing reciprocity with apprenticeship and training councils of another state or the U.S. Department of Labor (DOL), Bureau of Apprenticeship and Training.

The bill eliminates the provision that MATC may not deny any otherwise qualified application where apprentices constitute up to 25% of the total number of apprentices and journeymen employed or, for the purpose of equal opportunity employment, up to 50% of the total number of apprentices and journeymen employed.

If MATC and DLI disagree on specified issues, MATC may designate three council members who voted in the majority to present MATC's position on the issue to the Secretary of Labor, Licensing, and Regulation. A representative of DLI must also have an opportunity to present the division's position to the Secretary, who must issue a final decision on the issue after hearing both positions. The final decision of the Secretary of Labor, Licensing, and Regulation is the final agency decision. If a party other than MATC or DLI is aggrieved by the decision of the Secretary of Labor, Licensing, and Regulation, the party is entitled to judicial review.

In addition to informing MATC, the Director of Apprenticeship and Training must periodically inform DLI of results of the progress of the State's apprenticeship and training programs.

**Current Law/Background:** A national apprenticeship and training program was established in federal law in 1937 with passage of the Fitzgerald Act, also known as the Apprenticeship Act. The purpose of the Act was to promote national standards of apprenticeship and to safeguard the welfare of apprentice workers. DOL, through its Employment and Training Administration – Office of Apprenticeship, works with individual states to implement these apprenticeship standards and labor practices throughout the country. Maryland is 1 of 25 states that has chosen to operate its own apprenticeship programs.

In 1962, Maryland became a state apprenticeship council (SAC) state when the General Assembly passed its apprenticeship and training law, which created the 12-member MATC. Within the framework established in federal law, the State's apprenticeship and training law also established the guidelines, responsibilities, and obligations for training providers and created certain guarantees for workers who become apprenticed. MATC serves in a regulatory and advisory capacity by providing guidance and oversight to the Maryland Apprenticeship and Training Program (MATP), which is responsible for the daily oversight of State apprenticeship programs.

MATC approves new apprenticeship programs and changes to current programs. 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. MATC also serves in an advisory role for legislation and regulations, recommending changes to update apprenticeship laws.

MATC and MATP work cohesively to expand apprenticeship throughout Maryland and to ensure that both the apprentice and the employer sponsor are following all regulations and standards. MATP's primary focus is on assisting employer sponsors by providing services to ensure compliance and working to expand apprenticeships. MATC's primary focus is ensuring that adequate laws and regulations are in place to foster a positive apprenticeship environment for both the apprentice and employer sponsor, that apprenticeship programs are compliant with the laws and regulations, and that apprenticeships are expanding throughout the State.

In 2008, DOL implemented regulations that require state officials to be held accountable for the oversight and management of the state's apprenticeship system for federal purposes. In addition to having a SAC, a state must have an agency designated as a state

apprenticeship agency (SAA). In Maryland, DLLR, through MATP, is the SAA. Under the 2008 DOL regulations, only SAAs, not SACs, may register apprenticeship programs. However, SACs are still required for advisory and regulatory purposes. Additionally, the regulations call for SAAs to submit all proposed modifications in legislation, regulations, policies, or procedures to DOL's Office of Apprenticeship for approval. The State is not in conformity with DOL's regulations since MATC is the sole decisionmaker in certain areas for the apprenticeship program. The bill brings Maryland into compliance with federal requirements.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Office of Administrative Hearings; U.S. Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - January 14, 2014  
mc/mcr

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Analysis by: Heather N. Ruby

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Labor and Employment - Maryland Apprenticeship and Training Council

BILL NUMBER: SB 54

PREPARED BY: Department of Labor, Licensing and Regulation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have a minimal impact on small business in Maryland.