Department of Legislative Services

Maryland General Assembly 2023 Session

FISCAL AND POLICY NOTE Third Reader

Senate Bill 23 (Senator Brooks)

Education, Energy, and the Environment

Economic Matters

Heating, Ventilation, Air-Conditioning, and Refrigeration Services - Journeyman License - Qualifications

This bill alters the qualifications for a journeyman license to provide heating, ventilation, air-conditioning, and refrigeration services (HVACR). Specifically, the bill increases the number of years (from three to four) an applicant must be licensed as an apprentice before applying for a journeyman license. Additionally, the bill increases the hours of training required (from 1,875 to 6,000) for a journeyman license applicant.

Fiscal Summary

State Effect: Special fund licensing revenues may be delayed to the extent applicants spend more time in training prior to applying for a journeyman license. However, the bill is not expected to materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Current Law/Background: The Division of Workforce Development and Adult Learning within the Maryland Department of Labor (MDL) oversees the <u>Maryland Apprenticeship and Training Program</u> (MATP), which is a model of job preparation that combines paid on-the-job learning with related instruction to progressively increase workers' skill levels and wages. MDL advises this model provides an effective way for employers to recruit, train, and retain highly skilled workers.

MDL further notes that, as part of MATP, an HVACR apprentice must work 8,000 hours and attend 576 hours of related instruction to graduate and receive a journeyman license. These requirements are intended to ensure that graduates are highly skilled and are educated in their occupation.

Individuals who are currently in the HVACR industry via nonregistered apprenticeships can take a licensing exam with a relatively low number of hours (1,875 versus 8,000 for individuals enrolled in the program). By increasing the number of years needed to hold an apprentice license from three to four and the number of training hours needed, MDL advises the bill more closely aligns the licensing requirements in statute with those of the registered apprenticeship system.

Finally, MDL notes that apprentices who graduate from an approved registered apprenticeship program receive a journeyman license without an exam, while those who do not go through the program must pass an exam, which has a significant nonpassing rate. Thus, the bill may increase the total number of HVACR licenses issued in the State, to the extent more individuals enroll in the State's registered apprenticeship program.

Small Business Effect: Small businesses that train HVACR apprentices must provide training and oversight for longer periods of time, given the increased number of years and hours required to apply for a journeyman license. However, businesses engaged in the training and oversight for individuals enrolled in the registered apprenticeship program are not significantly affected, as the registered apprenticeship program already requires more hours than required under the bill (8,000 versus 6,000 under the bill).

Additional Information

Prior Introductions: None.

Designated Cross File: HB 132 (Delegate Qi) - Economic Matters.

Information Source(s): Maryland Department of Labor; Department of Legislative

Services

Fiscal Note History: First Reader - January 24, 2023 rh/mcr Third Reader - February 10, 2023

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