

# MARYLAND WORKFORCE ALLIANCE

**HB1457**

**Apprenticeship Startup Act of 2020**

**Position: FAVORABLE**

Chairwoman Kaiser and Members of the Ways and Means Committee,

The Maryland Workforce Alliance is a statewide membership organization of 36 trade associations, labor unions, and apprenticeship providers. Our members are from all sectors including but not limited to healthcare, automotive, transportation, clean energy, maritime, state employees, service workers, agriculture, cybersecurity, IT, building trades, and more. A majority of our members proudly endorse HB1457, The Apprenticeship Startup Act, as it will help achieve the Alliance's mission to pass common-sense workforce training legislation that will spur the creation of jobs in markets experiencing labor shortages and help expand registered apprenticeships in Maryland.

In Maryland, as of 2018, we have roughly 105,000 unemployed people. Yet, there are over 113,000 good-paying, "middle-skill" jobs vacancies that employers are struggling to fill. Therefore, we have more jobs available than we have unemployed workers. Additionally, across the entire state of Maryland, there are only 65 youth participating in registered apprenticeship programs. As these numbers show, there is a grave skills-gap in Maryland.

The Apprenticeship Startup Act incentivizes employers to create new apprenticeship programs by ensuring they have adequate funding to get started. The tax credit already exists, so HB1457 is a simple bill that just keeps

the current law more focused and effective. While it is important that schools develop robust Career & Technical Education, it is crucial that the industry has a stake in the game as well. They are experts on the skills needed for their various industries, so they should have the support they need to start apprenticeship programs.

Apprenticeships benefit employers in the long term because they provide:

- **A Low Cost, High Return Investment:** When employers hire apprentices, they have lower costs for internal training and recruitment, and they have higher employee retention rates.
- **A Customized Approach to Training:** Apprenticeships are tailored to a specific job role, allowing the role to be tailored to the needs of each business or industry.
- **Related Classroom Instruction:** The integration of on and off-the-job training provides apprentices multiple education pathways to gain the skills that are needed for career readiness in specific industries.

For employers to gain these benefits, we must provide them financial assistance through tax credits.

The Maryland Workforce Alliance encourages a favorable report on HB1457. Let's continue to build a strong economy in Maryland.

Respectfully,

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