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## Senate Bill 903

Date: March 17, 2021  
Committee: Finance Committee  
Bill Title: Labor and Employment – Traditional Trade Apprenticeship Fund  
Re: Letter of Information

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SB 903 establishes a new “Traditional Trade Apprenticeship Fund” as a special, non-lapsing fund, envisioned to have \$2M in revenue for FY22. MD Labor would need to: establish application criteria; review applications; and distribute grants to successful applicants.

To administer this program, at minimum, MD Labor would require 1 new Registered Apprenticeship (RA) project manager to provide oversight and 2 new RA navigators to provide assistance to sponsors and participants. Existing staff would need to charge time spent on this project to a State or otherwise allowable funding source, as federally funded staff are **prohibited** from working on State initiatives outside of the scope of their duties. In total, for FY22 alone, it is estimated that \$276,000 would be needed for implementation. Staffing costs would be ongoing.

The initiative would have 3 funding sources including federal funds. MD Labor is unaware of any federal funds to divert to this program, and further MD Labor **could not commit federal funds** to this unless the grant was applied for and awarded specifically for this purpose. If the State did identify federal funds for SB 903 activities, it is unclear whether interest from these funds could go to the State treasury. MD Labor would need the advice and permission of the U.S. Department of Labor or other federal entities before this interest accrual could occur.

In SB903, MD Labor must invest funds into certain RA organizations, but the bill also states that a goal of the program is to have program completers *become eligible* for employment. RA is an “earn and learn” employment model where **apprentices are employed while receiving training** and related classroom instruction. Thus, the program’s stated purpose seems to contradict the apprenticeship model if the training would be front loaded prior to employment beginning.

The bill states that “the Director of Apprenticeship and Training shall distribute grants of up to \$50,000 per participant to existing programs.” This language should be clarified, as it is unclear if the intent is to provide \$50,000 *per participating apprentice* OR *per participating apprenticeship organization*.

The definition of “traditional trade” excludes certain historic preservation trades, including electrical, concrete/cement, and HVAC occupations. Maryland does not currently have any “historic trail work” apprenticeships in existence.

Additionally, most federal workforce dollars could not fund on-the-job training for up to a 1-year period, as envisioned by SB903 and none of the existing RA programs that would qualify as “traditional trades” have RAs that last one year or less. RA is generally a longer term training model that may occur over a 3-4-year period of time.

The Department respectfully requests that the Committee consider this information.