**SB 903 - Sponsor Amendments** Uploaded by: Fry Hester, Katie Position: FAV



### SB0903/573521/1

BY: Senator Hester (To be offered in the Finance Committee)

### AMENDMENTS PREPARED BY THE DEPT. OF LEGISLATIVE SERVICES 16 MAR 21

11:51:58

### <u>AMENDMENT TO SENATE BILL 903</u> (First Reading File Bill)

On page 2, strike in their entirety lines 3 through 8, inclusive; in line 9, after "APPRENTICESHIP" insert "<u>OR PRE-APPRENTICESHIP</u>"; in lines 9 and 11, strike "(4)" and "(5)", respectively and substitute "<u>(3)</u>" and "<u>(4)</u>", respectively; and in line 25, strike "FEDERAL" and substitute "<u>PUBLIC SECTOR</u>".

On page 3, in line 17, strike **"\$50,000**" and substitute **"<u>\$25,000</u>**"; and in line 21, after **"APPRENTICESHIP**" insert **"<u>OR PRE-APPRENTICESHIP</u>**".

## SenatorHester\_FAV\_SB903.docx.pdf Uploaded by: Fry Hester, Katie

Position: FAV

**KATIE FRY HESTER** Legislative District 9 Carroll and Howard Counties

Education, Health, and Environmental Affairs Committee

Chair, Joint Committee on Cybersecurity, Information Technology and Biotechnology



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### THE SENATE OF MARYLAND Annapolis, Maryland 21401

### Testimony in Support of SB903 - Traditional Trade Apprenticeship Fund

March 17th, 2021

Chairwoman Kelley, Vice Chair Feldman, and Members of the Senate Finance Committee:

Thank you for your consideration of Senate Bill 903. Each and every one of our districts has its own important history - and a unique historic built environment worth preserving. From Footer Dye Works in Cumberland and Philips Packing Plant in Cambridge, to National Park Seminary in Silver Spring and Fort Ritchie in Washington County, the preservation and rehabilitation of our historic properties has breathed new life in communities and given new opportunities to a diverse set of individuals who use those spaces. But historic revitalization is a difficult undertaking, and requires unique skills on the part of workers to be done correctly and efficiently.

With unemployment at historic levels and a large number of individuals displaced by the COVID-19 pandemic, there is a need for workforce development programs in a variety of fields. Simultaneously, there is an opportunity to train people in fields like historic revitalization, where the jobs, although specialized, pay well and support a good quality of life. This bill seeks to build on a successful model, already working in Maryland, to provide such opportunities for our constituents interested in a career in a traditional trade.

Senate Bill 903 would create a Traditional Trade Apprenticeship Fund within the Department of Labor. This special non-lapsing fund would be used to distribute grants of up to \$50,000, to support apprenticeships where participants perform traditional tradework on historic preservation projects in the State. These parameters are modeled after the Traditional Trade Apprenticeship Program (TTAP), developed by Preservation Maryland in partnership with the National Park Service under the umbrella of "The Campaign for Historic Trades." Through this program, The Campaign works to engage at-risk youth, young adults, and recent veterans in paid pre-apprenticeship positions at National Park units across the country. While COVID-19 has made placement challenging this year, the program is designed to place individuals trained through this program in historic preservation roles with the National Park Service.

With the Federal Great American Outdoors Act supporting more than \$3 billion worth of historic rehabilitation projects across the nation, we can expect to see a rise in investment in historic preservation projects. By supporting apprenticeships in this field, we can use this influx of investment to train a new generation of traditional trades workers who will be prepared to maintain our historic properties for years to come. In doing so, we can simultaneously complete important work to preserve our existing portfolio of historic properties, and bring good paying jobs to our constituents. This is a clear benefit to our constituents, our communities, and the history of the State of Maryland. For these reasons, I **respectfully request a favorable report for Senate Bill 903.** 

Sincerely,

Komi Fr Herr

Senator Katie Fry Hester Howard and Carroll County

## SB903-Campaign for Historic Trades-FAV (Natalie He Uploaded by: Henshaw, Natalie

Position: FAV

### Testimony of Natalie Henshaw Historic Trades Program Manager, Preservation Maryland

Before the Senate Finance Committee March 17, 2021

Pertaining To: SB903, Historic Revitalization Tax Credits- Small Commercial Projects -Alterations Support

On behalf of the staff and Board of Directors of Preservation Maryland and our thousands of statewide supporters, I thank you for the opportunity to provide testimony on the value of history and preservation in Maryland.

Preservation Maryland is the statewide voice for historic preservation that works to protect the best of Maryland. Since 1931, we have worked tirelessly to protect the places, stories and communities in Maryland that matter. Through our Campaign for Historic Trades, we have worked to increase opportunities for all Americans to enter the preservation trades and help restore the nation's vast and irreplaceable heritage.

### Why this Bill Matters

Across the nation, thousands of construction jobs go unfilled – a quiet crisis that grows each day. The problem is only magnified for the historic trades which also suffer from a lack of new entrants into the workforce. At the same time, from Garrett to Somerset County and everywhere in between, Maryland has a huge stock of historic structures, and it's a number that grows every year. In order to address the challenge of an ever growing stock of historic structures and a dearth of qualified professionals to work on them, SB903 seeks to support the skilled preservation trades training of Marylanders who can then enter the workforce ready to help restore the state's historic built environment.

### What this Bill Does

This legislation establishes the Traditional Trades Apprentice Fund within the Department of Labor to support workforce development programs in Maryland that provide training in the traditional trades and, upon completion of the programs, help place apprentices in private and public sector jobs. The bill would direct a portion of federal financial assistance to the state into the fund to support the training of participants in such programs.

### Why You Should Vote for This Bill

Maryland boasts a long and vibrant history. One of the benefits of that is a large stock of historic structures and buildings in every corner of our state. Indeed, Maryland has over 1,500 listings on the National Register of Historic Places, a program of the National Department of the Interior and the National Parks Service, which recognizes districts, buildings, structures, objects, and sites for their significance in American history, archeology, architecture, engineering, or culture, and identifies them as worthy of preservation. Every day, more buildings in Maryland become eligible for the Register. Buildings on the National Register of Historic Places require work done to the Secretary of Interior Standards for Historic Preservation. Therefore, specialized training is needed to ensure work complies with these standards.

As the historic building stock increases, there is a demand for more labor skilled and versed in historic preservation. Unfortunately, there is currently a shortage of trained preservation tradespeople. SB903 would help address this crisis by investing in workforce training in the traditional trades through apprenticeship and pre-apprenticeship programs. Participants would work on historic preservation projects in the state of Maryland and at the conclusion of their experience would be eligible for non-competitive federal hiring or are abundantly qualified to enter the private sector in several well-paid trades such as finish carpentry, frame carpentry, roofing, masonry and painting. One such program in Maryland, the Traditional Trades Apprenticeship Program located out of the Historic Preservation Training Center in Frederick, MD, supports six months of paid, on-the-job instruction in one of America's national parks, plus post-training job placement services.

SB903 would help both large and small employers in the constructions and preservation sector. Historic trades inherently encompass a broad range of trades, and this presents opportunities for partnerships and to upskill and "side skill" related trades. Large commercial jobs on historic buildings would benefit from trades people trained in historic preservation, and employers will benefit from having pipelines of employees who are guaranteed to get supplementary education, improving their work quality. Historic trades are often performed by sole proprietors, rather than large companies, but training costs hours and money, which are often in short supply with individual craftspeople. SB903 would benefit those smaller employers and sole proprietors who want to train young people, but don't necessarily have the funds or capacity to do so.

It is also worth noting that the passage of the Great American Outdoors Act in 2020 provides up to \$9.5 billion in dedicated funding over five years (\$1.9 billion per year) for much needed repairs of the National Park Service and other federal agencies. The NPS deferred maintenance backlog alone has ballooned to \$12 billion, of which 47 percent is for historic assets. That means there will be a massive need for skilled preservation trades people to undertake that work. Marylanders who go through preservation trades apprenticeships thanks to SB903 will be ready to fill those positions.

As its stock of historic structures increases every year, Maryland will benefit from having a highly skilled workforce in historic buildings. There are shortages in construction labor and higher shortages in skilled labor, and apprenticeship training supported by SB903 will help alleviate that glut. Historic preservation of Maryland's already built environment is a widely embraced and successful solution to many of the economic and neighborhood revitalization challenges facing Maryland's communities today. SB903 would help with this by supporting the job training of skilled preservation tradespeople to help in the revitalization movement.

In 2019, construction accounted for 4% of the labor market with over 7 million jobs, with projected increases in the next decade. Because of the volume of historic buildings in Maryland and across the nation, preservation work is not niche; it's simply a facet of the broader construction industry. SB903 would have a direct and positive impact on a vital sector of the economy, while bolstering workforce development and preserving our state's historic built environment.

SB903 is an investment in Maryland's workforce and its heritage. Therefore, I respectfully urge a favorable report on SB903.

### <u>Support</u>

**Testimony of SESaser.pdf** Uploaded by: Sasser, Sara Elizabeth Position: FAV

### Testimony of S. Elizabeth (Lisa) Sasser, AIA Preservation Consultant and Preservation Maryland Board Member

Before the Senate Finance Committee March 17, 2021

Pertaining To: SB903, Historic Revitalization Tax Credits- Small Commercial Projects -Alterations Support

Thank you for the opportunity to provide testimony on the value of the preservation trades, and why SB309 is such an important investment in Maryland's heritage and workforce.

### Why the Bill is Needed

As an historical architect, a graduate of the National Park Service Historic Preservation Training Center trades training program, and as a member of the Preservation Maryland Board, I've been engaged with Maryland's historic places – from Washington County to the Eastern Shore – for more than 35 years.

Maryland has more than 1500 listings on the National Register of Historic Places, along with some 200 historic districts. From iconic sites like Ft. McHenry and the Maryland State House, to lively historic districts in cities and small towns, these places are drivers of tourism, commerce and economic development. Ensuring that these places are preserved, restored and rehabilitated to the benefit of local economies demands an adequate supply of tradespeople with the specialized skills required to work on historic structures. In addition to knowledge of construction generally, work on historic buildings requires an understanding of materials, tools and techniques not found in contemporary construction. Work on historic structures must be also be completed in accordance with the Secretary of Interior's Standards for Historic Preservation. The stock of historic structures increases every year. Shortages in construction labor and higher shortages in skilled labor have been extensively documented. Apprenticeship training will help alleviate that shortage, particularly for high demand, highly skilled workers.

### What the Bill Does

SB309 establishes the Traditional Trades Apprentice Fund within the Department of Labor to support workforce development programs in Maryland that provide training in the traditional trades. The Bill will provide training in the traditional building trades. Graduates of the program will receive assistance in finding public and private sector jobs. Some federal financial assistance to the state will be directed to the fund to support traditional trades training. Maryland is home to the National Park Service Historic Preservation Training Center (HPTC) in Frederick, Maryland. HPTC has been training tradespeople in the traditional trades since 1977 and has partnered with Preservation Maryland to develop and fully implement the Traditional Trades Apprenticeship Program. With the support of the Traditional Trades Apprenticeship Fund, the HPTC/Preservation Maryland partnership will allow these trainees can transition into full apprenticeships in the Maryland workforce.

SB903 would also benefit smaller employers and sole proprietors who want to train young people, but don't necessarily have the funds or capacity to do so. Training costs hours and money, often in short supply with individual craftspeople. Historic trades are often performed by sole proprietors, rather than large companies. These small businesses are often owned by the most highly skilled tradespeople who are in the position to pass on traditional skills otherwise in danger of being lost, by being able to offer apprenticeships to young people who could then carry on these skills.

The National Park Service and Preservation Maryland are partnering on The Campaign for Historic Trades through which apprenticeships will align with accredited degree programs, so apprentices can earn while they learn. SB 309 will help support this. This offers a path to addressing the crisis of higher education costs and student load debt in this country, while offering a pathway to well-paying jobs that can't be "offshored".

### Why You Should Support This Bill

Historic Preservation is a Maryland success story. Maryland's unique cultural attractions draw visitors from around the world and support countless local businesses while providing nearly \$320 million in local and state tax revenue and generating \$1.3 billion in economic activity annually. Maryland will benefit from having a highly skilled workforce in historic buildings. The stock of historic structures increases every year. There are shortages in construction labor and higher shortages in skilled labor. Apprenticeship training will help alleviate that need. In 2019, construction accounted for 4% of the labor market with over 7 million jobs, with projected increases in the next decade. This bill

would have a direct and positive impact on a vital sector of the economy as well as helping young people find new and rewarding career pathways.

# Written Informational Testimony SB 903(2).pdf Uploaded by: Anderson, Stephanie

Position: INFO

## MARYLAND **WORKFORCE** A L L I MANN C E

### SB 903 – Traditional Trade Apprenticeship Fund

### **Informational Testimony**

### **Senate Finance Committee**

March 17, 2021

The Maryland Workforce Alliance (MWA) 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, the building trades, and more. The Alliance advocates common sense workforce training legislation to increase investment in skills training programs that help Marylanders acquire the skills needed to obtain jobs in high wage, high growth occupations. Through our work, MWA aims to bridge the skills gap, address critical employment shortages in key fields, and augment robust Career & Technical Education that is integrated with registered apprenticeship programs.

MWA has reviewed this bill and its members are intrigued with the potential impact on new job creation and career development. MWA has several thoughts that it would like to share:

- MWA sees the potential within this bill to provide on-ramps to future apprenticeships across the trades and favors amending the bill to expand trade partnerships to be more inclusive trades such as finishing trades, electrical, plumbing etc.
- MWA members would like a better understanding how the projects for this program will be selected.
- MWA applauds the efforts to create a historical preservation career track.

MWA shares the values of job creation through pre-apprenticeship programs.

**SB0903 LOI 3.4.2021.docx.pdf** Uploaded by: Fulginiti, Andrew Position: INFO



### Senate Bill 903

Date:March 17, 2021Committee:Finance CommitteeBill Title:Labor and Employment – Traditional Trade Apprenticeship FundRe:Letter of Information

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.

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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.

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