



**HB 1212**  
**Procurement – Socially and Economically Disadvantaged Workers’ Protection Preference**  
**Economic Matters Committee**  
**Position: Unfavorable**

Maryland AGC, the Maryland Chapter of the Associated General Contractors of America, provides professional education, business development, and advocacy for commercial construction companies and vendors, both open shop and union. AGC of America is the nation’s largest and oldest trade association for the construction industry. AGC of America represents more than 26,000 firms, including over 6,500 of America’s leading general contractors, and over 9,000 specialty-contracting firms, all through a nationwide network of chapters. Maryland AGC opposes HB 1212 and respectfully urges the bill be given an unfavorable report.

The essence of HB 1212 is to provide a price preference of 10% on all contracts with the State, conditioned on a bidder’s agreeing that at least 50% of the workers on a project will be economically or socially disadvantaged and requiring all subcontractors on a project to adopt the same policy.

In the construction industry, on a contract of any size or scope, and regardless of whether the employer is union or open shop, it is virtually impossible to find economically or socially disadvantaged workers with the required knowledge, skills, and ability needed across a wide range of trades, from basic (carpenters, masons, laborers, operating engineers) to highly skilled trades (electricians, mechanical, welders, etc.), in the numbers required to meet the 50% threshold in your bill. This lack of targeted workers is not for lack of trying. Most construction companies, including M/WBE owned companies, struggle to recruit, train, and keep workers of any type, but especially workers your bill seeks to develop. A survey of construction firms in 2019 reported that 80% of firms have difficulty finding and hiring for craft positions and 57% are having difficulty filling salaried positions.<sup>1</sup>

The goal of HB 1212 appears to be encouraging bidders on State contracts to hire economic or socially disadvantaged individuals. However, the problem does not lie on the demand side of the employment equation. As the survey cited above shows, there is very strong demand for qualified workers. The problem is on the supply side of the equation. Our school and apprenticeship programs simply are not producing enough graduates with the technical skills needed in the construction industry specifically or in industry generally.

The General Assembly has recognized that supply is the problem. The More Jobs for Marylanders Act of 2017 calls for 45% of students to complete a CTE program of study, earn an industry-recognized credential, or complete a youth or other apprenticeship program by 2025. In April 2020, the Department of Education adopted the Maryland Career and Technical Education Four-Year State Plan, closely integrated with the Kirwan Commission recommendations and directed at fulfilling the requirements of the More Jobs for Marylanders Act. In 2020, the General Assembly passed HB 1457, the Apprenticeship Start-Up Act of 2020, increasing tax credits for companies training apprentices. All these well thought out programs recognize the need for graduates with the knowledge, skills, and abilities sought by commerce and industry.

HB 1212, well-intentioned as it is, simply addresses the wrong side of the employment equation. Accordingly, Maryland AGC respectfully urges the Committee to give HB 1212 an unfavorable report.

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<sup>1</sup> 2019 Workforce Survey Results National Results, [https://www.agc.org/sites/default/files/WorkforceDevelopment\\_2019\\_National\\_Final\\_1.pdf](https://www.agc.org/sites/default/files/WorkforceDevelopment_2019_National_Final_1.pdf), accessed 2/27/2021 12:06 p.m.