

House Bill 650

Date: February 21, 2024
Committee: House Economic Matters
Bill Title: Labor and Employment - Apprenticeship Standards - Ratio of Apprentices to Journeypersons
Re: **Letter of Concern**

The Maryland Department of Labor (MDL) recognizes that Registered Apprenticeship (RA) is one of the most effective strategies to connect Marylanders with good paying, family sustaining careers, while also increasing Maryland's economic competitiveness. The Administration is committed to building a growing and thriving economy that lifts up every Maryland family and business, including small businesses and Minority Business Enterprises, and growing RA is central to this mission.

The Department supports the aim of this legislation, which is to modernize RA and to ensure that employers can bring on more apprentices. Significant expansion of RA, including to new and non-traditional fields, is needed. This is key, not only to meet the Blueprint's goals, but also to address the reality of an aging and shrinking labor force, and to ensure greater equity and diversity in Maryland's workforce. **While we share these goals, MDL has several concerns with the bill as drafted.** MDL supports potential expansion to RA ratios, but maintaining safety and quality in programs is paramount. **MDL is wholly committed to working with stakeholders including businesses, labor, the General Assembly, and the Maryland Apprenticeship and Training Council, to expand ratios where safety and quality will not be jeopardized.** We can and should explore opportunities to expand apprentice to journey worker RA ratios ("ratios") in *non-hazardous* occupations as a growth strategy.

There are a few key points we wish to share with the Committee.

Use of Expanded Ratios

HB650 would impose a statutorily required 3:1 ratio for certain "*non-traditional*" occupations and *any* new programs thereafter. Although the Secretary would have authority to change that ratio, it would set the default at 3:1. Through consultation with the National Association of State and Territorial Apprenticeship Directors (NASTAD), MDL has not identified any state in the nation that has approved a 3:1 ratio, although several have approved an expanded ratio of 2:1 in certain instances. These states/territories include California, New Mexico, New York, North Carolina, Washington, D.C., Ohio, Puerto Rico and Wisconsin. Additionally, Alabama and Washington have published guidance (similar to Maryland's, detailed below) to explore expanded ratios in *non-hazardous* occupations. However, even in states that allow expanded ratios, they are not imposed across the board, but rather are approved by the appropriate "Registration Agency," which in Maryland is the Maryland Apprenticeship and Training Council (MATC). The MATC's existing ratio guidance allows programs to utilize expanded ratios in nonhazardous occupations if the sponsor can demonstrate quality training, performance, and satisfactory

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completion rates. MATC has approved some sponsors for a 2:1 ratio (Multiverse US, INC. for Data Analyst, Software Engineer, Digital Marketer, and Business Analyst in November 2023).

MDL is committed to working alongside MATC and other stakeholders to consider new approaches. The Department believes that a streamlined and reformed consultative regulatory/guidance process would better support the outcomes this legislation seeks to achieve..

Regulatory Considerations

Maryland is required to comply with federal regulations in order to be eligible for federal apprenticeship funding. Existing federal regulations (9 CFR 29.13 (9) and 29 CFR 29.5 (7)) require a State Apprenticeship Agency to submit operational changes to the United States Department of Labor (USDOL) *prior to* enacting changes like those proposed in HB650. The CFR also positions MATC, as the “Registration Agency” in Maryland, as the entity officially charged with determining expanded ratios. MDL is concerned that the legislation would override the MATC’s authority to approve expanded ratios; instead, establishing a statutory mandate for the 3:1 ratio for 28 listed occupations and any new programs presented to MATC moving forward. Additionally, in December 2023, USDOL announced a proposal to change federal regulatory guidance on RA via a [Notice of Proposed Rulemaking \(NPRM\)](#), open for public comments until March 18, 2024. **As it relates to ratios, MDL currently conforms with the NPRM proposal, which affirms the use of expanded ratios, but this underscores the need for ratios to be carefully determined to ensure safe circumstances with proper review.**

Collective Bargaining Considerations

There are a number of operational and legal concerns to address in a shift of this kind, including the need to determine how language might impact collective bargaining agreements. For example, as drafted it could potentially override existing contracts.

Apprenticeship 2030 Commission

The [Apprenticeship 2030 Commission](#), which was established by legislation last year, intends to launch a workgroup to simplify sponsorship registration processes, including an examination of ratio expansion. That Commission is engaging key stakeholders, including industry and organized labor, with a goal of significantly expanding apprenticeship.

Conclusion

MDL is committed to working alongside the General Assembly’s Apprenticeship 2030 Commission, MATC, USDOL, Local Workforce Boards, and other key stakeholders to swiftly and thoughtfully reexamine the approach to approving Registered Apprenticeship ratios for nonhazardous occupations. The Department supports the goal of the Moore-Miller Administration and the General Assembly to dramatically increase RA in the state in conjunction with the vision of the *Blueprint for Maryland’s Future*.