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February 27th, 2024

Delegate Peña-Melnyk, Chair Health and Government Operations Committee 241 House Office Building Annapolis, MD 21401

RE: HB 1276 – <u>UNFAVORABLE</u> – Public Works Contracts – Apprenticeship Requirements (Maryland Workforce Apprenticeship Utilization Act)

Dear Chair Peña-Melnyk and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 1276 would alter the apprenticeship requirements related to public works contracts requiring contractors and subcontractors to employ a specified percentage of apprentices and journeypersons. Starting January 1, 2025, that percentage would be 25%, and each year thereafter, the Secretary will set the applicable percentage.

MAA respectfully opposes HB 1276 because it will destroy the current apprenticeship program. This bill would require contractors to sign agreements, basically forcing them to be unionized. While we have member organizations that are both union and non-union, we cannot support legislation that gives favor to one over the other. We support fair and equitable competition amongst contractors. In a state like Maryland, where over 90% of contractors are open shops, passing a law that gives preference to union labor, leaves out most Maryland contractors from competing and working on jobs here. Moreover, eliminating most of the competition will always lead to increased costs.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on HB 1276.

Sincerely,

Tim E. Smith. P.E.

President

Maryland Asphalt Association

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