



The Voice of Merit Construction

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To: House Economic Matters Committee
House Health and Government Operations Committee

From: Associated Builders & Contractors

RE: HB 1276 - Public Works Contracts – Apprenticeship Requirements
(Maryland Workforce Apprenticeship Utilization Act)

Position: Unfavorable

On behalf of the Associated Builders and Contractors, we submit this testimony in opposition to HB1276-Public Works Contracts- Apprenticeship Requirements (Maryland Workforce Apprenticeship Utilization Act). After discussions with the HB1276's sponsor, we understand the spirit of the bill is to establish a formula for the utilization of Apprentices on Maryland's public works projects- a goal our organization is committed to working with the sponsor and other Construction industry contractors and apprentice programs to achieve.

As drafted, HB 1276 significantly sets apprentice training back in our State by eliminating the Maryland Apprenticeship and Training Program. Elimination of MATP is not needed to establish an apprentice utilization goal and would hinder the ability of contractors to meet any utilization goals ultimately set on public works projects. Considering Governor Moore's commitment to expand apprenticeship across all sectors, MATP plays a significant role in achieving the goal and should be expanded, not eliminated.

During the 2009 session, ABC in conjunction with the Associated Builders and Contractors and the AFL-CIO helped draft, create and pass the Apprentice Training Fund [Search - Legislation \(maryland.gov\)](#). This program requires a contribution to apprenticeship from every hour worked on a qualifying State Project. The law requires that contractors and certain subcontractors performing work on public work contracts to make contributions toward apprenticeship. See [§17-601 through 17-606, State Finance and Procurement, Annotated Code of Maryland](#). Contractors and subcontractors have three options where they can choose to make their contributions: (1) participate in a registered apprenticeship training program; (2) contribute to an organization that has a registered apprenticeship training program; or (3) contribute to the State Apprenticeship and Training Fund. These dollars are to be utilized in Maryland. This legislation was put into practice in 2013 and has distributed millions of dollars throughout Maryland to train construction workers.

ABC also opposes the threshold being set at 25% on public works projects; no study has been performed to indicate that this number is achievable or appropriate. Nationwide, apprentice programs have struggled to attract participants and Maryland is no different. The construction industry- regardless of Union affiliation- is facing a workforce shortfall which will simply not yield the numbers to reach the bills goals.

Furthermore, the State needs to analyze whether costs of public works projects and delivery timeframes would be affected by a 25% utilization threshold. With a 1:1 journeyman to apprentice ratio, 50% of all construction hours would be dedicated to apprentices and their overseer. In states that have utilization thresholds, like Washington, 25% is very high.

Additionally, ABC objects to the extensive reporting requirements, draconian use of debarment and defining applicable apprenticeship training programs by "geographic areas" as opposed to programs located in Maryland.

In conclusion, ABC opposes HB 1276 as drafted. We remain committed to helping the sponsor achieve the spirit of the bill to increase utilization, strengthen apprentice training and support Maryland construction firms.

ABC appreciates your consideration and, for these reasons, respectfully requests a **unfavorable** report on House Bill 1276.