

## House Bill 1276

Date: February 23, 2024  
Committee: House Health and Government Operations Committee  
Economic Matters Committee  
Bill Title: Public Works Contracts- Apprenticeship Requirements (Maryland Workforce  
Apprenticeship Utilization Act)  
Re: **Letter of Information**

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HB1276 updates various Registered Apprenticeship (RA) requirements for State public works contracts and repeals certain provisions of law that authorize contractors and subcontractors to make payments to the State *Apprenticeship and Training Fund* in lieu of employing Registered Apprentices.

The Maryland Department of Labor (MDL) is working to expand RA and recognizes that HB1276 would support that growth. However, the provisions of the bill will impact the Department in two ways: 1) deplete the *Apprenticeship and Training Fund* and, 2) create new administrative costs for the Department.

Currently, the State Apprenticeship and Training Fund balance is approximately \$1.4M. Per State statute ([§17-602\(e\)](#)), MDL may use the Fund to promote pre-apprenticeship and workforce development programs in the State's secondary schools and community colleges and pay any costs associated with carrying out that promotion. The Department recently increased its apprenticeship staffing capacity to supercharge RA growth, and this Fund will largely be used to support the agency's staffing plans and Blueprint goals. A rapid balance depletion could lead to staffing challenges.

The Department recognizes the value of requiring apprentices on public works contracts. In order to comply with how HB1276 operationalizes that requirement, MDL would have a significant administrative cost. Additional staffing would be necessary to verify apprentices on covered projects, track/post data, litigate noncompliance, etc.

**The Department is engaged in discussion with the bill sponsor and looks forward to working with them to address the above mentioned operational concerns with the legislation.**