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HB1276

February 27, 2024

TO: Members of the House Health and Government Operations Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: House Bill 1276 – Public Works Contracts – Apprenticeship Requirements
Maryland Workforce Apprenticeship Utilization Act

POSITION: Letter of Concern

Chair Peña-Melnyk, Vice Chair Cullison, and Members of the Committee, please find the below **letter of concern** for House Bill (HB) 1276 from the Baltimore City Administration (BCA).

HB 1276 seeks to alter select apprenticeship requirements relating to public works contracts to require contractors and subcontractors to employ a certain number of qualified apprentices or journeymen necessary to meet a certain applicable percentage for the project. Failure to meet these requirements could result in a contractor or subcontractor being barred from performing work on a public works project for three years.

Baltimore currently mandates that contractors hire at least 50% of new workers from within the city limits. This standard poses its own complexities as it can be challenging to fulfill specialized jobs that require specific expertise and experience. Our approach has always been to create pathways that not only meet these requirements but also provide long-term opportunities to our residents. As a result of these challenges, the city has initiated successful feeder programs, such as YH2O, to support and advance our local workforce. Such programs reflect our dedication to not only meeting hiring mandates but also our investment in offering career opportunities locally.

It is essential that any new legislation, such as HB 1276, aligns with and supports existing efforts to strengthen our workforce. While the City finds the intent of the legislation admirable, the legislation requirements may become too restrictive for contractors if there is a lack or low number of available apprentices and journeymen.

The water/wastewater industry suffers from a severe shortage of experienced and qualified talent pools and contractors face similar challenges. Therefore, requiring a certain percentage of contractor employees to be apprentices or journeymen and the potential for a three-year debarment may discourage contractors from pursuing or completing public works projects. We believe it would be more appropriate and beneficial for legislation to encourage apprenticeships by providing incentives for state funding or offering programs that provide training and guidance for recent high school graduates, GED holders, or underemployed youth.

The Administration has found these pathways that offer the opportunity for full-time employment with benefits to be one of the best ways to foster strong interest and commitment to the trades. We respectfully ask the committee to consider these concerns when addressing the bill.