

Written Testimony in Support of Senate Bill 325

Presented to: Chair Guzzone

By: Lauren Martin, Seaside Plumbing

Date: 1/19/25

Thank you, Mr. Chair, Mr. Vice-Chair, and members of the Senate Budget and Taxation Committee for the opportunity to submit this testimony in strong support of Senate Bill 325, which removes prevailing wage requirements and extends tax credits for apprenticeship programs. This legislation is vital for addressing the skilled trades shortage, supporting small businesses like ours, and advancing the goals of the Blueprint for Maryland's Future.

Seaside Plumbing is a family-owned and operated business in Berlin, Maryland. My husband, Josh (a master plumber), founded the company in 2003, and I joined him shortly thereafter. Over the last two decades, we've grown from a one-man operation to a team of over 75 employees. We are deeply committed to workforce development and have made significant investments to train and nurture the next generation of skilled tradespeople.

Our Apprenticeship Program: Building a Workforce from Within

At Seaside, we recognized the urgent need for more skilled workers and decided to take matters into our own hands. Plumbing has always relied on apprenticeship programs, and we formalized ours by becoming a state-registered program in 2014. To further enhance our training efforts, we built an in-house plumbing skills lab in 2021. Throughout this journey, the staff at the Maryland Department of Labor has been instrumental, providing guidance and support that helped us navigate the registration process and strengthen our program. We've built a great working relationship with their team, and their dedication to workforce development has been invaluable to our success. Today, our robust in-house apprenticeship program provides paid apprentices with hands-on training, classroom instruction, and mentorship from senior technicians.

We also offer 'ride days' for anyone interested in a plumbing career, and we actively advocate for the trades in schools – working to dispel outdated stereotypes, and show that the trades are a viable, rewarding career path.

Our program ensures apprentices gain the technical expertise and soft skills needed to succeed in the trade. Despite these efforts, systemic barriers have hindered our ability to fully benefit from past tax credit programs.

The Challenge of Previous Wage Requirements

During the Apprenticeship 2030 Commission's visit to our office, we shared a key frustration: the 2020 requirement that apprentices be paid at least 50% of the prevailing wage rate (\$42/hour at the time) to qualify for tax credits. This stipulation made it nearly impossible for small businesses like ours—particularly those operating in residential plumbing on the Eastern Shore—to participate. It is financially impossible for us to bring on an entry level, brand new apprentice with no experience, that we pay to train, at \$21/hour.

Operating a plumbing company is costly, as is training a workforce at the same time. The industry's net profit margin is just 2-5%. For comparison McDonald's most recently reported net

profit was 31% - I'd argue what we do is far more important. At the end of the day there is very little money left in a company like ours. And what is left goes directly back into our people. Into new apprentices, into our plumbing lab, our in-house training which covers both technical skills and soft skills, and our benefits. Every bit of financial support, like these tax credits, is crucial for us.

Why Senate Bill 325 Matters

1. Removing Prevailing Wage Requirements:

It levels the playing field so that businesses of all sizes can access the resources needed to train apprentices and grow their workforce.

2. Expanding Tax Credits: These funds directly support apprenticeships for companies like ours, and can incentivize other businesses to invest in apprenticeships as well.

3. Promoting Trades as a Viable Career Path:

This legislation sends a powerful message: the skilled trades and apprenticeships are critical to Maryland's future and deserve respect and support equal to higher education.

As a family business, we are proud of the investments we've made in training and workforce development, but small businesses cannot solve the skilled trades shortage alone. We need policymakers to remove barriers and provide incentives like SB 325 to support our efforts and strengthen Maryland's workforce.

I respectfully urge a favorable report on SB 325. Thank you for your consideration and for championing Maryland's skilled trades. Please feel free to contact me directly at 410-641-1368 or lmartin@seasideplumbinginc.com.

Sincerely,



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