

## **SB 325 SUPPORT**

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### **Income Tax – Credit for Employers of Eligible Apprentices - Alterations**

Senate Budget and Taxation Committee

Wednesday, January 22, 2025, 10:00 a.m.

Thank you, Mr. Chair, Mr. Vice Chair, and members of the Senate Budget and Taxation Committee. My name is Diane Stulz, and I am a 40-year educator in Worcester County Public Schools with 39 years of experience in youth employment. I strongly support SB 325, which will enhance the Worcester County business community by cultivating a skilled workforce, meeting industry demands, driving innovation, and providing high school students with debt-free pathways to well-paying careers.

Like many regions in the U.S., Worcester County faces a shortage of skilled workers. Youth and Registered Apprenticeships are invaluable for developing a sustainable workforce, but they impose significant costs on employers. While Worcester County students benefit from training at Worcester Technical High School, employers bear additional costs for instruction, mentorship, and apprentices' wages. Despite this commitment, no employer in my experience has qualified for the existing tax credit. SB 325's proposed changes to the tax credit would ease this burden, encouraging further investment in apprenticeships.

As a rural county, Worcester businesses face unique challenges compared to metropolitan areas. According to the Maryland Department of Labor, only one of Worcester's 2,000 businesses employs over 1,000 people, while nearly 98% employ fewer than 100. Additionally, prevailing wages here are lower than in metropolitan areas. Repealing the tax credit's prevailing wage requirement would create equitable opportunities for small businesses across Maryland.

Maryland's Career and Technology Education (CTE) programs align with national and state standards, equipping students with industry-recognized credentials. However, classroom instruction and simulated experiences cannot replace the real-world value of apprenticeships.

A personal example highlights this impact. Two years ago, I hired a small local business to replace my HVAC system. The work was done by two Worcester Technical High School graduates who had participated in work-based learning. Not only did they perform excellent work, but they are now preparing to purchase the business from their retiring employer, ensuring continued opportunities for future apprentices.

I urge a favorable report on SB 325 to support businesses, strengthen our workforce, and expand opportunities for Maryland students.