



To: Maryland General Assembly House Economic Matters Committee

Fr: John Colborn, Apprenticeships for America

Re: RAISE Act, HB0501

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Members of the House Economic Matters Committee,

Apprenticeships for America (AFA) is a national non-profit and trade association representing apprenticeship intermediaries across the United States. Our goal is to scale apprenticeships to 2 million starts a year nationally, reaching similar levels to other countries' developed apprenticeship systems.

Apprenticeships are a proven model, with well-evidenced returns, and an effective method for reducing talent shortages, fostering economic growth, and providing economic opportunity. We are writing to express our support for the RAISE Act and provide evidence from interventions in other states and internationally for the provisions the bill makes to grow apprenticeships.

Firstly, we would like to applaud the Maryland Legislature and Governor Wes Moore for their support for apprenticeship, and the work of the Maryland Apprenticeship and Training Program. AFA recently conducted an [analysis](#) of state progress on growing apprenticeships, and Maryland compares favorably to other states, with an above average representation of apprenticeships in the labor market. Particularly given Maryland's talent shortages, we believe that apprenticeships can provide even more opportunity to Marylanders by scaling up and expanding to new industries.

Our evidence on how apprenticeships have developed in other countries shows that two elements are key to scale: sustained, predictable, formula-based funding, and a developed intermediary system that works with employers to remove the pain points in placing and developing apprentices. We are therefore pleased to see the provisions in the bill that will formalize a pay-for-apprenticeship funding model, and introduce a qualified intermediary program.

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We fully support the provisions in the bill. With respect to the specific provisions:

1. *Establish the Maryland Office of Registered Apprenticeship Development within the Maryland Apprenticeship and Training Program of the Department of Labor.* We have seen success in other states that split out the functions of regulation and growing apprenticeships. In South Carolina, Apprenticeship Carolina serves as a statewide intermediary working with employers, where regulation is undertaken by the federal DOL. We hope that this new office oversees marketing activities both to attract new employers and new learners: other countries such as England have run large scale marketing campaigns which have proven effective in growing apprenticeships.
2. *Establishment of the Registered Apprenticeship Qualified Intermediary Program.* Our experience internationally shows that the growth of an intermediary field is crucial to scaling up in apprenticeships, as evidenced by rapid growth in England and Australia in recent decades. Our member intermediaries report significant start-up costs to develop new apprenticeship programs, and we encourage the program to learn from their experience in designing an approach.
3. *Establishment of the Maryland Apprenticeship Incentive Program ("MAIP").* Every country with a developed apprenticeship system has ongoing, predictable formula-based funding where sponsors and intermediaries receive a set amount per apprentice. This model is also showing promising signs in the U.S.: California has taken a pay-for-apprenticeship approach and seen apprenticeships in nontraditional areas (those outside of construction) grow by 20%. We strongly support this provision. We would be happy to provide assistance in designing this program, drawing from other successful approaches in the U.S., including Maryland's previous experience with the Sponsor Apprenticeship Incentive Reimbursement program.
4. *Automatic Licensure Upon Completion of Designated Registered Apprenticeships.* Apprenticeships are rigorous and training schedules are

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designed based on the skill requirements to achieve competence in a given program. These requirements should align with any licensing requirements, which otherwise can provide an unnecessary legal barrier to apprentices in particular occupations. Other states such as Alabama have successfully eliminated the requirement for a separate licensing or examination process for Registered Apprentices who complete their programs.

5. *Expansion of Journeyman-to-Apprentice Ratios.* European apprenticeship systems, including England which has similar labor market dynamics to the U.S., do not have ratio requirements, making the U.S., where apprenticeships have developed in the context of construction and the skilled trades, an outlier (along with Canada). While ratio requirements may be justified in professions with safety concerns, they are not necessarily a mark of a quality program in other nonhazardous professions which could absorb far more apprentices with a flexible ratio process. Ratios in non-hazardous occupations only serve to impede the expansion of apprenticeship opportunities, especially in smaller firms.

The RAISE Act presents an opportunity for Maryland to grow apprenticeships, and several of its provisions move the state in line with the best practice we see domestically and internationally. More will need to be done to meet Maryland's ambitious targets for apprenticeships: AFA recommends that committee members consider the comprehensive recommendations made by the Apprenticeships 2030 Commission for further measures that could boost apprenticeship growth.

Yours sincerely,

John Colborn, Executive Director, Apprenticeships For America

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