PLUMBERS LOCAL UNION NO. 5

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO

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MARYLAND APPRENTICESHIP AND PREVAILING WAGE TRANSPARENCY ACT:
FAVORABLE

Dear Chairs Wilson and Beidle, and members of both the House Economic Matters Committee and the Senate Finance Committee:

Thank you for the opportunity to provide testimony **in support** of the Maryland Apprenticeship and Prevailing Wage Transparency Act.

As the Assistant Business Manager for UA Plumbers & Gasfitters Local 5. I strongly urge your **support** for SB3, the "Maryland Apprenticeship and Prevailing Wage Transparency Act." This critical legislation will bolster workforce transparency, protect fair wages, and promote accountability on state-funded projects. Since 1890, our local union has installed, maintained, and serviced waste, water, and gas systems throughout the Washington, D.C. area. Representing approximately 1,800 highly skilled construction workers—including over 300 apprentices—we partner with over 65 signatory contractors to deliver workforce excellence across the D.C. metropolitan area. Together, we support thousands of construction workers who form the backbone of Maryland's infrastructure.

The Maryland Apprenticeship and Prevailing Wage Transparency Act is more than an issue of fairness; it is a strategic investment in Maryland's economic and regulatory integrity. By creating databases to monitor prevailing wage compliance and apprenticeship programs, this legislation addresses wage theft, worker misclassification, and associated fraud—long-standing issues that erode trust, fairness, and state revenues.

States like Nevada and New York provide compelling examples of the Act's potential impact. Nevada's apprenticeship database has enhanced transparency and accountability in workforce development, ensuring that programs deliver real value to both workers and employers. Similarly, New York's prevailing wage compliance database has reduced wage theft, unemployment insurance fraud, workers' compensation fraud, and FICA underreporting. These initiatives not only protect workers but also recover significant state revenues previously lost to unethical practices.

The construction industry continues to face challenges related to wage theft and misclassification. When contractors misclassify employees as independent contractors, they bypass obligations such as unemployment insurance, workers' compensation premiums, and payroll taxes. This unfair practice undermines law-abiding contractors and drains public resources. New York's system has proven that robust data tracking can recapture lost funds and ensure that public projects truly serve the public good. Maryland can achieve similar outcomes by adopting these best practices.

From a financial standpoint, the Act ensures that taxpayer dollars are used as intended, safeguarding the integrity of state-funded projects. Capturing previously unrealized revenues from wage theft and misclassification will empower Maryland to reinvest in critical programs and infrastructure. Moreover, contractors who comply with the rules will benefit from a level playing field, promoting fair competition and ethical practices.

The apprenticeship database is another cornerstone of this legislation. Maryland's union apprenticeship programs are nationally recognized for their quality and rigor. By tracking certifications, trades, and program outcomes, the database will ensure meaningful training and a skilled workforce to meet the demands of Maryland's growing economy. Nevada's experience demonstrates that transparency increases program participation and completion rates, creating a reliable pipeline of qualified workers.

This is not a partisan issue—it is a matter of economic sense and fairness. Transparency and accountability in public works, as demonstrated by Nevada and New York, benefit workers, businesses, and taxpayers alike. The Maryland Apprenticeship and Prevailing Wage Transparency Act aligns Maryland with these proven practices, positioning the state as a leader in economic integrity and workforce development.

In conclusion, the Maryland Apprenticeship and Prevailing Wage Transparency Act represents a win for Maryland's workers, contractors, and taxpayers. It combats exploitation, promotes fair competition, and strengthens state revenues by addressing systemic abuses. For the men and women who build our state, this legislation reaffirms their dignity and respect. For Maryland's economy, it safeguards against waste and fraud. I urge you to support this critical legislation and help our state achieve its full potential.

Thank you for your time and consideration.

Thank you,

Michael Canales
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