

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SENATE BILL 003

TO: Finance Committee Members
FROM: Maryland Department of Labor (MDL)
DATE: February 5, 2025
BILL: Maryland Public Works and Apprenticeship Transparency Act

MDL POSITION: INFORMATIONAL

Summary: The public transparency and integration of data envisioned by the bill would create efficiencies and would increase compliance with the laws. However, it will require a material investment as the current technology of the Department simply is not capable of the assigned tasks.

SB 3 requires the Commissioner of the Division of Labor and Industry (DLI) under the Maryland Department of Labor (MD Labor) to create a public-facing “data dashboard” to include information on public works projects in Maryland, including information about the project, the contractors/subcontractors, any Registered Apprentice workers, and wages paid.

MD Labor does not currently have the technological ability to implement the provisions of SB 3. At any given time, there are thousands of contractors performing work on public works projects throughout the state. Consequently, the provisions in SB 3 would result in thousands of reports being submitted on a weekly basis. The application used by DLI to monitor prevailing wage projects has very limited public-facing capabilities – and limited functionality overall – and is not capable of accepting reports. Additionally, DLI does not keep records related to Registered Apprenticeship. This data is kept by the Division of Workforce Development and Adult Learning (DWDAL). There is currently no integration of DLI’s and DWDAL’s databases.

MD Labor has attempted to obtain a reliable cost estimate for building a new system, but was unable to do so in the given timeframe. Multiple other States, including Washington and New Jersey, have similar systems that could achieve the requirements of the bill.

MD Labor notes that some efficiencies would be realized by such a system. The system would reduce the time DLI spends manually responding to requests for payroll records and verifying Registered Apprenticeships on prevailing wage contracts, allowing both DLI and DWDAL staff to focus on other investigative work. Businesses already report on much of the required information in SB 3, such as employees, wages, hours worked, fringe benefits amounts, and job classifications; however, the public does not have access to view this data without submitting a Maryland Public Information Act request that DLI must respond to. The creation of a dashboard would provide this information to the public, alleviate a burden on State staff, and only minimally increase the reporting burden on businesses.

Additionally, a public dashboard could lead to more oversight of public works projects, resulting in more prompt identification of issues such as worker misclassification, contributions to the unemployment insurance fund, etc. Furthermore, other agencies could utilize the dashboard for enforcement of taxation and workers compensation claims, potentially saving the State money while also increasing revenue.

The Department respectfully requests the Committee consider this information on SB 3. For questions, please contact Andrew Fulginiti, at Andrew.Fulginiti@maryland.gov.