



The Voice of Merit Construction

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TO: FINANCE COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: S.B. 688 – PUBLIC WORKS CONTRACTS – APPRENTICESHIP REQUIREMENTS (MARYLAND WORKFORCE APPRENTICESHIP UTILIZATION ACT)

POSITION: OPPOSE

The Associated Builders and Contractors (ABC) opposes S.B. 688 which is before you today for consideration. We understand and appreciate the intent behind promoting apprenticeship programs. However, as written, S.B. 688, creates significant challenges and unintended consequences for Maryland businesses, particularly in the construction sector.

The bill mandates specific apprenticeship percentages on covered public works projects. While workforce development is crucial, imposing rigid quotas can be problematic. The availability of qualified apprentices varies geographically and across trades. Forcing contractors to meet arbitrary targets, especially the proposed 20% by 2026, could lead to project delays, increased costs, and a potential decline in the quality of work as contractors struggle to find enough qualified apprentices. A more flexible, market-driven approach would be more effective.

Nearly 90% of Maryland's construction workforce operates in an open shop environment, where contractors hire employees first and then sponsor them for apprenticeship. The bill's requirement to "request apprentices" from all programs does not align with this hiring model.

The reporting requirements under the bill, including monthly reports with detailed apprentice and journeyworker information, create a significant administrative burden for contractors and subcontractors. This adds to the cost of doing business and diverts resources away from actual construction work.

While S.B. 688 provides for waivers, the process appears overly bureaucratic and potentially difficult to navigate. Requiring contractors to request apprentices from all applicable apprenticeship programs, including those with whom they don't have existing agreements, and documenting denials or lack of response within specific timeframes, is impractical and creates unnecessary hurdles.

The mandated apprenticeship percentages and the associated administrative burdens will inevitably lead to increased costs for public works projects. These costs will ultimately be borne by Maryland taxpayers.

We believe there are more effective ways to promote apprenticeship programs without imposing inflexible mandates and creating undue burdens on businesses. Incentivizing apprenticeship participation through tax credits or other financial benefits, rather than imposing penalties, would be a more constructive approach.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on S.B. 688.

Marcus Jackson, Director of
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