SB0003_AFL-CIO_FAV Uploaded by: Donna Edwards



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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President Donna S. Edwards Secretary-Treasurer Gerald W. Jackson

SB 3 - Procurement - Public Work Contracts - Data Dashboard (Maryland Public Works and Apprenticeship Transparency Act) Senate Finance Committee February 5, 2025

SUPPORT

Donna S. Edwards President Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 3. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 3 strengthens transparency and compliance in Maryland's public works contracts by creating two publicly accessible data dashboards. One to track apprenticeship participation and outcomes and another to monitor prevailing wage compliance, ensuring state-funded projects uphold high standards of fairness and accountability.

In 2014, Maryland passed SB 669 which barred individuals from entering into a contract with the State if they were found to have committed offenses such as fraud, failure to pay taxes, or violated procurement law related to prevailing and living wage rates among other offenses.

These tools have proven in New York and Nevada to ensure that public projects comply with the law and contribute to a stronger labor market.

The first dashboard, which will track apprenticeships, allows for the verification that apprentices are receiving proper training and career development. Similar systems in other states have improved program accountability and strengthened workforce development.

SB 3 provides another tool and transparency for tracking compliance with the law. For these reasons, we urge a favorable vote on SB 3.

Johnathan Bolden_RSC Mechanical_Testimony_SB3 HB85 Uploaded by: Johnathan Bolden



www.rsccompany.com

February 3, 2025

Senate Finance Committee House Economic Matters Committee 90 State Circle, Room 23I Annapolis, MD 2I401

Re: Maryland Apprenticeship And Prevailing Wage Transparency Act (SB3 / HB850)

Dear Chairs Wilson and Beidle, and Members of the House Economic Matters and Senate Finance Committees:

For over thirty years, I have built and sustained my business, RSC Electrical & Mechanical Contractors, Inc., as a proud union-certified MBE contractor. Running a small business in the construction industry has always been a challenge, but in recent years, those challenges have become increasingly insurmountable. I employ a full union shop. I pay my workers good wages, sometimes struggling to do so, because I believe in creating strong, middle-class careers. But competing in this industry is never easy, and the reality is that it's getting harder by the day.

Every time I bid on a project, I'm up against contractors who cut corners, not just on materials but on people. There are those who misclassify workers to skirt payroll taxes and avoid providing benefits. Others outright pay their workforce off the books, undercutting responsible businesses like mine that follow the law. Some even rely on labor traffickers who exploit vulnerable workers with little recourse. Meanwhile, I do everything by the book—because that's how I was taught, and that's how my workers deserve to be treated. But at the end of the day, these dishonest practices create an impossible and unfair playing field for small, legitimate businesses like mine.

I support SB3 / HB850 because it provides a measure of transparency that is desperately needed. By tracking payroll and certified apprentices, we can ensure that those who are awarded public contracts are playing by the rules. Other states have already taken similar steps—New York implemented a prevailing wage database that led to a substantial reduction in wage theft and worker misclassification. Nevada has seen a marked increase in apprenticeship completion rates because of stronger accountability measures. Maryland should not lag behind when solutions already exist and have proven effective.

If this legislation is not enacted, businesses like mine will continue to struggle under the weight of an industry rigged in favor of those who ignore the rules. We need accessible, enforceable tools to ensure that every contractor is competing fairly and that workers receive the wages they are legally owed. This bill is not just about compliance; it is about protecting businesses that are trying to do things the right way and ensuring that workers have access to good jobs that allow them to support their families. I urge the committee to pass this legislation so that responsible businesses like mine have a fighting chance.

Thank you for your time and consideration.

Sincerely, Jonathan Bolden Owner, RSC Electrical & Mechanical Contractors, Inc.

SB3 - PJC - Fav.pdf Uploaded by: Lucy Zhou Position: FAV



Lucy Zhou Public Justice Center 201 North Charles Street, Suite 1200 Baltimore, Maryland 21201 410-625-9409, ext. 245 zhoul@publicjustice.org

SB3: Procurement - Public Work Contracts - Data Dashboard

(Maryland Public Works and Apprenticeship Transparency Act)

Hearing before the Senate Finance Committee, February 5, 2025

Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project supports workers' rights to fair compensation and dignity in the workplace. The PJC supports SB3, which would establish a public data dashboard with certain information relating to contractors, subcontractors, employees, and apprentices working under public work contracts.

- SB3 would provide valuable information about how public funds are being used. This bill would require each contractor and subcontractor on a public work contract to provide the Department of Labor with information regarding the prevailing wage rates, number of employees, regular and overtime wages, fringe benefits, and job classification of each employee employed by the contractor or subcontractor. The bill would also require each contractor and subcontractor on a public work contract to report information regarding apprenticeships, including demographic data. SB3 would, in turn, require the Department of Labor to develop a data dashboard on its website featuring the reported information.
- SB3 promotes transparency, accountability, and compliance with federal and state labor laws. Too often, wage theft goes undetected simply because workers do not know what they are entitled to be paid. By requiring the public reporting of key data, SB3 better enables workers, the public, and the Department of Labor and other enforcement agencies to ensure that public works projects comply with federal and state labor laws, including prevailing wage, overtime, and job classification requirements.
- SB3 supports workforce development and diversity. By requiring reporting and publication of data regarding the number, trade, and demographic data of each apprentice working for each contractor or subcontractor on a public work project, this bill would help identify where barriers to entry may exist and whether certain groups are underrepresented in apprenticeship programs. This data can guide efforts to ensure that underrepresented groups have equitable access to apprenticeship opportunities in public work contracts.

For the foregoing reasons, the PJC **SUPPORTS SB3** and urges a **FAVORABLE** report. If you have any questions, please call Lucy Zhou at 410-625-9409 ext. 245.

SB 3 Ray Baker Baltimore DC Building Trades (FAV). Uploaded by: Ray Baker



February 5, 2025

The Honorable Pamela Beidle, Chair The Honorable Antonio Hayes, Vice Chair Senate Finance Committee 3 East Miller Senate Office Building Annapolis, Maryland 21401

Testimony of Ray Baker, Maryland Director, Baltimore DC Metro Building Trades Council on SB 3: Procurement - Public Works Contracts - Data Dashboard (Maryland Public Works and Apprenticeship Act) Position: FAVORABLE

Thank you Chair Beidle, Vice Chair Hayes, and Members of the Senate Finance Committee for the opportunity to offer testimony on SB 3.

My name is Ray Baker. I am the Maryland Director of the Baltimore-DC Building Trades (BDCBT). The BDCBT's 28 affiliates represent more than 30,000 union construction workers across Maryland, Virginia, and the District of Columbia.

The BDCBT supports SB 3. The bill would require the Commissioner of Labor and Industry to develop and maintain a data dashboard that lists information relating to the contractors, subcontractors, employees, and apprentices working on a public works contract. The information is to be publicly available on the Maryland Department of Labor website and updated on a regular basis.

Government bodies have been making great progress in providing transparency through information management tools like data dashboards. In an era where public trust in government institutions is hard-earned and easily lost, transparency stands out as an important tool for fostering accountability.

Producing a data dashboard for public works projects will promote transparency and accountability and help address issues like wage theft. SB 3 would bill on the existing data sets that the Maryland Department of Labor already provides related to prevailing wage.

The BDCBT urges the committee to issue a favorable report on SB 3.

Ray Baker Maryland Director, BDCBT <u>RBaker@BDCBT.org</u> 410.585.7862

SB003 IBEW Support.pdf Uploaded by: Rico Albacarys Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH: Baltimore-D.C. Metro Building Trades Council - AFL-CIO Baltimore Port Council Baltimore Metro Council - AFL-CIO Central MD Labor Council - AFL-CIO Del-Mar-Va Labor Council - AFL-CIO Maryland State - D.C. - AFL-CIO National Safety Council



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Written Testimony of Rico Albacarys, Assistant Business Agent, IBEW LOCAL 24 Before the Senate Finance Committee On SB 3 Procurement - Public Work Contracts - Data Dashboard (Maryland Public Works and Apprenticeship Transparency Act)

Support

February 3, 2025

Madam Chair Beidle and Committee Members,

My name is Rico Albacarys and I am a member and employee of IBEW Local 24, writing to express our **support of Senate Bill 3**, which will bring much-needed transparency and accountability to public works projects across our state.

SB 3 establishes a public-facing data dashboard to provide clear, real-time insights into prevailing wage compliance, apprenticeship participation, and workforce demographics on public works projects. For too long, enforcement of prevailing wage laws has relied on limited oversight and reactive complaints. By requiring contractors and subcontractors to report weekly on wages, benefits, and employment data, this legislation ensures that workers are paid fairly, apprenticeship opportunities are upheld, and taxpayers receive the highest quality work for their investment.

Transparency benefits everyone. It prevents wage theft, ensures compliance with Maryland's labor laws, and promotes the use of skilled, well-trained workers. Making demographic and certification data available will help measure progress in expanding apprenticeship opportunities, particularly for underrepresented workers in the skilled trades.

We urge the Committee to pass Senate Bill 3 to protect workers, hold bad actors accountable, and ensure Maryland's public works projects set the standard for fair wages and workforce development. Thank you for your time and consideration.

Sincerely,

Rico Albacarys Assistant Business Agent IBEW Local 24

Chris Madello_UA Steamfitters Local 602_Testimony_ Uploaded by: Roger Manno

Journeymen Pipe Fitters and Apprentices



Local Union No. 602

8700 ASHWOOD DRIVE • 2ND FLOOR • CAPITOL HEIGHTS, MD 20743 TELEPHONE: (301) 333-2356 • FAX: (301) 333-1730 AFFILIATED WITH AFL-CIO

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:

As Business Manager/Financial Secretary Treasurer of UA Steamfitters Local 602, please accept this letter in strong support of the Maryland Apprenticeship and Prevailing Wage Transparency Act, legislation that advances transparency, accountability, and fairness in Maryland's workforce development.

The UA Steamfitters Local 602 represents some 4,900 Journeymen, 1100 Apprentices, and 205 signatory Mechanical Construction and Service Contractors in the Heating, Air Conditioning, Refrigeration and Process Piping Industry throughout the Washington, DC Metropolitan area. Our economic and workforce footprint is enormous, including having performed some 7,231,500 work hours in 2020 alone. We understand how to make Maryland work, because it's what we do, each and every day.

Our work is a business-labor partnership, and our contractor affiliates, represented by the Mechanical Contractors Association of Metro Washington (MCAMW), is a powerful driver of local economies throughout the region, generating some \$2 BILLION in annual revenue, and some \$500 MILLION in state, federal and local taxes each and every year.

The Maryland Apprenticeship and Prevailing Wage Transparency Act is critical legislation that will significantly enhance transparency and compliance in Maryland's public work contracts. Modeled after successful measures in Nevada and New York, this Act establishes public databases to track and monitor apprenticeship programs and prevailing wage compliance, ensuring that state-funded projects uphold the highest standards of fairness and accountability.

Key Provisions of the Maryland Apprenticeship and Prevailing Wage Transparency Act:

1. Certified Apprenticeship Database:

- This database will provide detailed information about apprentices working on public projects, including their certification status, trade, and program sponsor. It promotes transparency and accountability within Maryland's apprenticeship programs while protecting individual privacy.
- By increasing visibility, this provision supports workforce development by creating a pipeline of certified, skilled workers for Maryland's labor needs.

CHRISTOPHER M. MADELLO BUSINESS MANAGER FINANCIAL SECRETARY TREASURER SIDNEY O. BONILLA ASSISTANT BUSINESS MANAGER SEAN T. STRASER BUSINESS AGENT GREGORY L. DAVIS BUSINESS AGENT

2. Prevailing Wage Payroll Records Database:

- Inspired by New York's successful model, this database will track key wage and benefit information for workers employed on state-funded projects. It ensures that contractors comply with Maryland's prevailing wage laws and that workers receive fair compensation.
- Weekly reporting requirements will hold contractors accountable and encourage adherence to wage standards, while privacy safeguards ensure sensitive employee information is protected.

3. Enhanced Oversight and Enforcement:

- By requiring regular reporting and public access to this data, the Act promotes accountability and empowers citizens to verify compliance with state labor laws.
- Non-compliance will result in appropriate penalties, ensuring that public resources are used responsibly and ethically.

Benefits to Maryland:

- **Transparency:** This legislation will empower Maryland citizens, advocacy groups, and policymakers to verify compliance with fair wage standards, ensuring that state-funded projects benefit workers and taxpayers alike.
- Workforce Development: Highlighting apprenticeship programs will strengthen Maryland's skilled trades, creating a robust workforce pipeline that meets the state's current and future labor needs.
- **Fairness and Accountability:** Contractors and subcontractors will be held accountable, fostering an environment of fair competition and ethical practices in state-funded projects.

Lessons from Other States:

Nevada and New York have demonstrated the effectiveness of such measures. Nevada's public database of certified apprentices bolstered accountability and workforce development, while New York's prevailing wage database ensured wage compliance on publicly funded projects. By combining these successful models, Maryland has the opportunity to lead the nation in labor transparency and fairness.

In conclusion, the Maryland Apprenticeship and Prevailing Wage Transparency Act represents a significant step forward for our state's workforce and economy. It ensures responsible use of state funds, protects workers, and fosters a skilled, fair, and transparent labor market.

I respectfully urge the committees to issue a favorable report on the Maryland Apprenticeship and Prevailing Wage Transparency Act.

CHRISTOPHER M. MADELLO BUSINESS MANAGER FINANCIAL SECRETARY TREASURER SIDNEY O. BONILLA ASSISTANT BUSINESS MANAGER SEAN T. STRASER BUSINESS AGENT GREGORY L. DAVIS BUSINESS AGENT

Journeymen Pipe Fitters and Apprentices



Local Union No. 602

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Sincerely,

Chris Madello Business Manager / Financial Secretary Treasurer UA Steamfitters Local 602

Jonathan Bolden_RSC Mechanical_Testimony_SB3 HB850 Uploaded by: Roger Manno



www.rsccompany.com

February 3, 2025

Senate Finance Committee House Economic Matters Committee 90 State Circle, Room 23I Annapolis, MD 2I401

Re: Maryland Apprenticeship And Prevailing Wage Transparency Act (SB3 / HB850)

Dear Chairs Wilson and Beidle, and Members of the House Economic Matters and Senate Finance Committees:

For over thirty years, I have built and sustained my business, RSC Electrical & Mechanical Contractors, Inc., as a proud union-certified MBE contractor. Running a small business in the construction industry has always been a challenge, but in recent years, those challenges have become increasingly insurmountable. I employ a full union shop. I pay my workers good wages, sometimes struggling to do so, because I believe in creating strong, middle-class careers. But competing in this industry is never easy, and the reality is that it's getting harder by the day.

Every time I bid on a project, I'm up against contractors who cut corners, not just on materials but on people. There are those who misclassify workers to skirt payroll taxes and avoid providing benefits. Others outright pay their workforce off the books, undercutting responsible businesses like mine that follow the law. Some even rely on labor traffickers who exploit vulnerable workers with little recourse. Meanwhile, I do everything by the book—because that's how I was taught, and that's how my workers deserve to be treated. But at the end of the day, these dishonest practices create an impossible and unfair playing field for small, legitimate businesses like mine.

I support SB3 / HB850 because it provides a measure of transparency that is desperately needed. By tracking payroll and certified apprentices, we can ensure that those who are awarded public contracts are playing by the rules. Other states have already taken similar steps—New York implemented a prevailing wage database that led to a substantial reduction in wage theft and worker misclassification. Nevada has seen a marked increase in apprenticeship completion rates because of stronger accountability measures. Maryland should not lag behind when solutions already exist and have proven effective.

If this legislation is not enacted, businesses like mine will continue to struggle under the weight of an industry rigged in favor of those who ignore the rules. We need accessible, enforceable tools to ensure that every contractor is competing fairly and that workers receive the wages they are legally owed. This bill is not just about compliance; it is about protecting businesses that are trying to do things the right way and ensuring that workers have access to good jobs that allow them to support their families. I urge the committee to pass this legislation so that responsible businesses like mine have a fighting chance.

Thank you for your time and consideration.

Sincerely, Jonathan Bolden Owner, RSC Electrical & Mechanical Contractors, Inc.

Julius Wright_UA Plumbers & Gasfitters 5_SB3 and H Uploaded by: Roger Manno



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

4755 Walden Ln. Lanham, MD 20706 • 301-899-7861 (T) • 301-899-7868 (F)



TESTIMONY OF JULIUS WRIGHT UA PLUMBERS & GASFITTERS LOCAL 5 IN SUPPORT OF THE MARYLAND APPRENTICESHIP AND PREVAILING WAGE TRANSPARENCY ACT (SB3 / HB850) FAVORABLE

Dear Chairs Wilson and Beidle, and Members of the House Economic Matters and Senate Finance Committees:

Thank you for the opportunity to provide testimony in support of the Maryland Apprenticeship and Prevailing Wage Transparency Act. My name is Julius Wright, and I represent UA Plumbers & Gasfitters Local 5, which has trained and employed skilled tradespeople in the Washington, D.C. area since 1890. With over 1,800 highly trained professionals, including 300 apprentices, Local 5 upholds industry excellence and safety.

This legislation strengthens Maryland's labor standards, ensures responsible use of taxpayer dollars, and combats wage theft and worker misclassification. By establishing databases to monitor prevailing wage compliance and apprenticeship programs, Maryland follows successful models from states like Nevada and New York.

Preventing Fraud and Protecting Workers: Wage theft and misclassification deny workers fair

wages and benefits while allowing bad actors to evade tax obligations. Transparency in prevailing wage compliance, as seen in New York, reduces fraud and ensures fair competition among contractors.

Building a Stronger Workforce: Maryland's union apprenticeship programs set the industry standard. A statewide apprenticeship database will enhance accountability, track program success, and strengthen workforce development. Nevada has shown that such oversight increases program completion rates and economic growth.

A Sound Economic Investment: Recovering lost tax revenue from wage theft and misclassification allows Maryland to reinvest in infrastructure and essential services. Ensuring fair competition benefits responsible contractors and the state economy.

The Maryland Apprenticeship and Prevailing Wage Transparency Act is a smart investment that strengthens our workforce, protects taxpayers, and ensures fair labor practices. I urge your support to improve oversight, workforce development, and economic integrity.

Thank you for your consideration.

Sincerely,

Julius Wright UA Plumbers & Gasfitters Local 5

Roger Manno_Manno & Associates LLC_Testimony_SB3 H Uploaded by: Roger Manno

TESTIMONY OF ROGER MANNO, ESQ. IN SUPPORT OF THE MARYLAND APPRENTICESHIP AND PREVAILING WAGE TRANSPARENCY ACT (SB3 / HB850) FAVORABLE

Dear Chairs Wilson and Beidle, and Members of the House Economic Matters and Senate Finance Committees:

On behalf of my clients, the Mid Atlantic Pipe Trades Association (UA), including UA Plumbers & Gasfitters Local 5 and UA Steamfitters Local 602, as well as the Mechanical Contractors Association of Metropolitan Washington, I appreciate the opportunity to submit testimony in strong support of the Maryland Apprenticeship and Prevailing Wage Transparency Act, critical legislation that advances workforce accountability, fair competition, and safeguards public investments in infrastructure projects.

Data-Driven Approach to Workforce Integrity

This legislation seeks to establish two public databases: one for tracking certified apprenticeships and another for ensuring compliance with prevailing wage laws. By doing so, Maryland will align itself with successful models already implemented in Nevada and New York, where similar systems have significantly curbed fraud and increased transparency in public works projects.

Lessons from New York

- New York's prevailing wage compliance database has led to an 18% reduction in wage theft cases and a 21% increase in recovered lost wages since its implementation.
- The state has also seen a decline in unemployment insurance (UI) fraud, as verified payroll records provide a verifiable audit trail for regulators.

Lessons from Nevada

- Nevada's apprenticeship tracking system has contributed to a 12% increase in apprenticeship completion rates and greater accountability for program sponsors.
- The system has also improved workforce planning by providing policymakers and employers with real-time insights into labor supply and demand.

Combating Wage Theft and Worker Misclassification

Wage theft and worker misclassification continue to present systemic challenges in Maryland's construction industry. Unscrupulous contractors misclassify workers as independent contractors, evading payroll taxes, workers' compensation, and unemployment insurance contributions. This creates an uneven playing field for lawabiding businesses and leads to significant losses in state revenue.

By implementing a statewide certified payroll database, Maryland will:

- Enhance regulatory oversight to detect and prevent wage theft.
- Ensure accurate unemployment and workers' compensation contributions.
- Protect workers from exploitative practices that erode labor rights and financial security.

Ensuring Accountability in Apprenticeship Programs

Maryland's apprenticeship programs are among the most effective workforce development tools available. However, ensuring program integrity requires systematic oversight. By mandating the creation of an apprenticeship database, the state will:

- Provide transparency regarding program outcomes and certification rates.
- Enable stakeholders to assess apprenticeship quality and effectiveness.
- Facilitate strategic workforce planning by ensuring a steady pipeline of skilled labor.

Fiscal Responsibility and Long-Term Economic Benefits

The establishment of these databases is a cost-effective solution that will yield significant long-term savings. Increased compliance with prevailing wage laws will reduce lost tax revenue due to misclassification, ensuring that public funds are spent effectively. Furthermore, improved apprenticeship tracking will enhance workforce development initiatives, helping Maryland maintain a competitive, highly skilled labor force.

Conclusion

The Maryland Apprenticeship and Prevailing Wage Transparency Act represents a strategic investment in economic integrity, labor rights, and fiscal responsibility. Drawing from proven successes in New York and Nevada, this legislation offers a well-documented pathway to greater transparency and accountability in Maryland's workforce. I urge the committee to pass this bill and ensure that Maryland continues to lead in responsible labor practices.

For these reasons, I respectfully request a favorable report

Sincerely,

Roger Manno, Esq. Manno & Associates LLC

Page 2 of 3

Roger P. Manno, Esq. | Manno & Associates LLC Attorney | Lobbyist | Maryland Senator and Delegate (Ret.) Admitted to practice law in MD and DC c 202.425.3523 | o 888.422.0131 | e rmanno@mannoandassociates.com www.MannoAndAssociates.com

SB3_T Smalls_Plumbers & Gasfitters 5_SB3 and HB_FA Uploaded by: Roger Manno







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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 **<u>support</u>** 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.

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Thank you for your time and consideration.

Thank you,

Michael Canales Assistant Business Manager UA Plumbers & Gasfitters Local # 5

Terriea "T" L. Smalls Business Mgr. / Financial Sec-Treas. Michael S. Canales, Jr. Asst. Business Manager Anthony A. Solis Business Rep. and Organizer Julius Wright Business Rep. and Organizer

SB3_Tom Bello_MCAMW_FAV.pdf Uploaded by: Roger Manno



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:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), I'm writing in support of the Maryland Apprenticeship and Prevailing Wage Transparency Act. The MCAMW, established in 1889, represents 180 construction contractors, some 10,000 workers, and 1,200 working apprentices throughout the District of Columbia, Maryland and Virginia. In addition to our substantial contractor base, we are committed to providing new programs in education, safety, and training for plumbing, heating, ventilation, air conditioning, and refrigeration.

Our economic footprint throughout the region is substantial, generating over \$2 BILLION in annual revenue, and approximately \$500 MILLION in state, federal and local taxes each and every year.

Our member contractors have decades of firsthand experience managing state and federally funded projects. This legislation will enhance fairness, transparency, and accountability—benefits that transcend partisan politics and strengthen Maryland's workforce and economy.

In the construction industry, success hinges on skilled labor and fair practices. This legislation is a practical solution to persistent challenges, proposing two public databases: one to track apprentices and another to monitor compliance with prevailing wage standards. These tools will help ensure that public work projects not only meet legal requirements but also promote a stronger, more equitable labor market.

The first database will provide information on certified apprentices, including their trade, certification status, and program sponsor. This transparency is critical. It allows contractors, public agencies, and the public to verify that apprentices are receiving proper training and support. This aligns with what we've seen work effectively in Nevada, where a similar database has improved program accountability and bolstered workforce development. Importantly, privacy safeguards will ensure that personal details are protected, focusing attention on program outcomes rather than individual records.



The second database will track prevailing wage compliance by collecting data such as job classifications, hours worked, wages, and benefits. Weekly reporting by contractors will create a clear record of adherence to wage standards, while also deterring bad actors. New York's experience with a comparable system demonstrates the value of this approach: since implementing their database, compliance rates on state-funded projects have increased significantly, benefiting workers, taxpayers, and ethical contractors.

What makes this legislation particularly compelling is its non-partisan nature. Fair wages and workforce accountability are universal values. In fact, Nevada's apprenticeship database was supported by a bipartisan coalition, and New York's prevailing wage transparency initiative passed unanimously in both legislative chambers. These outcomes underscore that this isn't about political ideology; it's about ensuring that public dollars support responsible practices and provide real value to our communities.

For Maryland, the benefits of the Maryland Apprenticeship and Prevailing Wage Transparency Act are tangible and far-reaching:

- **Transparency:** By making this data publicly available, we empower citizens and stakeholders to ensure that projects are managed ethically and efficiently.
- **Fairness:** Workers will receive the wages and benefits they are entitled to, leveling the playing field for contractors who follow the rules.
- Workforce Development: Highlighting active apprenticeship programs will attract new talent to skilled trades, helping to address labor shortages and support long-term economic growth.
- **Accountability:** Clear reporting and enforcement mechanisms will ensure compliance, protecting public funds and fostering trust in state-funded projects.

In my position at the Mechanical Contractors Association of Metropolitan Washington, I've seen how a lack of transparency can undermine public trust and worker morale. The Maryland Apprenticeship and Prevailing Wage Transparency Act addresses these challenges directly, creating a system that rewards good actors and holds bad actors accountable. It's a practical, proven approach that benefits everyone involved.



In closing, the Maryland Apprenticeship and Prevailing Wage Transparency Act represents a smart, forward-thinking policy that reflects Maryland's commitment to fairness, transparency, and workforce development. This legislation is not about politics; it's about doing what is right for our state, our workers, and our taxpayers.

I urge you to support this bill and issue a favorable report. Thank you for your time and consideration.

Sincerely,

Thomas L. Bello Executive Vice President Mechanical Contractors Association of Metropolitan Washington

Yonis Bonilla_Mid Atlantic Pipe Trades Association Uploaded by: Roger Manno

TESTIMONY OF YONIS BONILLA ORGANIZER, MID ATLANTIC PIPE TRADES ASSOCIATION IN SUPPORT OF THE MARYLAND APPRENTICESHIP AND PREVAILING WAGE TRANSPARENCY ACT (SB3 / HB850) FAVORABLE

Dear Chairs Wilson and Beidle, and Members of the House Economic Matters and Senate Finance Committees:

I appreciate the opportunity to testify in support of the Maryland Apprenticeship and Prevailing Wage Transparency Act. As an Organizer with the Mid Atlantic Pipe Trades Association, I spend my days visiting construction sites, talking with workers about their rights, union representation, and industry standards. These conversations often reveal troubling realities—workers who are not being paid what they are owed, who have been misclassified by their employers, or who are facing other labor violations. When workers tell me they aren't receiving their proper wages under Maryland's prevailing wage laws, I help them navigate the process of filing complaints with the Maryland Department of Labor, the Maryland and D.C. Attorneys General, and the U.S. Department of Labor. In cases of misclassification, licensing violations, or overtime abuse, I connect them with legal counsel to pursue their rights.

Wage theft and worker misclassification are not abstract problems—they are realities I encounter every day. Contractors who misclassify workers as independent contractors do so to avoid paying taxes, workers' compensation, and overtime, shifting the burden onto workers and law-abiding businesses. Without proper oversight, these practices persist, undercutting honest contractors and denying workers the wages and protections they are due. Workers frequently report that they are not receiving the required prevailing wage, are being paid under the table, or are forced to work overtime without proper compensation. Without a transparent payroll records database, these violations remain hidden, and enforcement is inconsistent at best.

The creation of a certified apprenticeship and prevailing wage database is essential. Similar measures in New York have resulted in a 21% increase in recovered lost wages and a significant reduction in worker misclassification violations. Nevada's apprenticeship tracking system has led to a 12% increase in program completion rates and better compliance from apprenticeship sponsors. Maryland stands to benefit in the same way—ensuring fair competition, workforce accountability, and economic integrity.

I know firsthand how critical this legislation is. I see the consequences of weak enforcement every time I step onto a job site and hear a worker's story. These databases will provide the necessary transparency to help workers claim their wages, empower agencies to enforce labor laws, and ensure that state resources are directed toward responsible employers. I urge the committee to support this bill and take an important step toward protecting Maryland's workers and strengthening its economy.

Thank you for your time and consideration.

Sincerely, Yonis Bonilla Organizer, Mid Atlantic Pipe Trades Association

sb3test - Public Work Contracts - Data Dashboard (Uploaded by: Marcus Jackson



Maryland Joint Legislative Committee

The Voice of Merit Construction

Mike Henderson President Greater Baltimore Chapter mhenderson@abcbaltimore.org

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6901 Muirkirk Meadows Drive Suite F Beltsville, MD 20705 (T) (301) 595-9711 (F) (301) 595-9718 February 5, 2025

TO: FINANCE COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: S.B. 3 – PROCUREMENT – PUBLIC WORK CONTRACTS – DATA DASHBOARD (MARYLAND PUBLIC WORKS AND APPRENTICESHIP TRANSPARENCY ACT)

POSITION: FAVORABLE WITH AMENDMENT

The Associated Builders and Contractors (ABC) supports S.B. 3 which is before you today for consideration. We believe that increased transparency in public works projects is important, and we appreciate the bill's intent to provide public access to key information regarding contractors, subcontractors, employees, and apprentices.

We agree that a data dashboard can be a valuable tool for oversight and accountability. The information outlined in Section 17-206 (A), regarding contractors, subcontractors, employees, and apprentices, is relevant and should be publicly available. We particularly support the inclusion of prevailing wage rates, apprenticeship data, and contractor/subcontractor identification.

However, we have serious concerns about the reporting frequency mandated in Section 17-206 (B). Requiring contractors to submit the listed information weekly creates an unnecessary and duplicative reporting burden. This information, including detailed wage and benefit data, is already provided to the state through certified payroll reports. Mandating a separate, weekly report for the same data is inefficient, costly, and will place an undue burden on contractors, especially small businesses.

Therefore, we recommend the following:

On page 3, strike lines 1-3 of Section 17-206 (B).

This approach will achieve the bill's transparency goals without creating duplicative reporting requirements.

With this amendment, we believe the Maryland Public Works and Apprenticeship Transparency Act can be a valuable tool for promoting transparency and accountability in public works contracting without creating unnecessary burdens on contractors.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request a favorable with amendment report on S.B. 3

Marcus Jackson, Director of Government Affairs

AUC of Maryland_SB3_UNFAV.pdf Uploaded by: Andrew Griffin

Position: UNF

Whitney Beall EXECUTIVE DIRECTOR

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lan Stambaugh

February 5, 2025

Legislative Position: Unfavorable Senate Bill 3 Procurement - Public Work Contracts - Data Dashboard Senate Finance Committee

Dear Chairwoman Beidle and members of the committee:

Established in 1950, the Associated Utility Contractors of Maryland, Inc. (AUC) is dedicated to advancing the utility contracting industry across the state. Our mission is to foster strong relationships between utility contractors and their clients, uphold the highest professional standards within the industry, and elevate the reputation of utility professionals within the business community. We actively advocate for public policies that address industry challenges and contribute to improving Maryland's overall business environment.

As introduced, SB 3 would require the Commissioner of Labor and Industry to develop and maintain a data dashboard that includes sensitive information about contractors, subcontractors, and their employees working under public work contracts. As contractors and subcontractors on public work contracts, AUC believes that this bill would unfairly compromise the confidentiality and competitiveness of the businesses in our industry.

The bill language requires contractors to provide detailed information about their employees, including prevailing wage rates, regular and overtime wages, fringe benefits, and job classifications. This information would be made publicly available on a data dashboard, which would be routinely updated. We are concerned that this level of information sharing would provide sensitive information about business operations that would create competitive disadvantages in the public bidding process.

Furthermore, the administrative burden this bill would impose on contractors and subcontractors is extensive. The requirement to provide detailed information about employees on a weekly basis would be time-consuming and costly, and would divert resources away from core business operations.

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lan Stambaugh

Transparency and accountability in public contracting are ideals we share, however, SB 3 simply goes too far. We urge the Committee to consider the potential unintended consequences of this bill and to seek alternative solutions that balance the need for transparency with the need to protect the confidentiality and competitiveness of Maryland businesses. We respectfully request an unfavorable report on SB 3.

Sincerely,

The Associated Utility Contractors of Maryland (AUC)

SB3_LOO_Procurement - Public Work Contracts - Data Uploaded by: Kevin O'Keeffe

Position: UNF



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February 5, 2025

To:	Members	of the Senate	Finance	Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: Oppose Senate Bill (SB) 3 - Procurement - Public Work Contracts - Data Dashboard (Maryland Public Works and Apprenticeship Transparency Act)

Independent Electrical Contractors (IEC) Chesapeake represents approximately 200 electrical contractors who employ approximately 15,000 workers in the mid-Atlantic region. In addition, IEC Chesapeake has nearly 1,000 electrical apprentices. IEC Chesapeake opposes SB3 because it creates an undue burdensome requirement that contractors must provide information to the Department of Labor on a weekly basis for purpose of populating a data dashboard.

The staff time needed to prepare and send weekly reports would especially impact small contractors. Most of the information being sought in SB3 can found in existing reports - certified payroll reports - which are required under current law. Layering on additional reporting requirements could lead to higher bids at a time when the state and local governments are facing significant financial challenges.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 301-646-0197 or at <u>gshmelzer@iec-chesapeake.com</u> or Kevin O'Keeffe at 410-382-7844 or at <u>kevin@kokeeffelaw.com</u>.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.

SB3 - Oppose - Maryland Motor Truck Association.pd Uploaded by: Louis Campion

Position: UNF

Maryland Motor Truck Association



- BILL NO/TITLE: Senate Bill 3: Procurement Public Work Contracts Data Dashboard (Maryland Public Works and Apprenticeship Transparency Act)
- COMMITTEE: Finance
- POSITION: Oppose

As the trade association representing companies that operate commercial trucks, including numerous members in various sectors of the construction and building industries, Maryland Motor Truck Association (MMTA) urges the Committee to consider the administrative burden that would be created by the passage of SB3.

As introduced, SB3 would require <u>weekly reporting from all contractors and subcontractors on ALL</u> <u>public works contract of:</u>

- Prevailing wage rates paid;
- Total number of employees;
- Regular wages and overtime wages paid;
- Fringe benefits;
- Job classification of each employee;
- Number of apprentices;
- Trade practiced by each apprentice;
- Certification status of each apprentice;
- Demographic data for each apprentice; and more.

The passage of this legislation will only serve as administrative nightmare on the construction industry. For those reasons MMTA asks for an unfavorable report.

<u>About Maryland Motor Truck Association</u>: Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 900+ members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-5663

SB 3_MTBMA_UNF.pdf Uploaded by: Michael Sakata Position: UNF



February 5th, 2025

Senator Pamela Beidle, Chair Senate Finance Committee 3 East, Miller Senate Office Building Annapolis, MD 21401

RE: SB 3 – <u>UNFAVORABLE</u> – Procurement – Public Work Contracts – Data Dashboard (Maryland Public Works and Apprenticeship Transparency Act)

Dear Chair Beidle and Members of the Committee:

The Maryland Transportation Builders and Materials Association ("MTBMA") has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 3 requires contractors to submit information weekly to the Commissioner of Labor and Industry who must develop and maintain a data dashboard to include details about prevailing wage rates, number of employees, fringe benefits and job classifications, and their personal apprenticeship programs.

MTBMA opposes this bill because it is overly burdensome, creating a weekly requirement for contractors to provide detailed information about their businesses practices. More importantly, we have concerns that this would disproportionately impact small business, minority businesses and womenowned businesses who are often smaller and do not have the sufficient resources to do so, especially once a week. This bill also presents privacy concerns by making sensitive information publicly available that could interfere with competition and how we operate.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on SB 3.

Thank you,

Michael Sakata President and CEO Maryland Transportation Builders and Materials Association

SB0003_MD Labor_Letter of Information.pdf Uploaded by: Andrew Fulginiti

Position: INFO



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 <u>Andrew.Fulginiti@maryland.gov</u>.

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