



Maryland Joint
Legislative Committee

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The Voice of Merit Construction

Mike Henderson

President

Greater Baltimore Chapter
mhenderson@abcbaltimore.org

Chris Garvey

President & CEO

Chesapeake Shores Chapter
cgarvey@abc-chesapeake.org

Dan Bond CAE

President & CEO

Metro Washington Chapter
dbond@abcmetrowashington.org

Jennifer Harris

Chairman

Joint Legislative Committee
jharris@pecklaw.com

Matthew Tefteau

Director of Government Affairs

Metro Washington Chapter
mteffau@abcmetrowashington.org

Additional representation by:
Harris Jones & Malone, LLC

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

TO: BUDGET AND TAXATION COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: S.B. 673 – STATE PROCUREMENT- APPRENTICESHIP PROGRAM
ACCOUNTABILITY AND COMPLETION

POSITION: OPPOSE

The Associated Builders and Contractors of Maryland appreciates the opportunity to opine on **SB 673** which is before you today for consideration. The members of ABC believe in the tenets of free enterprise, investing in their workforce and giving back to the communities in which they live, work and play.

Thank you for the opportunity to submit testimony on **SB 673**. I respectfully oppose this bill *as currently drafted* because it creates rigid new requirements for apprenticeship programs tied to State procurement that may undermine workforce development goals and have unintended consequences for small businesses and the broader labor market.

Prescriptive Completion Rate Requirements Undermine Flexibility

SB 673 would require that apprenticeship programs connected to State procurement contracts achieve a minimum 25% completion rate, as determined by the Maryland Department of Labor. While the intent to promote successful apprenticeships is understandable, imposing a hard numeric threshold at the statute level removes flexibility and fails to recognize the diverse nature of training programs across industries. Completion rates are influenced by many factors outside the control of employers, including the education and circumstances of individual apprentices, economic fluctuations, and training pipeline challenges. Mandating a rigid percentage risks disqualifying otherwise effective apprenticeship pathways that are still maturing but deliver long-term workforce outcomes.

Unintended Barriers for Small and Emerging Employers

Small businesses and contractors often rely on apprenticeship programs as a recruitment and training strategy precisely because they lack deep, experienced labor pools. Completion rate mandates may inadvertently discourage these employers from participating in apprenticeship programs or from bidding on State contracts if they fear non-compliance could jeopardize their eligibility. This could narrow competition for public work and slow economic growth, counteracting the bill’s goal of strengthening workforce development.



Lack of Evidence That a 25% Threshold Improves Outcomes

The bill establishes its completion rate without evidence that the 25% figure meaningfully correlates with better employment outcomes or higher quality training. Workforce development is complex, and policies should be informed by data and stakeholder input. Setting an arbitrary benchmark in statute can lock in policy that may be outdated or ineffective, rather than allowing the Department of Labor to adjust standards responsively based on performance metrics, industry needs, and evolving best practices.

Administrative Burden and Oversight Risks

Requiring the Department of Labor to determine and enforce statutory completion standards adds administrative burden without clear guidance on oversight, appeals, or support to help programs improve. This could draw resources away from other priorities such as expanding enrollment, enhancing student support services, and strengthening employer engagement.

Potential for Reduced Procurement Participation

By tying procurement eligibility to apprenticeship metrics, **SB 673** risks chilling bidder participation and increasing costs. Contractors may pass administrative costs on to the State or avoid certain contracts, especially in specialized trades where apprenticeship infrastructure is limited. The result could be fewer competitive bids and higher prices for public projects.

For these reasons, we urge the Committee to oppose **SB 673** in its current form. Workforce development and apprenticeship completion are important policy goals, but they should be advanced through evidence-based, flexible strategies supported by data and stakeholder collaboration rather than rigid statutory thresholds that could hinder economic opportunity and limit participation in State procurement. Thank you for your consideration.

Matt Teffeau
Director of Government Affairs