



House Bill 864

Date: February 19, 2025

Committee: Government, Labor, and Elections

Position: Unfavorable

Dear Chair Wells and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

The Maryland Chamber of Commerce shares the goal of strengthening Maryland's workforce pipeline and supporting apprenticeship opportunities, however, HB 864 would impose rigid workforce participation mandates on public works contracts that could have significant unintended consequences for Maryland businesses and taxpayers.

Many contractors that perform public works projects, particularly specialty contractors and subcontractors, operate in highly specialized segments of the industry. These businesses often serve as subcontractors, sometimes at multiple tiers, and may not have direct control over overall workforce composition on a project. The bill's apprenticeship utilization requirements would make it significantly more difficult for these businesses to competitively bid on and perform public works contracts.

By mandating specific apprenticeship participation thresholds, HB 864 risks shrinking the pool of qualified bidders. Fewer bidders reduce competition, which in turn drives up project costs and delays completion timelines. At a time when the State faces significant infrastructure needs, Maryland should be encouraging broader participation in public projects, not erecting additional barriers to entry.

Additionally, while many Maryland businesses already voluntarily participate in apprenticeship and workforce development programs, a one-size-fits-all statutory mandate fails to account for the varying structures, trades, and project scopes that characterize Maryland's construction sector. The availability of registered apprentices and journeyworkers varies by region and specialty, and businesses cannot always



access the workforce required to meet inflexible participation targets.

Ultimately, the added compliance burdens and potential penalties associated with HB 864 would increase administrative complexity and financial risk for employers. These costs don't simply disappear, they are passed along.

The Maryland Chamber supports policies that expand workforce development opportunities in a collaborative and flexible manner. However, HB 864 takes an overly prescriptive approach that could disrupt the workforce marketplace and increase the cost of delivering critical public infrastructure.

For these reasons, the Maryland Chamber of Commerce respectfully requests an unfavorable report on House Bill 864.