MARYLAND
Chamber of Commerce

House Bill 1165

Position: Unfavorable
Committee: Government, Labor, and Elections
Date: March 10, 2026

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) 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.

House Bill 1165 (HB 1165) proposes that apprenticeship programs linked to State contracts maintain a minimum completion rate of 25%, as measured by the Maryland Department of Labor. While supporting successful apprenticeships is a worthwhile goal, setting a fixed statutory threshold reduces flexibility and does not account for the wide variety of training programs across industries.

Completion rates are shaped by factors beyond an employer's control, such as the backgrounds and circumstances of individual apprentices, shifts in the economy, and challenges in the training pipeline. Enforcing a strict percentage could inadvertently exclude effective apprenticeship programs that are still developing but deliver significant long-term workforce benefits.

Smaller businesses and contractors often use apprenticeship programs to attract and train talent because they lack large, experienced labor forces. Completion rate requirements may unintentionally deter these employers from participating in apprenticeship initiatives or pursuing State contracts, for fear that failing to meet the mandate could affect eligibility. This could reduce competition for public projects and slow economic growth, running counter to the bill's intention of strengthening workforce development.

The bill establishes the 25% completion rate without clear evidence that this figure improves employment outcomes or enhances training quality. Workforce development is a complex issue, and effective policy should rely on data and input from stakeholders. Codifying an arbitrary target could lock in standards that may become outdated or ineffective, rather than allowing the Department of Labor to set and adjust benchmarks in response to performance data, industry trends, and best practices.

Linking State contract eligibility to apprenticeship completion metrics could discourage participation and drive up costs. Additionally, contractors may pass administrative burdens onto the State or opt out of certain contracts, particularly in specialized trades with limited apprenticeship infrastructure. The outcome could be fewer competitive bids and higher costs for public projects. For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 1165.