

February 5, 2026

Committee on Government, Labor, and Elections
145 Lowe House Office Building
142 Lowe House Office Building
Annapolis, Maryland 21401

RE: H.B. 203 – Training Repayment Agreements - Prohibitions

Honorable Chair Wells, Vice Chair Kerr, and Committee members,

Forgive my failure to meet the deadline to sign up to testify regarding this bill today. In lieu of that, I share the following with you for your consideration of my request to oppose this bill and give it an unfavorable report.

The U.S. Department of Labor (DOL) already restricts the application of Training Repayment Agreement Programs (TRAPs) to an employee who is exempt under the Fair Labor Standards Act. A DOL Opinion letter explains that making a deduction from the exempt employee's minimum salary for repayment of a TRAP or requiring repayment from the employee defeats the salary basis of payment. If an employer makes an unauthorized deduction, it effectively converts that employee to non-exempt status, subjecting the employer to paying two to three years' back wages for all overtime worked by that employee. For non-exempt employees, such deductions are limited to providing the employee with at least minimum wage for all hours worked in the pay period in which the deduction occurs. Many states have more stringent restrictions.

The Federal Trade Commission and U.S. Department of Justice [published guidance](#) in January 2025 indicating that TRAP agreements may violate federal anti-trust laws. The Trump administration has not rescinded that guidance. In fact, the current FTC, with bipartisan membership, has made it clear that they are looking to enforce similar restrictions, [seeking public comment](#) just a few months ago on the use of these and other employment agreements.

I have talked to several small business clients who offer paid training to their newly hired and/or existing employees. This includes obtaining certain professional licenses and certifications. Everyone includes a written repayment agreement that is entered into voluntarily by the employer and the employee in advance and as a condition of receiving the educational assistance. The employers' concern is if an employee resigns shortly after completing the covered program, they take the new knowledge, skills, and abilities (KSA's) – paid for by the employer – to apply in a new job, including with a competitor. Then, the employer has no opportunity to recoup any portion of that financial investment. If this bill is enacted, I am saddened that the result may be many employers will discontinue offering these programs that provide education and training the employees may otherwise not receive.

Since TRAPs are under scrutiny at the federal level and their use is already significantly restricted, I urge you to oppose this legislation as duplicative and overlapping of existing federal law and regulations. As we seek to bring more employers to our state to increase employment opportunities for Maryland residents, this bill may reduce that likelihood. No state surrounding Maryland has a similar provision. If this bill is passed and enacted, it will be one more reason prospective businesses might decide to take their jobs to a neighboring state that does not have this restriction.

I ask that you oppose H.B. 203 and give it an unfavorable report. Thank you.

Respectfully submitted,

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Cc: Delegate April Rose