

SB699 - Providing our Workers Education and Readiness Apprenticeship Act (POWER)

- SB 699 requires contractors/certain subcontractors that perform work on public work contracts over 1 million dollars to use apprentices from registered programs, and furthermore requires those contractors to fund their registered apprenticeship program in the amount up to .25 per hour per apprentice. That is just \$10 per apprentice per week. If the contractors fail to pay the amount required to their apprenticeship program, the contractor is required to pay any shortfall into DLLR's MD Training and Apprenticeship Fund.
- Senate Bill 699 helps increase the use of Maryland certified apprenticeships on state capital construction and requires adequate funding of those certified apprenticeship programs. This public policy will support the training of tradesmen through adequately funded apprenticeship programs.

Reduces Penalties in the Original Bill

- This bill was amended in the House and Senate Finance to reduce penalties for not paying into the fund if not using registered apprentices, and to match what is already in state law. That is, if the contractor fails to make payments up to .25 per hour per apprentice into their own apprenticeship program or into the DLLR Fund, the contractor must make payments of twice the amount of contributions required. This equates to \$.50 per hour, per apprentice (\$20 per week, per apprentice).
- Any payments made to the DLLR fund may be used to promote pre-apprenticeship programs and other workforce development programs in the State's public secondary schools and community colleges that prepare students for entering into apprenticeship training programs.
- Any contractor making payments into Maryland's Apprenticeship and Training Fund may ask DLLR to use their contributions to fund a specific pre-apprenticeship or workforce development program of their choice.

Proven Workforce Development

- Through the use of registered apprenticeship programs like required in this bill, the State of Maryland has ensured that contractors continue to develop a skilled workforce for tomorrow as well as a pathway to meaningful paying jobs that build the middle class.
- The MD Apprenticeship and Training Program has worked well and continues to help grow programs, bring people into the state's middle class, and is a great example of workforce development.
- Private contractors doing work on state capital projects contribute up to just \$10 per apprentice, per week to programs sponsored by both non-union and union organizations alike. Associated Building Contractors, Independent Electrical Contractors, Alliance for Construction Alliance and Mechanical Contractors Association of Maryland all support apprenticeship programs, as do building trades like IBEW, LiUNA, United Plumbers,

Steamfitters & Welders, United Carpenters, Iron Workers, Operating Engineers, Sheet Metal Workers, among many others.

- Programs like this encourage private industry to invest in workforce development and the middle class. Alone, the Building Trades and the contractors they work with invest upwards of \$22 million a year in apprenticeship and training in the Maryland/DC metropolitan area.

Responsibly Grows Use of Apprenticeships

- This bill does not apply to any prevailing wage job. DGS reports there have been just 20 non-prevailing wage projects per year in the last three years with \$1 million or more in state grants.

Helps Meet Construction Industry's Massive Need for Skilled Trades

- Both Maryland and the U.S. are facing a skilled trade labor shortage, which threatens to slow economic growth in the construction industry according to a 2016 study by Associated General Contractors of America. Two-thirds of contractors surveyed reported difficulty in finding skilled workers to meet their needs.
- A 2012 study by the Maryland Center on Construction Education and Innovation agreed, anticipating a 70% shortage of skilled trades and craft labor by 2020. But it also said MD has a comparative advantage to the state's workforce and construction firms by providing better training in skilled craftsmanship