

TESTIMONY

House Economic Matters Committee

*HB 467 – Providing Our Workers Education and Readiness (POWER) –  
Apprenticeship Act*

**Tina Bjarekull, President**

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On behalf of Maryland's independent colleges and universities and the 61,000 students they serve, thank you for the opportunity to submit written testimony to share our concerns with House Bill 467: Providing Our Workers Education and Readiness (POWER) – Apprenticeship Act. This bill requires contractors or subcontractors awarded a contract for at least \$500,000 for a project that receives at least \$1 million in the State's capital budget to be affiliated with a registered apprenticeship program and use apprentices in covered trades, or make payments to the State Apprenticeship Training Fund or to a registered apprenticeship program.

While MICUA supports the expansion of apprenticeship and on-the-job training opportunities for all Marylanders, we are concerned about the impact on campus construction projects that receive State capital grants. Namely, this bill would pose significant regulatory burdens on contractors by requiring them to calculate and track payments to the training fund or registered apprenticeship programs. Further, not all construction-related trades equally lend themselves to the apprenticeship model. Trades such as drywall and painting are more efficiently learned on the actual jobsite versus in the classroom. Not allowing market forces to dictate how and when apprenticeships are utilized will drive up the costs for State-supported capital projects.

Additionally, this bill could negatively impact the ability of MICUA institutions to work effectively with small local contractors. MICUA's Board of Trustees has developed aggressive goals for increasing the use of local business contractors. MICUA collects data regarding campus capital projects and reviews local participation data for capital projects under consideration for a State grant. MICUA fears that House Bill 467 could drive up costs, delay work, and create administrative burdens for these small contractors.

Many independent colleges and universities struggle to secure sufficient resources to construct new facilities and renovate aging buildings on their campuses. MICUA member institutions are required to provide greater than a one-to-one match for all State capital grants. In reality, the match for the largest projects is closer to five-to-one. State grants to MICUA institutions do not increase if the project's construction or administrative costs increase; these costs are shifted directly to the institution. As a result, MICUA believes that the regulatory requirements of House Bill 467 could create hardships and jeopardize future construction and renovation projects on some campuses.

Finally, MICUA has concerns about the proposed implementation date of June 1, 2017, as it impacts member institutions. Due to the timing and requirements for MICUA's capital grants process, many institutions are already engaged in planning, design, and bidding activities prior to the receipt of State funds. An implementation date less than four months from today could result in substantial delays for renovation and construction projects for which apprenticeship requirements were not in place at the time the contractors and subcontractors were initially engaged in the project or the RFPs were issued.

For these reasons, MICUA urges an unfavorable committee report on House Bill 467.