

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 991
Finance

(Senator McCray)

**Apprenticeship and Training Council – Journeyworker–Apprentice Ratios –
Electrical Craft or Trade**

This bill requires the Maryland Apprenticeship and Training Council (MATC) to adopt regulations establishing a ratio of journeyworkers to apprentices employed in the electrical craft or trade. The ratio may not be less than one journeyworker employed at a work site for each apprentice. An employer in the electrical craft or trade must comply with these regulations. On receipt of a complaint, the Commissioner of Labor and Industry must investigate a suspected violation and require the employer to correct any violation. An employer that violates the bill is subject to a civil penalty of \$1,000 or \$5,000 for each employee employed in an electrical craft or trade, depending on whether the employer knowingly committed the violation. The commissioner may waive the civil penalty if the employer comes into compliance with the regulations in a timely manner. For any subsequent violations, the commissioner may assess an additional civil penalty of up to \$20,000. MATC must adopt the regulations by October 1, 2021.

Fiscal Summary

State Effect: The Maryland Department of Labor (MDL) can likely implement and enforce the bill with existing resources since a ratio of journeyworkers to apprentices is already established in regulation. General fund revenues increase, likely minimally, from the bill's civil penalties beginning in FY 2022.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, apprenticeship is a voluntary, industry-sponsored system that prepares individuals for occupations typically requiring high-level skills and related technical knowledge. Apprenticeships are sponsored by one or more employers and may be administered solely by the employer or jointly by management and labor groups. An apprentice receives supervised, structured, on-the-job training under the direction of a skilled journeyman and related technical instruction in a specific occupation. Apprenticeships are designed to meet the workforce needs of the program sponsor. Many industry sponsors use apprenticeship as a method to train employees in the knowledge necessary to become a skilled worker. This also means the number of apprenticeships available is dependent on the current workforce needs of the industry.

Apprenticeships are available to individuals age 16 and older; an employer, however, may set a higher entry age. By law, individuals must be age 18 to apprentice in hazardous occupations. Apprenticeships last from one to six years, although most are three to four years, and involve a minimum of 144 hours of classroom instruction per year and at least 2,000 hours per year of on-the-job training. A national apprenticeship and training program was established in federal law in 1937 with the passage of the National Apprenticeship Act, also known as the Fitzgerald Act. The purpose of the Act was to promote national standards of apprenticeship and to safeguard the welfare of apprentice workers.

Along with 24 other states, Maryland has chosen to operate its own apprenticeship programs under the federal law. The Division of Workforce Development and Adult Learning (DWDAL) is responsible for the daily oversight of State apprenticeship programs. More specifically, DWDAL approves new apprenticeship programs and changes to current programs. The approval process involves assessing the appropriateness of an apprenticeship program in a proposed industry, the education that will be provided to the apprentice, the current staffing level of the entity proposing the program to determine whether adequate supervision can be provided, recruitment and retention efforts, and the overall operations of the entity. MATC serves in an advisory role for legislation and regulations, recommending changes to update apprenticeship laws.

State regulations establish that each apprenticeship program must have a minimum ratio of one journeyman regularly employed for one apprentice consistent with proper supervision, training, and continuity of employment and applicable provisions in collective bargaining agreements. Deviation from the minimum ratio, including the bargaining agreements, is not permitted unless first submitted to MATC in writing for its approval.

Background: As of November 2019, there were 10,711 apprentices registered, 3,612 of whom were new apprentices registered, and there were 3,820 participating employers and 158 program sponsors.

State regulations define a “journey person” as an individual who has completed a registered apprenticeship in a craft or the equivalent of an apprenticeship in length and content of work experience and all requirements in the apprenticeship standards for a craft.

State Revenues: General fund revenues increase, likely minimally from the bill’s civil penalties, beginning in fiscal 2022. This assumes most employers comply with the ratio requirements or have any civil penalty that would be assessed waived as they come into compliance.

Additional Comments: In 2008, the U.S. Department of Labor (DOL) implemented regulations that require state officials to be held accountable for the oversight and management of the state’s apprenticeship system for federal purposes. In addition to having a state apprenticeship council (SAC) like MATC, a state must have an agency designated as a state apprenticeship agency (SAA). In Maryland, DWDAL is the SAA. Under the 2008 DOL regulations, only SAAs, not SACs, may register apprenticeship programs.

MATC serves only in an advisory capacity to DWDAL. MDL notes that requiring MATC to adopt regulations under the bill may cause compliance issues with DOL’s Office of Apprenticeship.

Additional Information

Prior Introductions: HB 1470 of 2017 received an unfavorable report from the House Economic Matters Committee.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

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