



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET & TAXATION COMMITTEE

SENATE BILL 751 – APPRENTICESHIP START-UP ACT OF 2020

March 4, 2020

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 751, which expands eligibility for the state income tax credit for employers who hire apprentices through registered apprenticeship programs to include youth apprenticeships and further defines eligibility criteria by hours worked in a tax year. Senate Bill 751 increases the tax credit amount from \$1,000 to \$3,000 per registered apprentice and prohibits an entity from receiving more than \$15,000 in credits in a single tax year.

Apprenticeships are employer-sponsored workforce training programs that prepare workers for skilled occupations through a combination of on-the-job training and instruction. Apprenticeships provide workers with the ability to acquire skills and increase wages while they are working. While apprenticeships have been pervasive across Europe for centuries, they have recently resurged in the United States as an effective means to train workers across multiple industries.

As the skills gap continues to grow in industries such as building and construction, healthcare, and information technology, employers are revisiting apprenticeships as an effective means to train workers in skilled occupations that do not require a bachelor's degree. The GBC supports the extension of the state income tax credit for employers who hire apprentices as an incentive to create more registered apprenticeship programs in the state and help to close the skills gap.

Senate Bill 751 is consistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Workforce that is highly educated and meets Maryland's business needs. Maryland's secondary and higher education institutions must offer access to quality instruction at all levels and cultivate a workforce that is well-suited to a modern economy and to the specific needs of Maryland's business sectors.

Finally, the Greater Baltimore Committee's 2020 Legislative Priorities state that a key priority is strengthening education and workforce systems to prioritize equity, accountability, and alignment with Maryland's high-growth industry sectors. The 2020 Legislative Priorities specifically call for support for policies and programs to increase employer-based apprenticeships and internships.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 751.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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