

Nate Cloutier  
HospitalityMaine  
LD 2280

Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor & Housing: My name is Nate Cloutier, and I am submitting comment on behalf of HospitalityMaine, representing restaurant and lodging establishments of all sizes across the state. HospitalityMaine respectfully opposes LD 2280, “An Act to Strengthen Maine’s Workforce Through Apprenticeship Training Programs”.

We appreciate the sponsor’s support of apprenticeship programs. Apprenticeships are vital for providing hands-on training, addressing skills gaps, and offering clear career pathways while ensuring that employers have a skilled and committed workforce. While we support continued investment in apprenticeships as a means to improve and grow the workforce, we have concerns with the proposed changes to the existing apprenticeship structure.

#### Federal Rulemaking Underway

Earlier this year, the United States Department of Labor (USDOL) Employment and Training Administration issued a notice of proposed rulemaking titled “National Apprenticeship System Enhancements” (RIN: 1205-AC13), which aims to revamp the National Apprenticeship System and proposes substantial updates to the Registered Apprenticeship Program (RAP). There have been concerns regarding the proposed rule from a wide span of stakeholders, as the rule proposes significant shifts in current practices surrounding program structure, administrative compliance, and assessment criteria. It appears that LD 2280 is crafted in anticipation of changes forthcoming at the federal level. We anticipate that the final rule will be adopted before the beginning of the 132nd Legislative Session. To avoid unanticipated conflicts and inconsistencies with federal guidelines, this bill would be better suited for consideration in the next legislative session.

#### Unintended Consequences

We are concerned that this legislation will result in unintended consequences that undermine the intended goals of apprenticeships and will create barriers with the communities this bill attempts to reach.

- The change from “certified apprenticeship” to “registered apprenticeship” appears to be in response to the proposed federal rule. This same language change was brought forward in an effort to move toward time-based training with single curricula. While the preliminary effect of this change at the state level would be semantics, it signals that the components and substance of the federal rule proposal would likely be mirrored during Maine’s rulemaking process.
- The proposed changes in Section 5, Requirements for funding. The bill proposes to require at least 51% of funding be used for training programs that have: 1. Demonstrated engagement and enrollment of individuals from historically marginalized communities;
- and 2. Consistently placed individuals in programs that result in a total package value of no less than \$40 per hour upon graduation. This means that a majority of the grant funding would be available only to programs that can guarantee \$80,000/year (including salary and benefits) upon graduation. Comparatively, the median household income in Maine is ~\$68,000. This requirement could significantly hinder our industry’s engagement with these programs and likely decelerate the expansion of apprenticeship opportunities in the hospitality sector.

#### Timing

This bill will have been printed, referred to committee, had a public hearing and a work session, all within the span of one week. While that is not to anyone’s fault at this point in the legislative session, the potential impacts of the changes proposed,

along with the sizeable fiscal commitment in the bill, merit more careful consideration. We would be happy to work with the bill Sponsor, other stakeholders, and the MDOL, between now and the next legislative session to provide input and collaborate on legislation that may garner more support.

Apprenticeships emerge as an essential tool for many industries, facilitating employee recruitment and retention and serving as a cornerstone for career development and industry growth. We wholeheartedly support the modernization of apprenticeship roles and see value in the Sponsor's efforts to broaden apprenticeship opportunities. However, we are concerned that the changes proposed could inadvertently erode the essence of what makes apprenticeships so effective, especially in the hospitality industry—tailored skill development that matches the pace and nature of the industry's demands. It is important that we craft programs that incentivize employer participation and are mindful of the diverse industries we have in Maine.

For those reasons we urge the Committee to vote LD 2280 ought not to pass. Thank you for your consideration of our comments.