



February 10, 2012

The Honorable Peter A. Hammen
Health and Government Operations Committee
Room 241 House Office Building
Annapolis, MD 21401-1912

Re: HB 523 – Procurement Contracts – Economic Inclusion Plans- **Oppose**

Dear Delegate Hammen:

HB 523 requires any contractor bidding on any public works contracts to agree to hire, train and/or provide other job-related services to citizens within the specific community in which the project is based (for instance, within a particular zip code where a school will be built, or some other similar project). In order to submit a bid, a business must have an Economic Inclusion Plan that contains many provisions, and to have that plan approved by the Board of Public Works. The totality of this bill raises many questions, a few of which are:

1. Many contractors have unionized workforces. How is the contractor supposed to coordinate with the union to hire – and train (i.e., apprenticeships) such citizens? What will happen when the project is complete? Will the employer be forced to retain those hired in those specific zip codes for those specific contracts, but must then hire others in another zip code for future contracts?
2. What of the increased costs and associated liabilities (i.e., worker's compensation, unemployment, benefits) for contractors to hire beyond their needs to satisfy the provisions of the Economic Inclusion Plan? The potential exists for businesses to terminate existing employees in order to make room for hiring an untrained workforce within the project's community.
3. This bill calls for "economic inclusion goals" to be established for each trade and service used on the project expected to be performed by minority business enterprises or locally owned businesses. This sounds dangerously close to a quota system.
4. Provisions are required to be included in Economic Inclusion Plans for assessing local residents and providing them with job-readiness skills, industry specific customized training, career coaching, job placement, and job retention services.

Forcing businesses to hire particular citizens, even if these people do not currently possess the qualifications to perform any particular job, would add burdensome costs for services that are better and more appropriately provided by already existing public job service centers or other entities.

The Carroll County Chamber of Commerce therefore asks that your committee give this bill a negative report.

Sincerely,

A handwritten signature in black ink that reads 'Michael McMullin'.

Michael McMullin
President
Carroll County Chamber of Commerce

CC: Senator Joseph M. Getty
Delegate Susan W. Krebs

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