

## AS JOTF GEARS UP FOR THE 2010 LEGISLATIVE SESSION, A LOOK BACK AT 2009

By Melissa Chalmers Broome

During the 2009 session of the Maryland General Assembly, the Job Opportunities Task Force advocated for legislation to improve the economic opportunities of Maryland's low-skill, low-income workers and their families. Even in the midst of these challenging economic times, some victories were achieved. On October 1, a number of these new laws took effect, including an increase in unemployment insurance benefits, an expanded part-time college grant program, and a series of laws focused on prisoner re-entry. Two other bills passed as emergency legislation this spring, including the expansion of unemployment insurance benefits to part-time workers and technical amendments to the Flexible Leave Act.

### Unemployment Insurance Benefits

Working in conjunction with the Governor's Administration, JOTF promoted legislation to expand unemployment insurance benefits to part-time workers. In Maryland, until now, all workers were required to seek full-time employment in order to receive unemployment benefits. This outdated restriction was established in a time when many families relied on one full-time breadwinner. Maryland now joins nearly 30 other states in providing benefits to part-time workers.

The bill, which failed during the 2008 legislative session, passed the Senate with a 38-9 vote and the House with a 94-43 vote. Governor O'Malley signed the emergency piece of legislation into law on April 14, 2009. It took effect immediately.

In addition to the part-time worker expansion, legislation also passed to increase Maryland's maximum weekly benefit. For unemployment insurance claims occurring after October 4, 2009, the maximum benefit will increase from \$380 to \$410 per week. For claims occurring after October of 2010, the amount will increase from \$410 to \$430.

### Re-Entry

One of the most significant barriers faced by the 15,000 inmates released from incarceration each year is their lack of government-recognized identification. A coalition of advocates along with the Department of Public Safety and Correctional Services (DPSCS) and the Motor Vehicle Administration (MVA) worked with bill sponsor, Senator Catherine Pugh, to pass legislation requiring that inmates be released from prison with an identification card. The card must comply with the requirements for secondary identification for the purpose of obtaining a Maryland state identification card issued by the MVA. This important legislation will help facilitate the process of inmates applying for state-issued identification upon their release from incarceration.

Advocates also supported legislation encouraging the obtainment of occupational licenses for people with criminal records, as well as legislation to establish a Task Force on Prisoner Reentry. Both bills were sponsored by Delegate Gerron Levi.

The licensing legislation prohibits the denial of an occupational license based solely on an individual's previous conviction of a nonviolent offense. Licensing bodies are now required to take certain factors, such as whether or not a direct relationship exists between the previous conviction and the specific occupational license sought, into consideration before making a decision.

The Task Force on Prisoner Reentry will be charged with developing a comprehensive strategic reentry plan as specified under the federal Second Chance Act of 2007. The federal Act is designed to improve outcomes for people returning to communities from prison. It authorizes federal grants to government agencies and community- and faith-based organizations to provide employment assistance, substance abuse treatment, housing, and other services that can help reduce recidivism. With establishment of the Task Force on Prisoner Reentry, Maryland hopes to apply for and receive funds from the Second Chance Act.

### Post-Secondary Education

The Part-Time Grant Program is Maryland's primary need-based program for non-traditional students. With awards of up to \$2,000 per academic year, it can help close the gap for working adults but until now, students had to be taking between 6 and 11 credits per semester in order to apply for the grants. JOTF worked with bill sponsor, Delegate Anne Kaiser, and the Maryland Higher Education Commission (MHEC) to pass legislation that will allow 10% of the funds for the Part-Time Grant Program to go to students taking between 3 and 6 credits per semester. This measure will help working adults – who often can only manage one class per semester – receive much-needed financial aid as they strive to enhance their skills and make themselves more valuable to employers during these difficult economic times.

### Flexible Leave

The Flexible Leave Act, which passed during the 2008 session, gives Maryland workers the right to use their accrued paid leave for the care of a child, parent, or spouse. JOTF worked with the Maryland Chamber of Commerce and bill sponsor, Senator Rob Garagiola, to pass legislation that makes technical clarifications to the Flexible Leave Act. The 2009 legislation defines certain terms found in the 2008 bill and establishes that employees may only use leave with pay that has been earned.



Supporters joined Governor O'Malley as he signed emergency legislation to extend unemployment insurance benefits to part-time workers into law on April 14, 2009.

Photo: Jay Baker

For more information on JOTF's advocacy work, visit [www.jotf.org](http://www.jotf.org) or contact Melissa Broome at [melissa@jotf.org](mailto:melissa@jotf.org) or (410) 234-8046.

# RECOVERY ACT EXPANDS TAX-TIME BENEFITS FOR LOW-WAGE WORKERS

By Monica Copeland, Hattie Scott, and Joanna Smith-Ramani, Baltimore CASH Campaign

With the passing of the American Recovery and Reinvestment Act of 2009 (ARRA), the Internal Revenue Service (IRS) outlined several provisions which may affect low-wage and low-income workers during the upcoming tax season.

## Expansion of the Earned Income Tax Credit

One exciting change includes new eligibility guidelines for the Earned Income Tax Credit (EITC), a federal refundable tax credit for working individuals and families. In addition to increasing the EITC overall, the IRS also added a new category and EITC amount for larger families with three or more children. The income cutoffs are outlined in the table below.

## New "Making Work Pay" Tax Credit Established

An additional tax credit called the Making Work Pay Credit (MWPC) was also introduced. This credit is a benefit which increases take-home pay for many Americans. Beginning in April 2009 through December 2009, the IRS Tax and Withholding tables will change so that workers may receive small incremental increases in their paychecks up to a total of \$400 for an individual and \$800 for a married couple filing jointly. The IRS has reduced the amount of income tax employers should withhold from each paycheck which allows most workers to pay less in taxes and get more income with each paycheck. While this overall is a helpful tax benefit, workers who work multiple jobs need to pay particular attention to their withholdings from each job so that they do not go over the maximum \$400 or \$800 credit. They may need to adjust their W-4 and should contact their employer for assistance. Self-employed individuals can benefit from the Making Work Pay Credit by deducting the allowed tax credit (\$400) from their tax liability and making appropriate adjustments to their regularly scheduled estimated payment.

## Additional Noteworthy Tax Credits

Other tax credits which may affect low income workers include the Child Tax Credit, American Opportunity Tax Credit (education credit), and Health Coverage Tax Credit.

- The income threshold for the Child Tax Credit has now been changed to \$3,000, allowing very low income families to qualify. Additionally, a worker with one child earning \$6,000 will qualify for a \$450 Child Tax Credit.

- Individuals and families may also benefit from the American Opportunity Tax Credit which is an education credit that modifies the existing Hope Credit for the 2009 and 2010 tax years. This credit may be used for the first four years of post-secondary education and will cover expenses for books and materials in addition to tuition.

- The Health Coverage Tax Credit (HCTC) increased from 65% to cover 80% of qualified health insurance. As of August 2009, newly enrolled participants will be able to receive a credit for qualified health insurance paid in 2009. Beginning January 2010, the HCTC will be available to family members for a longer period of time (up to 24 months) after they have experienced the following: enrollment in Medicare, divorce or death.

Lastly, under the Recovery Act, workers who are unemployed *do not* have to pay taxes on the first \$2,400 of unemployment benefits. Unemployment benefits are normally taxable. However, as a result of this special tax break, individuals who receive unemployment benefits in 2009 should check their withholding to make sure they are not having unnecessary taxes withheld. The exclusion also applies to each spouse separately for married couples.

## Questions?

For more information about these tax credits and additional changes, please visit the Internal Revenue Service website at [www.irs.gov](http://www.irs.gov).

For information about free tax preparation services, contact the Baltimore CASH Campaign at 443-692-9487 or visit [www.baltimorecashcampaign.org](http://www.baltimorecashcampaign.org). Last year, the Baltimore CASH Campaign prepared over 14,000 tax returns at 20 locations throughout the city and county.

For individuals living outside of Baltimore, contact the Maryland CASH Campaign at 410-528-8006 or visit [www.mdcash.org](http://www.mdcash.org). The CASH Campaigns' Volunteer Income Tax Assistance sites will open during the last week of January 2010.

For year-round tax preparation assistance, call First Call for Help at 410-685-0525, and for tax disputes, contact the low-income taxpayer clinic at Maryland Volunteer Lawyers Service at 410-547-6537.

Family Size	Income Eligibility Cutoff for Head of Household	Income Eligibility Cutoff for Married Filing Jointly	Maximum Federal EITC Benefit**
No Children**	2009: \$13,440 2008: \$12,880	2009: \$18,440 2008: \$15,880	2009: \$457 2008: \$438
One Child	2009: \$35,463 2008: \$33,995	2009: \$40,463 2008: \$36,995	2009: \$3,043 2008: \$2,917
Two Children	2009: \$40,295 2008: 38,646	2009: \$45,295 2008: \$41,646	2009: \$5,028 2008: \$4,824
New Category: Three Children	2009: \$43,279	2009: \$48,279	2009: \$5,657

\*\* Workers between the ages of 25 and 65 are eligible

++ If you qualify for the Federal EITC and claim it on your return, you may be entitled to a refundable Maryland EITC on your state return equal to 25 percent of the Federal EITC

# OUT-OF-SCHOOL, OUT-OF-WORK AND AT-RISK: FACING THE WORKFORCE CHALLENGE OF DISCONNECTED YOUTH

By Andrea Payne Roethke



JOTF's Issue Brief, *A Young Workforce At Risk: Reconnecting Out-of-School and Out-of-Work Youth in Maryland*, provides detailed information on disconnected youth in the state, and offers a series of recommendations for state and local leaders.

Tapping into the potential of disconnected youth presents a major opportunity, in terms of increasing individual success and independence, and in terms of maximizing the state's economic potential. There is much work to be done, however. While overall nearly 11 percent of Maryland youth are disconnected, rates are significantly higher amongst certain populations. Rates of disconnection vary significantly by income and race. More than 1 in 4 youth from families earning less than \$20,000 are neither at work nor in school. Black and Hispanic youth are twice as likely to be out of school and out of work compared to white and Asian youth.

There is also a strong correlation between education and employment. Youth with a high school credential or less are about three times more likely to be disconnected than youth with at least some college experience. Regardless of education, it has become increasingly difficult for youth to find employment in recent years. Today, the nation's teen unemployment rate is at an all-time high. When the economy grows quickly, employers must reach further into the workforce and take on newer, less skilled workers. When demand drops, as it has through the current recession, these inexperienced workers fall to the back of the line and struggle to find entry points into the workforce.

Maryland's teen and young adult employment rates have mirrored national trends, leaving just one-third of teens and two-thirds of 20-24 year-olds employed as of 2007. With such a low teen employment rate, Maryland is now ranked 38<sup>th</sup> among the states, lagging behind neighbors such as Virginia, Pennsylvania, and Delaware.

State and local leaders must act now to expand programs that help youth find their talents, build skills, and enter the stable career paths. First, it is essential that all youth have access to appropriate educational opportunities.

As of 2006, more than 1 in 10 young Marylanders were both out-of-school and out-of-work. With the nation in recession, these numbers are imagined to be much bleaker today. These youth, between the ages of 16 and 24, are considered "disconnected"—lacking the social, academic, and employment connections that lay the foundation for a successful future. Some are high school dropouts. Others may be unsuccessful in making workforce connections due to family obligations, lack of marketable employment skills, substance abuse, homelessness, incarceration, disability, or difficulty aging out of the foster care system.

In a report released last spring, *A Young Workforce At Risk: Reconnecting Out-of-School and Out-of-Work Youth in Maryland*, the Job Opportunities Task Force explores the extent of youth disengagement in the state, and provides recommendations for re-connecting young Marylanders to school and work.

This includes second-chance on ramps for youth who have dropped out of high school, and programs that emphasize the link between education and employment. JOTF's new report describes a range of programs that can help youth who have struggled in the traditional system achieve a high school credential. Often these programs combine basic education with workplace experience.

## Going forward, there are a number of steps Maryland can take to expand opportunities for youth to re-connect, including:

- Increasing the availability of External Diploma, GED, and Adult Basic Education programs
- Expanding pathways into post-secondary education for low-skill students
- Facilitating cross-system collaboration and creating a streamlined data collection system to address the variety of challenges facing disconnected youth
- Expanding summer and work-based learning opportunities
- Developing comprehensive youth service centers around the state, where young Marylanders can access the range of services they need to get ahead

While leadership and resources are needed from the public sector, the business community, non-profits and families must also be at the table, committing to give youth the development opportunities, work experiences and support systems they need to advance. Strong business partnerships are an essential piece of the puzzle. By giving youth early opportunities to build skills and experience, employers can foster the development of a stronger future workforce.

The strength of the state economy hinges on our ability to maximize the potential of every worker. Currently, too many are falling to the sidelines before even reaching adulthood. We must work now to expand pathways to advancement, or we will find ourselves playing catch up for yet another generation.

## YOUTH EMPLOYMENT RATES IN MARYLAND, BY EDUCATION

	Education Status	Employment Rate
Youth Age 16-19	Enrolled in School	34.3%
	Out-of-School High School Grads	66.5%
	Out-of-School High School Dropouts	35.2%
Youth Age 20-24	Enrolled in School	63.3%
	Out-of-School High School Grads	75.9%
	Out-of-School High School Dropouts	56.5%

## Job Opportunities Task Force

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*Advocating better skills, jobs, and incomes*

# GET INVOLVED!

THE JOB OPPORTUNITIES  
TASK FORCE NEEDS YOUR HELP



Maryland's legislative session is just around the corner! Contact Melissa Broome at **(410) 234-8046** if you're interested in assisting with JOTF's advocacy efforts, or if you'd like to receive weekly policy updates during the legislative session.



JOTF is looking for employers who exhibit best practices in advancing entry-level workers. Help us collect stories of Maryland's best employers by submitting recommendations to [melissa@jotf.org](mailto:melissa@jotf.org).



Would you like to support JOTF's work? Your contribution can help us reach our annual fundraising goal. To learn more about how you can help sustain our efforts to advance low-wage workers to high wage jobs, please contact us at **(410) 234-8040**. Donations can be sent to 231 E. Baltimore Street, Suite 1102, Baltimore, MD 21202.

JOTF is a 501c(3) non-profit organization. If you would like to support our efforts to help low-income workers and job seekers please contact [jessica@jotf.org](mailto:jessica@jotf.org) or call **410-234-8040**.

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