



JOTF Works

JOTF PUBLIC POLICY AGENDA 2008

By Melissa Chalmers Broome

As Maryland's regularly scheduled session of the General Assembly gets underway, JOTF is gearing up to advocate for legislation that will improve the economic opportunities of Maryland's low-skill, low-income workers and their families.

During the 2008 session, JOTF will support legislative and budget initiatives that support adult education, family-friendly sick leave, ex-offender employment, unemployment insurance benefits, and workforce training for low-income families among others.

• INCREASE BASIC EDUCATION OPPORTUNITIES FOR WORKING ADULTS.

One in five Marylanders reads at less than a fourth-grade level. Since a solid education is the cornerstone of a qualified workforce, investing in adult education for Maryland's workers carries benefits to employers, low-income families, and the economy.

Solution: Expand state investment in adult education to ensure sustainable and predictable funding as recommended by the Superintendent's Panel on Adult Education.

Solution: Increase accountability by evaluating adult education performance. The Maryland State Department of Education should collect additional data regarding adult learners' success in employment and post-secondary education.

• ESTABLISH FAMILY-FRIENDLY SICK LEAVE POLICIES.

Managing work and care for young or elderly family members is a fact of life for most Marylanders. Nationally, of workers with paid sick days, less than one in three can use their leave when their child gets sick. Businesses that offer flexible sick leave benefit from lower turnover and training costs, and higher levels of productivity and customer satisfaction.

Solution: Allow employees the flexibility to use their already accrued sick leave not only to care for themselves, but also for an ill child, parent, or spouse.

• PROMOTE THE SUCCESSFUL RE-ENTRY AND EMPLOYMENT OF EX-OFFENDERS.

Each year approximately 15,000 inmates return from prison to communities across Maryland. Possession of a criminal record poses an enormous barrier to mainstream employment. By investing in transitional services in prison and in the community, we can help ensure that these Marylanders find legitimate work, contribute to the economy, and turn their lives around.

Solution: Reduce the stigma posed by a criminal record. Allow for the expungement of certain nuisance crime convictions from a person's criminal history record.

Solution: Support additional job training programs for inmates.



• MODERNIZE MARYLAND'S UNEMPLOYMENT INSURANCE SYSTEM.

Unemployment insurance (UI) is a critical safety net for workers forced to leave their jobs involuntarily. In Maryland, unfortunately, the UI system gives only minimal support to a fraction of workers facing this sudden hardship. Only one-third of unemployed workers receive benefits, with an average weekly payment of just \$275. This is not enough to keep workers and their families out of poverty as they transition into new jobs, or to bolster the economy in times of recession.

Solution: Extend benefit coverage to part-time workers who already pay into the unemployment insurance system.

Solution: Increase unemployment insurance benefits so that workers are able to pay their bills while seeking employment.

• STOP PREDATORY LENDING PRACTICES.

Predatory lending involves a wide array of practices where borrowers agree to unfair loan terms. Although predatory lenders are most likely to target low-income people, victims of such lending are represented across all demographics.

Solution: Enable the Maryland Auto Insurance Fund (MAIF) to offer payment plans so that policyholders are not forced to use premium finance companies. Under current law, MAIF is only allowed to take lump-sum payments on its yearly premiums. Premium finance companies charge interest at an APR of 25-30%.

Solution: Enforce Maryland's existing laws to limit Refund Anticipation Loan (RAL) interest rates. RALs are loans made against an anticipated tax refund.

• ENFORCE RESPONSIBLE ECONOMIC DEVELOPMENT.

Though Maryland spends millions of dollars every year to spur job creation and retention, subsidy recipients are not required to disclose information on whether they meet job creation projections that were initially agreed upon. By not holding subsidy recipients accountable, it is impossible to assess whether the state is meeting its job creation targets.

Solution: Require state agencies to publish annual reports on the jobs created or retained by each company receiving an economic development subsidy, such as a loan, tax incentive or grant.

TAX CREDIT FOR LOW-WAGE WORKERS EXPANDED

The federal Earned Income Credit (EIC) is a tax credit that reduces or eliminates taxes owed by low-income workers. It has served as one of the largest anti-poverty tools in the United States for over thirty years and has lifted more children out of poverty than any other government program.

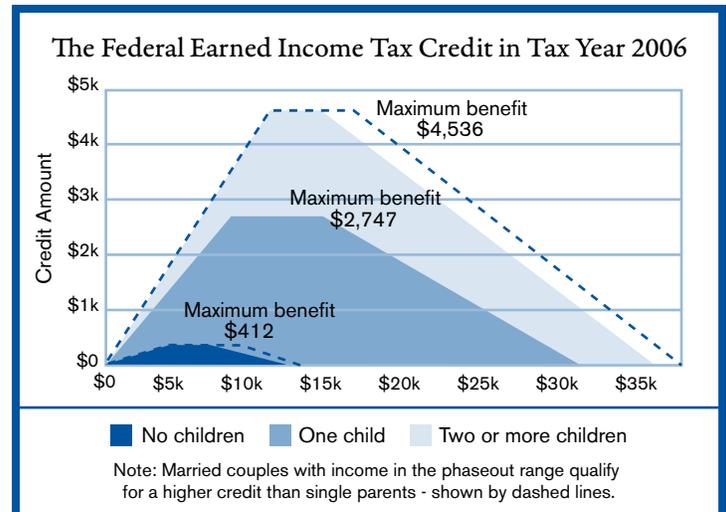
In addition to the federal credit, Maryland is one of 23 states (counting the District of Columbia as a state) that have enacted state-level EICs to supplement the federal credit. Maryland's refundable EIC is available to workers even if they earn too little to owe state income taxes. Up until now, the Maryland refundable credit has been equivalent to 20% of the federal credit, and only workers with children living at home qualified for the state credit.

During the special legislative session, Maryland expanded the refundable portion of the state's EIC from 20% to 25% of the federal credit. This change will help mitigate the regressive nature of the sales tax increase on low-wage earners.

In addition, the legislature voted to allow low-income workers *without* children living at home to claim the credit, which will lead to a refundable increase of about \$103 per worker. Eliminating this restriction will help tens of thousands of employed, low-income Maryland residents fill gaps in their household budgets.

For information on free tax preparation and how to claim the Earned Income Credit, please contact Joanna Ramani at the Baltimore CASH Campaign at (443) 451-4079.

The regular 2008 legislative session of the Maryland General Assembly will begin on Wednesday, January 9. For more information, contact Melissa Chalmers Broome at 410-234-8046 or melissa@jotf.org.



In addition to the recently expanded Maryland Earned Income Credit, low-income workers can also claim the Federal Credit. The chart above shows the EITC benefit structure for families. The greater EITC benefit for larger families reflects recognition that larger families face higher living expenses than smaller families.

SOURCE: Center on Budget and Policy Priorities. "A Majority of States with Income Taxes Have Enacted State Earned Income Tax Credits." October, 2007.

CITY ALLOWS EX-OFFENDERS AN OPPORTUNITY TO APPLY FOR JOBS

Baltimore has removed the box on city job applications that requires applicants to check whether they have been previously convicted of a crime. Banning the box gives qualified ex-offenders a much better opportunity to secure a government position as their application can proceed through the process without the stigma associated with a criminal background. It also sends an important signal to the private sector that it should be more flexible as well.

The change will not apply to "positions of trust," including police officers as well as employees who work with children, have access to personal records of other employees or residents, or handle money.

This effort mirrors successful "ban-the-box" initiatives in other cities, and is championed by supporters as a way to ease employment discrimination against people with criminal records. By removing the question from applications,

candidates will be interviewed based on their qualifications alone, instead of being automatically dismissed due to their checking of the box.

JOTF has been urging the city to do this for some time and hosted a forum last spring in conjunction with the Reentry of Ex-Offenders Clinic at the University of Maryland, School of Law.

Baltimore will now join nine other cities that have already implemented "Ban the Box" policies. They include: Alameda County, CA; Boston, MA; Chicago, IL; Minneapolis, MN; San Francisco, CA; St. Paul, MN; Brockton, MA; Cambridge, MA; and East Palo Alto, CA.

A GREENER PATH OUT OF POVERTY?

What the Growth of Green Industries Could Mean for Low-Wage Workers

By Andrea Payne

As concerns about global warming, sustainability, and the increasing cost of energy converge, the idea of "going green" is going mainstream. Homeowners are realizing they can cut costs by weatherizing, and businesses are finding they can save by building green facilities. Drivers are investing in hybrids to cut down on gas use. Government agencies are retrofitting older buildings to reduce the use of natural resources, and legislators are approving tax credits to encourage environmentally-friendly upgrades. Across the country, we are seeing a move towards greener practices, and a multi-billion dollar industry is developing as a result.

This trend is a win for environmental advocates, but it also has broader economic implications. The growth of green industry also has the potential to benefit low- to mid-skill workers who can no longer depend on traditional manufacturing jobs. Since green jobs require applied technical skills, they generally pay decent wages. And unlike blue-collar jobs, there are many green-collar jobs that simply cannot be outsourced.

Currently, there are few workers with the technical skills needed to fill positions in everything from weatherizing to installation of solar panels to green construction. As these industries grow, ten of thousands of new workers will require training. Advocates for low-skill, low-wage workers should be ready to capitalize on this opportunity.

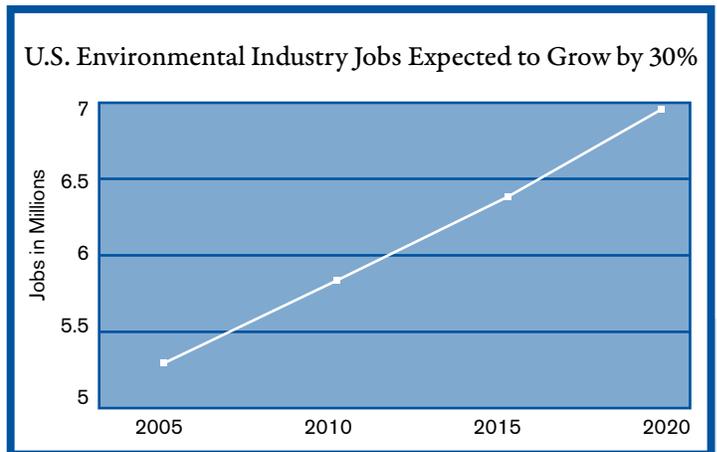
California's Ella Baker Center for Human Rights is leading the charge to turn the green economy into a path out of poverty. In September, the Center launched "Green for All"—a national campaign to raise \$1 billion for green-collar job training. The campaign will target low-skill workers in urban communities. The Center is also developing a pilot training program in Oakland as a model for moving unemployed and disadvantaged workers up the green career ladder. With \$250,000 in seed money from the Oakland City Council, the Green Job Corps is scheduled to start training workers in 2008 for jobs in renewable energy and energy efficiency. If the pilot is successful, the Green Job Corps will expand to other cities around the nation.

Momentum is also building around green jobs at the national level. A piece of federal legislation known as the Green Jobs Act of 2007 (H.R. 2847) could provide \$125 million a year for green job training, with \$25 million specifically designated for programs that create pathways out of poverty. Supporters of the bill see multiple benefits—combating global warming, reducing our dependence on non-renewable resources, and strengthening the economy.

According to Rep. Hilda Solis (D-CA), a co-sponsor of the bill: "This legislation is an opportunity to advance not only the energy security of our nation, but also the economic security of our families. Through targeted job training efforts, we can support both our nation's innovation and technological leadership and lift people out of poverty." The bill passed

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-Rep. Hilda Solis (D-CA)



SOURCE: Management Information Services, Inc. "Job Creation in the Environmental Industry in the U.S. and Nine States." April, 2006.

the House of Representatives, and most measures were included in the Energy bill passed by the Senate (H.R. 6). While the bill faces a veto threat from President Bush, it is clear that green jobs have moved onto the national agenda.

The State of Maryland is starting to focus on energy efficiency, but there is the opportunity to do much more, especially in terms of jobs. Through the

EmPOWER Maryland initiative, Governor O'Malley has set a goal of reducing the state's power consumption by 15% by the year 2015. The initiative will work to make state buildings more energy efficient, and will encourage residents to use more efficient lighting and appliances. Including a green jobs component could take the initiative to the next level. With a skilled workforce, the state could provide weatherization services to more homes, and Maryland could build its green economy.

The renewable energy and energy efficiency industries are only expected to grow. From a workforce development perspective, this is a huge opportunity. The green movement can and should be inclusive—one that not only improves our environmental health, but also the economic stability of local communities.

For more information visit:

www.greenforall.org
www.ellabakercenter.org
www.energy.state.md.us

Job Opportunities Task Force

231 East Baltimore Street

Suite 1102

Baltimore, Maryland 21202

Advocating better skills, jobs, and incomes

FREE TAX PREPARATION!

The Baltimore CASH campaign wants working families to get all the credit they deserve.



Families and individuals can have their taxes prepared for free at one of more than 14 CASH Campaign locations in Baltimore City, including each of the 6 Community Action Centers operated by Baltimore City's Department of Housing and Community Development. And if they qualify, families and individuals can claim the Earned Income Tax Credit (EITC) and other valuable tax credits. Workers who earn less than \$35,000 may be eligible, depending on total income and family size.

To learn more or to make an appointment at one of the CASH Campaign locations, call (410) 685-0525 or visit www.baltimorecashcampaign.org.

WHAT YOU NEED: When you go to a FREE tax location, bring the following:

- A social security card for EACH family member.
- W-2 forms for all jobs worked in 2007.
- Child care provider name, address, and tax ID number.
- A voided check for direct deposit into your banking account.
- A copy of last year's tax return.
- Any document or information about money you have received from the IRS, including the advanced Child Tax Credit.
- All 1099 forms for other income, if any.
- Any other tax related documents you have received.
- Every adult on your return must come in to sign the return.

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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 or call 410-234-8040.