

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

Chairman Rubio and Members of the Committee, it is my honor to appear before you today to discuss the skills gap, the impact of incarceration on the worker, and career and technical education (CTE) and apprenticeship in Maryland.

About JOTF

The Job Opportunities Task Force (JOTF) is an independent, 501(c)(3) nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. We transform obstacles into opportunities for Maryland's workforce by integrating workforce, economic, and community development and to respond to the workforce needs of both employers and job seekers.

Each day, JOTF works to eliminate obstacles to meaningful and stable employment through educational opportunities, job skills training, effective policy reform, and systems change. By doing so, we are able to help low-wage workers advance to high-paying jobs and create employment paths for workers from every background. JOTF takes a comprehensive approach to increasing economic opportunity for Maryland workers by combining targeted skills training, workforce supports, educating policymakers on workforce obstacles, advancing policies to mitigate those challenges, and using high-quality research to support our advocacy agenda while educating and engaging the community.

Program Development

JOTF values effective program development and management as a means of increasing job skills and incomes for low-wage, low-skill workers. JOTF maintains an active role as a workforce intermediary in high growth industries, particularly the construction industry, that help low-wage workers enter the workforce and advance into high wage careers. For the past 12 years, JOTF has partnered with Associated Builders and Contractors - Baltimore to run Project JumpStart, a pre-apprenticeship construction training program that helps low-income workers obtain entry-level construction skills necessary to enter jobs in the building trades with a direct link to apprenticeships. Approximately 75% of residents enrolled in Project JumpStart are unemployed; many have limited work experience and most have a history of significant criminal justice involvement. Thus, Project JumpStart was designed to address these barriers by providing a basic set of entry-level construction skills in carpentry, electrical and plumbing, a strong focus on construction math and measurement, and certifications in safety- OSHA 10, First Aid, and CPR, while simultaneously providing concentrated case management services. We provide each student with a \$25/class stipend to help mitigate costs like transportation, and JOTF pays for students to attend driver's education (\$250) to start them on the path to securing a driver's license, which is crucial for employment. Students receive case management services that include assistance with housing, benefits screening, legal challenges, and financial education. Upon completion, graduates receive job placement support, a set of brand-new industry-approved starter tools, certifications relating to construction and construction safety, and access to JOTF-secured low interest bank loans up to \$2500.

Public Policy Development and Reform

JOTF recognizes the impact of barriers on low-wage workers and promotes policies and programs to eliminate educational and employment barriers to increase the skills, job opportunities and incomes for low-wage workers and job seekers. Our policy priorities generally fall into the following categories:

- adult education, post-secondary access and affordability;
- skills training;
- wages, benefits, and supports;
- reducing the impact of criminal justice involvement and incarceration; and
- transportation.

The development of our annual policy agenda results from hosting and participating in a series of meetings and informational sessions with advocacy partners, businesses, government officials, policymakers and community members. Over the years, JOTF has been instrumental and continues to be a leading voice in educating state and local policymakers and business leaders about some of the most critical workforce issues including: flexible leave, unemployment insurance for part-time workers and new labor force entrants, the impact of a criminal record on workers, sensible child support enforcement policies that promote financial stability for families, and viable transportation options.

Research and Public Education

JOTF performs research projects to deepen our own understanding of the issues impacting our communities and lay the groundwork for future policy recommendations. We use our research to educate the public – businesses, policymakers, government officials, workers and job seekers – on these issues and provide for robust discussion and actionable analysis. Our research continues to drive policy reform efforts and inform and influence effective program development and evaluation.

In February 2018, after a two-year investigation, JOTF released our report, “The Criminalization of Poverty: How to break the cycle through policy reform in Maryland” which examines the ways in which Maryland’s most impoverished individuals are further targeted and criminalized due to inability to pay.

The Criminalization of Poverty report highlights three key themes and related policy recommendations:

- **Common pathways through which the poor are criminalized** – there are several key pathways in which poor individuals, particularly individuals of color, are put at risk of entering the criminal justice system that include racial profiling, civil asset forfeiture, motor vehicle laws, and the collection of civil debts. JOTF makes several recommendations to end common practices that criminalize the poor in these areas, such as eliminating driver’s license suspension as a penalty for nonpayment of fines, creating low-cost auto insurance options for low-income drivers, and enforcing laws that protect against racial profiling.
- **The criminal justice system’s disparate impact on the poor** – after an arrest, certain groups, particularly poor communities of color, face disparate treatment due to inability to afford fines, fees, and the resulting increased debt. JOTF highlights the need to limit the use of cash bail and implementing more robust pre-trial services while eliminating most criminal justice fees.
- **The collateral consequences of a criminal record** – several key collateral consequences present major barriers to economic success for individuals with a criminal background. JOTF’s policy recommendations include expanding “ban the box” laws, expanding and simplifying expungement, expanding correctional education and job training, and opting out of the felony drug ban on TANF and SNAP.

With nearly 25 years of experience in workforce, JOTF is honored to share our expertise with the members of United States Senate Committee on Small Business and Entrepreneurship as a panelist during the Committee's "Small Business and the American Worker" hearing. We hope that the issues we share and recommendations we present will encourage a nuanced discussion and lead to systemic policy changes that will abolish the barriers to employment and skills attainment for marginalized communities, particularly the 1 in 3 Americans with a criminal record, low-income and low-wage workers and jobseekers, and our nation's opportunity youth, all of which disproportionately consist of Black and Hispanic or Latinx populations.

The Workforce Landscape

According to the Georgetown Center on Education and the Workforce, by 2020 about 65% of all jobs will require some form of postsecondary education, and at the current rate of production, the United States will fall short by about 5 million workers.¹ Though new research suggests that previous assessments of the skills gap may have been overstated, there certainly remains gaps in access to the skills training that has the potential to provide opportunities for upward economic mobility and meaningful, stable employment.² This gap in access is particularly true for workers and job-seekers that are low-income, low-wage, have a criminal record, or identify as Black or Hispanic/Latinx.

At the conclusion of the final quarter of 2018, the overall unemployment rate for individuals age 16 and older was 3.6 percent. However, there are significant disparities in unemployment rates based on race and ethnicity. For White and Asian individuals, the rate was slightly lower, at 3.2 and 3.0 percent, respectively. Comparatively, for Black Americans, we see that percentage jump to 6.1 percent, with Hispanic/Latinx Americans experiencing a slightly lower rate at 4.3 percent.³ Additionally, more than 25% of Black or African American individuals were estimated to be less than 100 percent of the poverty level, with individuals identifying as having Hispanic or Latino origin at 22%, compared to 12% of White individuals.⁴

Additionally, a criminal record has collateral consequences for the person, the family and the larger community. Those collateral consequences include penalties, restrictions and sanctions that are imposed outside of the criminal justice system once an individual returns to society. They are imposed as a result of laws, policies and practices and are often shaped by social stigma as well as public safety concerns. And they function to restrict the participation of individuals with criminal records in society. Simply put, the criminal record can serve as both the cause and consequence of poverty.

There are many ways in which a criminal record can become a roadblock for individuals. The three key areas are employment, higher education and public assistance. Numerous studies have found that employment is one of the strongest factors in supporting the successful reentry of individuals with

¹ Carnevale, A. P., Smith, N., & Strohl, J., (2013). Recovery: Job growth and education requirements through 2020. Retrieved from https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_Web.pdf

² Modestino, A.S., Shoag, D., & Ballance, J. Upskilling: Do employers demand greater skill when workers are plentiful?[PDF document]. Retrieved from <https://www.aeaweb.org/conference/2019/preliminary/paper/yySyK7fd>

³ United States Department of Labor Bureau of Labor Statistics. (2019). *Unemployment rates by age, sex, race, and Hispanic or Latino ethnicity*. https://www.bls.gov/web/empsit/cpsee_e16.htm

⁴ United States Census Bureau American FactFinder. (2017). Available from https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml

criminal records and in preventing recidivism. However, individuals with criminal records – including arrest records without any charges or finding of guilt – face major obstacles in finding employment. Limited access to correctional education and job training opportunities in jails and prisons and time out of the job market erode job skills and employability for workers and job-seekers that have experienced incarceration. Likewise, individuals who did not experience incarceration but possess a criminal record that results from interaction with law enforcement face many of the same challenges. The criminal record is the biggest barrier to securing and maintaining stable employment and other critical resources. Consequently, even if individuals are able to find jobs, they are likely low-wage, with few, if any, benefits, and little opportunity for advancement or wage growth.

Further, research has established that education, particularly post-secondary education, is a key factor in increasing upward mobility and earning capacity for all individuals, particularly for individuals with a criminal background. However, there are limited opportunities for education while incarcerated. Individuals seeking to improve their employment prospects through education can find themselves unable to either secure admission to post-secondary institutions or take out student loans due to their criminal history. Currently, while some states, including Maryland, and the Common App have banned questions about criminal history, there is no federal outlawing post-secondary institution from asking about criminal history on the admissions application and use this information to deny admission to individuals with criminal records. These inquiries function to prevent individuals, disproportionately those with low incomes and minorities, from accessing higher education, which can be a key source for skills training attainment. Additionally, there are restrictions on federal financial aid for individuals convicted of drug crimes while receiving federal financial aid, and individuals who are subject to an involuntary civil commitment for a sexual offense. It is likely that individuals who are ineligible for federal aid are also unduly denied state aid because many states adhere to federal guidelines for determining state aid.

Today, nearly 1 in 3 Americans have a criminal record – and despite significant research to indicate that those with a non-violent misdemeanor from many years ago, with no other infractions, pose no additional risk in the workplace – they still face challenges in accessing employment and education. Jobs are the key to economic security and crucial to the successful reentry of those returning to society from incarceration.

Workforce in Maryland

Career and Technology Education (CTE)

Maryland’s Career Technology Education (CTE) model was designed to provide high school students the opportunity to simultaneously pursue technical and academic programs of study, leading to advancement in a selected career field. The Maryland State Department of Education (MSDE) partnered with statewide industry partners to establish career clusters, including:

- Arts, Media, and Communication
- Business Management and Finance
- Construction and Development
- Consumer Services, Hospitality, and Tourism
- Environmental, Agricultural, and Natural Resources
- Health and Biosciences
- Human Resource Services

- Information Technology
- Manufacturing, Engineering, and Technology
- Transportation Technologies

Maryland CTE programming is aligned to establish both academic and technical skill standards, to ensure student success in both college and careers. The programs include work-based learning opportunities, such as internships and industry-mentored projects, as well as academic/classroom study⁵. Students have the option to earn college credits and/or industry-recognized credentials in their selected area of study, depending upon jurisdiction.

Prince George’s County Public Schools (PGCPS), one of the nation’s largest school districts, has recently revamped its CTE and Youth Apprenticeship programming to ensure that students pursuing courses in CTE receive hands-on and experiential learning opportunities, integrated academic and technical education, and connection to local industry partners. PGCPS is enhancing their CTE curriculum to reach more students to provide comprehensive exploration of high-skill, high-demand career pathways while also engaging with local industry professionals to inform the content of CTE programs for the region. Most recently, PGCPS has offered the opportunity to 11th and 12th grade students to enroll in a CTE Construction Trade Program that combines paid work experience, a structured learning environment, and the opportunity to earn a credential. Students who select this field of study work full-time with the PGCPS Maintenance Department during the summer and during their 12th grade year⁶.

Employment Advancement Right Now (EARN)

The Maryland Employment Advancement Right Now (EARN) program established much-needed state funding for job training, employment advancement, and sector strategy opportunities for low-income Marylanders. EARN Maryland invests in strategic industry partnerships from key economic sectors in every region of the state. These partnerships use the power of coordination across education, workforce and economic development initiatives to address the multiple needs of companies, starting with the training of skilled workers. Once formed, the partnerships develop plans to train and educate workers - and place them in meaningful employment. The ultimate aim of EARN Maryland is three-fold:

- Address the demands of businesses by focusing intensively on the workforce needs of a specific industry sector over a sustained period.
- Address the needs of workers by creating formal career paths to good jobs, reducing barriers to employment, and sustaining or growing middle-class jobs.
- Encourage mobility for Maryland's most hard-to-serve jobseekers through job readiness training which may include GED® preparation, occupational skills development, literacy advancement, and transportation and child care components.

Since EARN was established, over 2,900 unemployed/underemployed participants have completed entry-level skills training and over 5,600 workers have participated in incumbent worker training,

⁵ Maryland State Department of Education. (2017). Maryland high school career and technology education programs of study [PDF file]. Retrieved from <http://www.marylandpublicschools.org/programs/Documents/CTE/CTEBlueBook2017.pdf>

⁶ Prince George’s County Public Schools. Career and technical education task force report. (2017). Retrieved from <https://www.pgcps.org/career-technical-education/cards/CTE-Task-Force-Report-and-Survey/>

obtaining additional credentials, certifications and/or skills. The analysis of training funds invested in FY18 demonstrated that for each dollar the State invested in EARN, an additional \$18.50 is created in economic impact for the state.⁷

Apprenticeship

The More Jobs for Maryland Act, effective beginning June 2017, provides tax incentives for new and existing manufacturers to create thousands of jobs, along with additional workforce development initiatives that the governor supports, including the registered apprenticeship program. In Maryland, registered apprenticeships are jobs where workers “earn and learn.” While working on the job, employees receive one-on-one full-time training from a skilled craftsperson as well as related classroom instruction. An apprentice is “sponsored” by an employer or association and is paid according to a progressive pay scale. A registered apprenticeship sponsor is a business or association that manages a registered apprenticeship program that has been approved by the Maryland Apprenticeship and Training Council. A sponsor can also be the apprentice employer. Eligible registered apprenticeship sponsors and participating/signatory employers who hired a registered apprentice beginning in January 2017 may qualify for a \$1000 tax credit for each eligible registered apprentice.

Opportunity Zones

In December 2017, Congress passed the Tax Cuts and Jobs Act (TCJA) establishing Opportunity Zones in low-income census tracts to spur investments in distressed and underserved communities through the provision of tax incentives. In Maryland, there are 149 tracks approved as opportunity zones across the state, with large concentrations in Baltimore City (42) and Prince George’s County (25). In addition to the federal tax benefits, Maryland Governor Larry Hogan has proposed offering state tax incentives for opportunity zone investors in Maryland that include: temporary deferral of taxable income for capital gains reinvested in an Opportunity Fund; additional temporary tax exclusion for investors with properties held up to seven (7) years; and permanent exclusion from taxable income of capital gains accrued after an Opportunity Fund investment if the investment is held for at least 10 years.

According to the Maryland Department of Housing and Community Development, there are nearly 589 census tracts eligible to be “opportunity zones” in Maryland. That is nearly 600 communities with a 20 percent individual poverty and a median family income 80 percent or less of the area’s median across the state. And while only about 150, or 25 percent, were approved due to program restrictions, it is clear that there is a dire need for investment in under-resourced, distressed communities across the state. Coupled with a statewide unemployment rate of 3.9 percent with significantly higher rates for Black (6.5) and Hispanic/Latinx (4.7) populations, additional jobs, particularly those that are meaningful, stable, and provide living wages, are a necessity to ensure that Maryland’s families are able to thrive and strengthen our economy. Incentivizing companies - particularly those in the growing fields of biotechnology and cybersecurity - to bring additional development to these communities, hire locally, and meaningfully engage community members in the decision-making process is a great step towards community-driven revitalization and development.

⁷ State of Maryland Department of Labor, Licensing, and Regulation. (2018). EARN Maryland 2018 Annual Report. Retrieved from <https://www.dlir.state.md.us/earn/earnannrep2018.pdf>

Recommendations

Given the vast number of Americans experiencing poverty and living in distressed communities, it is necessary that we work to narrow the gap in access to skills training and meaningful, sustainable employment in order to produce a healthy economy and increase economic upward mobility, particularly for marginalized communities. We suggest that the following policy recommendations:

- **Increase Funding Levels**
 - Provide additional funding for work-based training programs, including, pre-apprenticeships, apprenticeships, CTE, and job training. Current policy that can be considered:
 - The JOBS Act: Expands Pell grants to people seeking short-term training programs that lead to in-demand jobs.
 - Increase WIOA funding for pre-apprenticeships and apprenticeships, including funding for issues that apprentices may need additional support to address, such as transportation and day-care.
- **Diminution Credit Incentives**
 - Research shows that correctional educational accomplishment reduces recidivism and creates pathways to employment. In order to encourage inmates to complete classes, establish a 30-day diminution credit bonus to be awarded to those who earn their GED or high school diploma, complete a literacy skills program, post-secondary certificate or degree, or 2- or 4-year college degree.
- **Occupational licensing**
 - Limit criminal history consideration to a “look-back” period of no more than 5 years as data shows that after 3-4 years without recidivating, a nonviolent offender is no more likely to reoffend than someone with no record; limit consideration of a criminal history to crimes that are “directly related to” the occupation or will “directly impact the public safety” of those served by the occupation.
- **Ban the box on college and job applications**
 - Ban post-secondary institutions from inquiring about criminal history on the admissions application and use this information to deny admission to individuals with criminal records. These inquiries function to prevent individuals, disproportionately those with low incomes and minorities, from accessing higher education, which can be a key source for skills training attainment. The same case can be made for employment.
- **Criminal Record Expungement**
 - Limit public access to criminal background information; allow for automatic expungement of non-convictions; and, increase access to expungement and shielding for certain misdemeanor and felony convictions
- **Opportunity Zones**
 - Create tiered incentives, such as tax credits and wage rebates for Opportunity Zone businesses that choose to pursue local hiring, local job creation, community engagement and providing job training.

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