

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 835
Economic Matters

(Delegate Attar)

Finance

Labor and Employment - Incentive Programs for Hiring and Retraining - List

This bill requires the Maryland Department of Labor (MDL) to develop a list of any federal or State incentive programs available to an employer who hires and trains formerly incarcerated individuals. MDL must make the list accessible on the main page of its website.

Fiscal Summary

State Effect: None. MDL can implement the bill with existing resources since it currently already posts many of the resources available to an employer who hires and trains formerly incarcerated individuals on its website.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: MDL oversees and/or supports various programming related to inmates at Maryland's correctional institutions and returning citizens.

Chapter 726 of 2019 established an Apprenticeship Career Training Pilot Program for Formerly Incarcerated Individuals. As provided in the State budget, MDL must administer the pilot program and provide grants on a competitive basis to employers that employ formerly incarcerated apprentices who live in Baltimore City or Dorchester County and meet specified criteria. The grant is a maximum of \$1,000 for each qualified apprentice.

The Governor must include at least \$100,000 annually in the State budget for fiscal 2021 through 2023 to provide grants to eligible employers and to cover administrative costs.

MDL administers the [Federal Bonding Program](#), which provides fidelity bonds to businesses that hire qualified high-risk applicants, including individuals with a history of arrest, conviction, or incarceration. Fidelity bonds insure the business against stealing by theft, forgery, larceny, or embezzlement.

The federal [Work Opportunity Tax Credit](#) provides an incentive to employers to hire targeted groups of hard-to-employ individuals, including qualified ex-felons. The credit is generally 40% of the first \$6,000 of qualified wages paid to each member of a targeted group during the first year of employment and 25% in the case of wages attributable to individuals meeting only specified minimum employment levels. The credit was extended through tax year 2020.

The MDL Division of Workforce Development and Adult Learning's [Office of Correctional Education](#) oversees academic, occupational, and transitional programming for inmates at Maryland's correctional institutions.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

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