

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF HOUSE BILL 1086:

Workgroup to study Basic Economic Security

TO: Chairman Derrick E. Davis and Members of the House Economic Matters Committee

FROM: Derrell Frazier, Policy Advocate

DATE: March 10, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates for policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. JOTF supports HB 1086 as a means to ensure that low wage workers in the state of Maryland have access to equitable education and jobs in the state of Maryland.

Over the past three decades, broad economic shifts in the United States have led to stagnant or declining earnings and employment rates for workers without postsecondary education or training. These trends, which were exacerbated by the Great Recession and the ensuing slow recovery, have been particularly severe for men. For example, male workers with less than a high school education earned on average \$17.45 per hour in 1975 (in 2011 dollars), compared with only \$12.71 in 2011, a 27 percent decline. Less-educated men are more likely to become fathers at a relatively early age. Among men with less than a high school education, 38 percent are fathers by age 22, and 73 percent are fathers by age 30 (among fathers with a bachelor's degree, the corresponding figures are 3 percent and 38 percent).

Economic security is a critical part of the overall health and well-being of women, men, and children. To experience economic security, working adults must have enough income to meet their basic monthly expenses—such as housing, food, transportation, and child care expenses—and save for emergencies and retirement. The Basic Economic Security Tables (BEST) Index provides a measure of how much income working adults of different family types need to be economically secure in each state.

JOTF's recently released report entitled, "The Criminalization of Poverty," studies how the fines and fees related to the criminal justice system burden the poor, even once they are released. Studies show that 80 to 85 percent of those who are released have debt due to fees incurred while incarcerated, which includes fees for electronic monitoring, home detention monitoring and GPS monitoring. This estimates to approximately 10 million individuals who owe more than \$50 billion in debt that is likely to never be repaid due to financial circumstance. This debt further impoverishes already indigent individuals, who lack access to educational opportunity and are less employable due to their criminal record.

For the 10 percent of Marylanders living below the federal poverty line, the management and repayment of even small debts can be a major challenge. This challenge is further exacerbated for those with a criminal record, a significant barrier to employment. However, despite these known obstacles, those who interact with the criminal justice system are levied with fees and other criminal justice system fines in order to access pretrial release. While Maryland has moved away from the "cash bail" system, other forms of release are still similarly situated. Simply put, there are still significant fees related to pretrial release and heavy fines allocated to those who fail to comply with their pretrial release conditions without any regard for the defendant's ability to pay.

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Senate Bill 1086 seeks to establish a Workgroup to Study Basic Economic Security. This workgroup will provide the composition, Co-Chairs, and staffing of the Workgroup. This bill will establish the duties of the Workgroup and prohibit a member of the Workgroup from receiving compensation.

We believe that what is proposed in HB 1086 is a significant step towards ensuring that those low wage workers in the state of Maryland has a chance of accessing higher wages. For these reasons, we urge a favorable report of HB 1086.