mike rosenbaum
FOR MARYLAND

MAKING IT EASIER TO WORK

TRANSFORM MARYLAND

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Making It Easier to Work

Tackling barriers to work, from child care to transportation and more

In many ways, COVID-19 has fundamentally altered all of our lives and our jobs. From major supply chain issues to the meteoric rise of remote work, the pandemic has changed the economy in ways both big and small. In other ways, though, it has simply exposed challenges that have existed for years, if not decades—making solutions all the more urgent.

I am running for governor because I believe we have to challenge the systems that lock far too many out of opportunity—preventing every single Marylander who wants a good-paying job from being able to get one. But despite a widespread labor shortage that has affected Maryland, the United States, and countries around the world, for many, pursuing a career has never been more difficult. While some have blamed enhanced unemployment benefits as the entire explanation for why potential workers have stayed at home—and others have blamed employers for offering jobs that simply do not pay enough—the fact is, we have created a winner-take-all economy that has all but ignored the plight of working families and the disappearance of pathways to a secure life, and COVID-19 has only made those challenges worse.

Even before the pandemic, Marylanders trying to find and hold good-paying jobs faced too many obstacles—jobs that do not cover the cost of living and child care, a lack of access to skills training (or inability to afford it), inadequate public transportation to get to work, personal or familial health issues, and skyrocketing child care costs, to name just a few.

Soon, I will be releasing my jobs plan, Maryland 2030, that will help guarantee opportunity, training, and a career in health care, technology, the skilled trades, and manufacturing, lifting wages by tens of thousands of dollars for participants while providing employers across the state with the skilled workforce they need to not only recover, but to grow and to thrive. But my plan for Maryland will only be able work if Marylanders are able to work.

That is why I also have a plan to make it easier to work—especially for those undergoing training to pursue new careers and better-paying jobs. We simply cannot afford to continue to allow so many talented, ambitious Marylanders to be held back in their careers and their lives because of our failure to provide the support they need to succeed.

My plan tackles head on some of the biggest barriers to success for working families—skyrocketing child care costs, deteriorating public transportation, and bridging the gap to the first paycheck. Surveys have shown that child care obligations are among the leading reasons Americans have struggled to go back to work; it is no surprise that mothers have returned to the workforce more slowly than fathers. For those who have returned to the office or job site, getting there is often a major barrier, and the pandemic has created new funding challenges. And studies have shown that even small amounts of financial assistance can significantly improve workers' prospects of attaining, and maintaining, full-time work.

I am proposing an economy-wide version of what I have done through the companies I have started—so that each person can work, learn, grow, and live a life of security and dignity. I truly believe that Marylanders want to "get to work"—but time and time again, a lack of support blocks them from doing so. By breaking down the barriers to work, we can make it easier to work. So, let's get to work.

Sincerely,

Mike Rosenbaum

Setting Marylanders on a Path to Success

While politicians of both parties talk about the value of work, we have designed a system that frequently punishes workers. Consider the following:

- Child care in the United States costs workers more of their income than in all but five other OECD countries.[1]
- We have underfunded mass transit by tens of billions of dollars.[2]
    - The Washington Metropolitan Area Transit Authority (WMATA) did not have dedicated funding until 2018.[3]
    - Gov. Larry Hogan canceled Baltimore's Red Line,4 even as Baltimore's mass transit completes half the trips per capita as WMATA.[5]
- An inability to afford basic expenses needed for good-paying jobs—things such as formal clothes or a bus ticket—has been among the leading financial barriers to careers.[6]

None of this is inevitable and all of it is the result of deliberate policy choices. But we cannot simply give people the ability to develop skills to succeed and ensure each person moves into a career in order to complete the task; we also have to make it easier to work. By focusing on the areas most likely to inhibit work, we can set more Marylanders on a path to success.

Ensuring Affordable Child Care

As we continue the pandemic recovery, the inability to find or afford child care was listed as the number one reason for not returning to work by unemployed respondents in a recent poll—ahead of any health-related concerns or disincentives caused by augmented unemployment insurance benefits.[7] Given the drastic increase in costs over the last 30 years, child care has become unaffordable for an increasing number of Marylanders. Between 1985 and 2011, the cost of child care went up by more than 70 percent,[8] significantly outpacing middle class workers' salary gains. In fact, one study found nearly two million parents have "had to quit a job, not take a job, or greatly change their job because of problems with child care."[9]

We must take "an all of the above" approach to child care, including:

- Lean into child care and other family support measures included in the Build Back Better plan, leveraging federal dollars to make child care more affordable and accessible.
- Provide full-day universal pre-K for 3- and 4-year-olds, allowing kids to enjoy long-term success and security, and allowing parents to work.
- Increase child care capacity statewide by offering tax credits to participating employers who provide on-site child care and ensuring providers are paid promptly.
- Provide participating workers with subsidies to make child care more affordable.
- Ensure child care is not a barrier for any Maryland 2030 participant engaged in upskilling.

Build Back Better

While the outlook for the Biden administration's Build Back Better agenda—which includes the many provisions of the American Families Plan that benefit children and families—remains uncertain, its passage would make many of the below investments in pre-kindergarten education and child care more immediately feasible, reducing the financial burden on the state and expediting the timeline for implementation.
While precise details and funding levels could still change, the $250 billion for child care and $200 billion for universal pre-k education that are included represent "a once-in-a-generation opportunity for comprehensive investment in our nation's young children."[10]

In addition to extending crucial tax credits—including the recently-expanded child tax credit and the Child and Dependent Care Credit, which can reduce child care costs for families by thousands of dollars annually[11]—the legislation also would include significantly augmented block grants to states to enhance, improve, and expand high-quality child care offerings; and limit annual child care costs for low- and middle-income families.[12] It also would substantially ease the transition for the state toward implementing a truly universal pre-k program for all Maryland 3- and 4-year-olds.

Full-Day Universal Pre-Kindergarten

The District of Columbia has offered full public funding for full-day pre-k education to all 3- and 4-year-olds, regardless of family income, for over a decade now. While the program has been expensive, the investment has been worthwhile; some 73% of 3-year-olds and 84% of 4-year-olds in the city participating, creating a "diverse group of students" that benefits everyone.[13] Universal pre-k there has also had "a large positive effect on maternal labor supply—comparable in magnitude to the impact found in studies of universal preschool programs in other countries"; other benefits could include "faster growth in gross domestic product (GDP); stronger financial security for young families; and fewer career sacrifices by women, who assume a disproportionate share of their families' care responsibilities."[14]

The Biden Administration is also on board, including in the American Families Plan a proposal to offer "free, high-quality, accessible, and inclusive preschool to all three-and four-year-olds."[15] Maryland's pre-k expansion to more low- and middle-income families over the coming years should be seen as a step toward an ultimate goal of providing "free, high-quality, accessible, and inclusive" pre-k—not just for all Maryland 2030 participants, but for all 3- and 4-year-olds in the state. .

Incentives and Support to Increase Child Care Capacity Statewide

Employers of all sizes are well-aware of the important role access to affordable child care plays in the career success of their employees—and the COVID-19 pandemic has only made this issue all the more urgent. A June 2021 poll, for example, showed that, among adults receiving unemployment insurance benefits, child care obligations were the *leading* reason for turning down a job offer during the pandemic, outpacing COVID-19 itself, health limitations, or the effects of augmented unemployment benefits.[16] Employers have taken note, with some now offering subsidies to employees to make child care more affordable;[17] and others offering on-site child care programs of their own, with impressive results in terms of employee retention and work engagement.[18] (Though unlike private employers in many ways, the military has become a national model for child care, offering high quality, relatively low-cost services to families with young children on military bases;[19] today, it is "the largest employer-sponsored child care program in the United States."[20])

At the federal level, employers can claim tax credits for doing just this, incentivizing them to provide on-site care in a way that doesn't break the bank for small businesses; many states have similar provisions in their own tax codes as well. (Patagonia, the clothing company, has utilized the federal credit to the maximum amount for years while providing on-site child care to all employees; they have estimated that the benefits more than make up for the cost to the company.[21]) Maryland should enact such a credit in order to boost on-site care, which also will serve to enhance overall availability statewide.

Boosting funding for public child care programs can improve quality and increase capacity, but the timing of funding also plays a role. Many child care providers are small businesses, with few employees and limited cash to cover payroll. By having the state ensure that all providers, public and private, receive payment quickly, easily, and, if needed, up-front, we can help more providers keep their doors open, thereby increasing child care availability and building capacity statewide. The benefits of increased capacity and greater financial security for providers statewide more than outweighs the limited fiscal risk taken on by the state in enacting this policy.

Subsidies to Make Child Care More Affordable

The Biden administration's American Families Plan calls for covering the cost of child care for children up to the age of five from low-income families entirely; and for limiting the cost of child care for children up to the age of five from middle-income families up to those earning 1.5-times the state's median household income to 7% of their income by providing tax breaks.[22] (In Maryland, the median household income in 2019 was $86,738; 1.5-times the median household income was $130,107.[23]) Regionally, the District of Columbia, in 2018, passed the Birth to Three Act to expand eligibility for child care vouchers and ensure that no family spends more than 10 percent of household income on child care.

Depending on action at the federal level, Maryland should either pursue this policy at the state level (limiting child care costs for low- and middle-income families to 7% via tax breaks or subsidies); or supplement the federal policy to further reduce child care costs, for example, by limiting families' costs to just 5 percent of household income—a policy objective that would have dramatic positive effects on countless Maryland families, and that would be far more affordable to the state without federal legislation getting us part way there. This program could begin with all Maryland 2030 participants, with the goal of eventually expanding to all Marylanders in coming years.

Child Care Guarantee

Between a statewide expansion of pre-k education under the Blueprint for Maryland's Future, new state incentives for employers to provide on-site child care services, enhanced state subsidies for Maryland 2030 participants to be able to afford public or private child care, and the potential for action at the federal level to make care more affordable and increase the number and improve the quality of providers, many more working families will be covered.

But we need to ensure that no participant—or potential participant—in Maryland 2030 is unable to get the skills and job training they need, and pursue the career of their choice, because child care remains a barrier, whether it be an issue of affordability, accessibility, or quality. We will work with stakeholders, providers, private employers, and non-profits to fill any gaps that remain. And as the state expands both child care and pre-k options and increases funding levels, we will work to ensure that all Marylanders have access to high-quality, affordable child care.

Ensuring Reliable Transportation

Maryland 2030 will bring hundreds of thousands of jobs to our state. By bringing jobs back to Maryland—instead of Virginia or Washington, D.C.—we can reduce commute times for countless Marylanders, address traffic issues across the state, and transform the environmental impact of more and more cars on the road for longer and longer. When my mother was involved in Montgomery County politics in the late 1970s and early 1980s, the major topic was traffic and expanding roads; when I was volunteering in Montgomery County in the late 1990s, the major topic was traffic and expanding roads; today, the major topic is traffic and expanding roads. We have been having the same conversation across our state for half a century. If we move the jobs closer, we will address congestion, environmental issues, our tax base, and quality of life. At the same time, we have to ensure that everyone in Maryland is able to commute to their career, wherever it may be.

It may be obvious, but you cannot work if you cannot get to your job. In fact, this problem is all too common. A 2019 poll of Baltimore-area residents found that one in four "reported issues with getting to work or home using public transportation"; many of those surveyed reported not having an active driver's license, and even for those who had one and had access to a personal vehicle, commute times often exceeded an hour each way, making responsibilities such as child care harder still.[24] The same survey from five years earlier similarly showed transportation issues to be a major barrier to steady employment, demonstrating the entrenched nature of the problem.[25](Surveys of both low-income[26] and under-employed or unemployed workers[27] in other states have shown that the problem is not limited to Maryland.)

The pandemic has made this even worse, as mass transit schedules were decimated because of reduced ridership. In the short term, we must ensure that all participants in Maryland 2030 can get to work. As governor, I will work to reduce commute times by moving jobs closer to home and ensure all Marylanders have access to affordable transportation. We will do the following:

- Take full advantage of the once-in-a-generation public transportation investments included in the federal bipartisan infrastructure bill.
- Provide free public transportation for all program participants for the duration of their enrollment in Maryland 2030—and a whole year after leaving.
- Work with participating employers to cover transit gaps, particularly last mile transportation.
- Ensure a fully funded WMATA.
- Invest in a comprehensive rail system in Baltimore, instead of cancelling necessary expansions.
- Connect all of Maryland while addressing the needs of commuters throughout the state.

Bipartisan Infrastructure Bill

As with the multi-trillion-dollar reconciliation bill that includes key child care and early education funding, the bipartisan infrastructure bill's future remains uncertain, despite passage in the Senate earlier this year. The $550 billion in new federal spending would include "$65 billion to expand high-speed internet access; $110 billion for roads, bridges and other projects; $25 billion for airports; and the most funding for Amtrak since the passenger rail service was founded in 1971."[28] Investments in mass transit would be significant—$39 billion to "modernize public transit," $66 billion for passenger and freight rail, and $12 billion for intercity rail service; all-told, it would be "the largest federal investment in public transit in history."[29]

These once-in-a-lifetime investments would allow Maryland to jumpstart many of the ambitious transportation projects and initiatives outlined below, making getting to work easier, safer, and more affordable for hundreds of thousands of working Marylanders all across the state.

Free Transit for All Maryland 2030 Participants

Having the funds to pay for a bus ticket to and from a job—or continuing education program, apprenticeship, or any form of skills training—should never be a barrier to moving forward in one's career, but all too often it is. While major investments in system-wide public transit are desperately needed, they also are expensive, and take time to come to fruition. Even a perfectly functioning train system, for example, can still prove cost-prohibitive for individuals pursuing job training in the short term.

Cumulative participants in Maryland 2030 will total fewer than 300,000 through the program's first four years. While some will no doubt have access to private modes of transportation—or live within walking or biking distance of the locations where they will undergo job and skills training—many others will depend on various modes of public transit to reach their training sites. To ensure their success—both during training and once they are on the job and pursuing new careers—all participants in Maryland 2030 will receive free access to public transit from the moment they are enrolled until a year after leaving the program.

Working With Participating Employers to Cover Transit Gaps

Even if an individual has reliable access to public transit and the resources to afford it, there still is no guarantee they will be able to easily get to their places of education, training, or work, particularly when it comes to the first and last mile of the journey. Investing in comprehensive public transit systems, from rail to circulators and more, will go a long way toward reducing the need for employers and private entities to step in with solutions, but some gaps may still remain.

To ensure all Maryland 2030 participants are able to get to their apprenticeships, their places for skills development, and, eventually, their jobs, we will work with private employers to provide last mile transportation on a reliable schedule for all program participants; and ensure that those who pursue public sector jobs likewise are not stymied by last mile transit gaps. By thinking creatively, we can find solutions to commuters' challenges, whether that be on-demand shuttles or state incentives for things such as corporate bike share programs.

Full Funding for WMATA

Since it opened in 1976 until 2018, Metro was the only major subway system without a dedicated, permanent funding source. The new investment was set to help Metro "to buy new rail cars and buses, upgrade track and power systems, modernize stations and make other improvements." (It also came not long before Metro's 10-year federal funding program—which provided $150 million annually to the system—was set to expire.)[30] But just as Metro appeared headed for greater stability, COVID-19 hit, and the system began running a half a billion-dollar funding deficit.[31]

Despite some $800 million in CARES Act funding for WMATA operating costs, the system continues to face the challenges of budget shortfalls and potential layoffs amidst significantly reduced ridership.[32] Indeed, a budget hearing earlier this year—which noted that rail ridership was still down 90%, while bus ridership was down 60%--showed the system still faced a $210 million funding gap with the continued threat of station and route closures and reduced hours and service.[33]

It should go without saying that while paying for a robust public transit system is expensive—especially during a pandemic that has decimated ridership revenue nationwide—failing to do so will be far more costly. Our next governor should promise to provide full and adequate funding for the WMATA throughout their time in office—not make threats to withhold money from the system.[34]

The provisions relating to Metro in the bipartisan infrastructure bill would reauthorize the Passenger Rail Investment and Improvement Act of 2008 "provide $150 million in capital and preventive maintenance grants for fiscal years 2022 through 2030." The bill also would "boost accountability and public confidence" by increasing funding for the agency's internal watchdog.

These are much needed measures that need to be pursued, with or without passage of this particular legislation.[35]

Investments in Baltimore Transit

Maryland taxpayers spent $300 million in planning, design, and land acquisition for the Red Line[36] and we are all currently paying higher gas taxes meant to fund the Red Line, but Gov. Larry Hogan killed the transit expansion,[37] giving back $900 million in already-secured public funding.[38] The line was projected to create 13,000 jobs and help generate more than $6.5 billion in regional economic activity.[39]

While not every detail of the Red Line was perfect, we should be focused on creating a unified rail system in Baltimore and using newly available transit funding to help pay for it. The public transportation funding included in the bipartisan infrastructure bill now before Congress may make this project feasible once again, and a provision include in the pending legislation "could help revive" the project. The "project reentry" provision, which calls for the U.S. secretary of transportation to consider "projects that seek an updated rating after a period of inactivity," has the strong backing of the state's federal delegation, but progress would wholly depend on a willing and supportive administration in Maryland.[40]

Connect All of Maryland

We need to make serious investments in transportation that gets people to work, no matter where they are in Maryland. This does not just mean investing in rail transit, but all forms of public transit. From the MARC (Maryland Area Regional Commuter) Train Service to commuter busing, we should prioritize transit funding based on what gets the most people to work.

Baltimore County, for instance, has pushed for more state funding to establish free bus routes throughout the county, but a lack of state support has thus far stymied those efforts.[41]The Regional Transit Plan for Central Maryland was finalized in 2020 amidst the ongoing COVID-19 pandemic, but its vision for the region over the next two-and-a-half decades will not come to fruition without adequate resources at the state (and federal) level.[42]

Bridging the Gap to the First Paycheck

We all know there are costs to starting a new business, but many people forget the costs of starting a new job. You need reliable child care, transportation, proper attire, and any number of various and sundry expenses that you must pay for before you get your first paycheck. These expenses are a significant barrier to employment for many. Indeed, a 2019 survey of job seekers in the greater Baltimore Area found that the inability to afford basic things such as professional clothes or a bus ticket to work one of the most significant financial barriers to employment, with 40 percent of respondents listing it as a major or minor issue; only low-paying jobs and the cost of training and education were bigger financial roadblocks.[43]

An experiment in Stockton, Calif. That gave people unrestricted cash showed how this works in the real world. Those who were given cash were more than twice as likely to get a new job as those who were not given the cash, leading to 12 percent more of the sample population having a job than when the experiment started.[44]

You should not have to wait on your first paycheck to be able to get what you need to work. Maryland 2030 will provide a loan of $2,000 to each participant to cover any expenses. Upon completion of the first stage of skills development, this loan will be forgiven.

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