

Federal and Local Tax and Hiring Incentives for Brownfields Job Training Program Graduates



Introduction

This fact sheet provides an overview of the types of incentives that may be available to environmental employers to encourage the hiring of Brownfields Job Training graduates and other local environmental professionals. Nearly every major metropolitan area in the U.S. has an EPA-funded program, so employers should be able to identify qualified local professionals. Hiring graduates from EPA-funded Environmental Job Training programs can provide many benefits to potential environmental employers. For example, graduates of Brownfields Job Training programs have already been meticulously screened, often times including drug testing. They have confirmed knowledge in essentials such as OSHA HAZWOPER training, environmental sampling and analysis, green cleanup and deconstruction methods, lead and asbestos abatement, and a wide range of other relevant topics. Through completion of a Brownfields Job Training Program, graduates demonstrate their professionalism, commitment, and eagerness to work.

In addition to the skills and drive possessed by Brownfields Job Training graduates, there are a number of other incentives for environmental employers to hire them. There are federal—and in many cases, state and local—tax credits and other financial incentives for companies that employ Brownfields Job Training program graduates. Many local workforce development organizations also offer recruitment services, help in obtaining tax credits, and other types of assistance to employers.

Federal Incentives for Hiring Graduates from Brownfields Job Training Programs

Work Opportunity Tax Credit (WOTC)

www.doleta.gov/business/Incentives/opptax/

Administered under the U.S. Department of Labor (DOL), the WOTC applies to employers that hire from one of twelve target groups that have consistently faced significant barriers to employment, to help those people move from economic dependency into self-sufficiency. Some of the eligibility criteria include:

- An employee living in federally designated Empowerment Zones (EZs), Enterprise Communities (ECs), or Renewal Communities (RCs).*
- An employee having received federal financial assistance, such as Supplemental Security Income, Food Stamps, or Temporary Assistance to Needy Families (TANF) payments
- At-risk youth and unemployed veterans.

Financial incentives, in the form of tax credits, can be as much as \$2,400 for each new adult hire, or as high as \$9,000 if the employee is a long-term TANF recipient. Visit the WOTC Web site for eligibility specifics and information on how to make use of this tax credit.

Federal Bonding Program

www.bonds4jobs.com/index.html

Also administered by DOL, the Federal Bonding Program is an employer hiring incentive that guarantees the job honesty of what are perceived as high-risk employees (e.g., ex-offenders, recovering substance abusers, welfare recipients, and economically disadvantaged youth with no work history). The program offers financing of Fidelity Bond insurance, free-of-charge to employers, for the first six months of a new hire's employment. This insurance will reimburse the employer for any losses due to employee theft of money or property, with no deductible amount. Losses not covered by the program include liability due to poor workmanship, job injuries, or work accidents. Visit the Federal Bonding Program Web site for additional information on qualifications and restrictions.

Empowerment Zone Employment Credit and Renewal Community Employment Credit

www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm

As part of the Community Renewal Initiative funded by HUD's Office of Community Planning and Development, these credits are available to businesses that hire employees who both live and work for the employer in either federally designated Empowerment Zones or Renewal Communities.* Businesses can take an annual tax credit of up to \$3,000 for each employee within an EZ, and an annual tax credit of up to \$1,500 for each employee within an RC. There is no limit to the number of employees a business can claim with either of these credits, and both full- and part-time employees can qualify.

Note that these HUD credits were originally scheduled to sunset at the end of 2009; renewal was pending in Congress at the time of this fact sheet's publication. Contact HUD's Office of Community Planning and Development at (202) 708-6339 or at OCRTaxCredit@hud.gov to determine the status of these credits and employer eligibility.

Students in Seattle/King County, Washington



* To determine if an address lies within an Empowerment Zone or Renewal Community, please visit HUD's EZ/RC Address Locator at egis.hud.gov/egis/.

State/Local Incentives for Hiring Graduates from Brownfields Job Training Programs

While state and local incentives vary, many major metropolitan areas have what are commonly known as “First Source” programs, which are designed to match residents of neighborhoods with high poverty and unemployment rates with jobs created in whole or in part by municipal funding. In regard to brownfields cleanup and the graduates of environmental job training courses, First Source and similar programs are often the perfect catalyst to finding qualified staff for employers in need. Often, these programs also work with employers to help find and apply any tax credits or other incentives that result from hiring new workers. Some examples of First Source and similar programs, as well as local incentives, are provided below.

Baltimore, Maryland

www.civicworks.com/

Baltimore’s Civic Works organization, which oversees the EPA-funded “B’more Green” Brownfields Environmental Job Training program, has partnered with Maryland’s Department of Human Resources to offer a six-month, 80 percent wage subsidy to employers that hire B’more Green graduates.

Denver, Colorado

www.renewdenver.org/about-dura/sbe-first-source-hiring.html

The Denver Urban Renewal Authority’s (DURA) Division of Workforce Development runs a First Source Hiring Program that provides incentives to hire residents that fall below the 80th percentile of the Area Median Income (AMI) established by HUD for the Denver metro region. Employers who participate in this program may be eligible for tax increment financing or similar assistance from DURA.

New York City / State of New York

www.stnicksnpc.org/

www.labor.ny.gov/businessservices/EDSU/EDSU%20Index.shtm

In Brooklyn, New York, the Workforce Development division of St. Nicks Alliance (a community development corporation that has operated since 1975) oversees an Environmental Job Training program that has been funded in part through EPA Brownfields grants. St. Nicks works with local employers to make them aware of incentives available on both the federal and state levels—including those provided through New York’s Department of Labor. These state incentives include Wage Tax Credits of up to \$3,500 for eligible employers; and multiple tax credits and exemptions for employers located within any one of New York’s 72 designated Empire Zones, which include some of the most economically distressed areas of the state. In addition, St Nicks offers tax credits directly to employers; companies hiring the program’s graduates can be reimbursed for salary and benefit expenses for 12 weeks at a rate of up to \$12 per hour.

Northeast Florida/ State of Florida

www.worksourcefl.com/

employers.aspx

www.employflorida.com/

The First Coast Workforce Development Agency, known as WorkSource, provides employer services (primarily, matching workers with jobs) in six counties along Florida’s northeast coast. Covering the entire state, Employ Florida offers employer assistance that includes comprehensive recruitment assistance as well as finding tax credits and other financial incentives.



Students from the Brownfields Job Training program at the Heritage Health Foundation in Pennsylvania

Portland, Oregon

www.pdc.us/bus_serv/ezone/default.asp

The Portland Economic Development Commission oversees the Oregon Enterprise Zone program, which offers businesses five-year property tax exemptions in exchange for first source hiring and employee retention agreements.

San Francisco, California

www.sfdas.org/302.htm

Administered by the city’s Human Services Agency, San Francisco’s First Source Hiring Program connects economically disadvantaged residents (defined within the federal Workforce Investment Act as living below the poverty line or having been displaced from work) with jobs generated by the city’s investment in contracts or public works; or by business activity that requires approval by the city’s Planning Department or permits by the Department of Building Inspection. The program also provides technical and other assistance to employers depending upon needs.

Seattle/King County, Washington

www.worksourceskc.org/business/default.asp

As Seattle/King County’s WorkForce organization helped to oversee the local job training programs funded through EPA Brownfields grants, it has been well suited to match program graduates with local employers. WorkForce not only works with employers to find qualified employees, but also helps companies find and obtain tax credits associated with those new hires whenever possible.

Because state and local incentives can vary so much by location, employers are encouraged to contact their local Workforce Development Agency (or equivalent organization) to determine any local benefits from hiring the graduates of Brownfields Job Training programs. To locate your state workforce development council, visit www.subnet.nga.org/workforcecouncilchairs/Links/StateWDC.asp.