

HB0158_FAV_JOTF.pdf

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Position: FAV



Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF HOUSE BILL 158:

Maryland New Start Act of 2022

TO: Hon. Vanessa Atterbeary, Chair, and Members of the House Ways and Means Committee

FROM: Christopher Dews, Senior Policy Advocate

DATE: January 26, 2022

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-skill, low-wage workers and job seekers in Maryland. JOTF supports House Bill 158 as a means of expanding access to capital and skills training to those experiencing barriers to employment due to their criminal record.

A criminal record can be both the cause and consequence of poverty and has detrimental effects on the employment prospects for the 25% of working-age Marylanders with a record. Every year, approximately 15,000 Marylanders are released from state prisons and struggle to secure a job, find a place to live, and reenter society. Demographically, 72% of Maryland's prison population is black, the highest in the nation, and one out of three Marylanders returning from incarceration, return to Baltimore City. The Department of Justice has [found](#) high rates of recidivism among returning citizens, with half of all returning citizens recidivating within 3 years and 60 percent recidivating within 5 years. One of the primary drivers of high recidivism rates is the inability of returning citizens to find a job: up to 60 percent of formerly incarcerated persons remain unemployed one year after their release. This is mainly due to the fact that more than 70% of employers perform background checks on all of their job applicants and deny employment to many returning citizens on the basis of a record. A past criminal conviction of any sort reduces job offers by half. This leaves many of the 1.5 million Marylanders with a criminal record out in the cold when trying to obtain gainful employment. When securing employment through traditional means becomes untenable, many opt for entrepreneurial ventures, skills training, or both, to stay afloat.

Entrepreneurial development programs for formerly incarcerated individuals report dramatically lower rates of recidivism, and self-employment can provide economic stability for those who are otherwise locked out of the labor market. A 2015 Manhattan Institute study [revealed](#) that employment, especially within the first six months of release, drastically lowers the likelihood of recidivism for nonviolent offenders. Entrepreneurship should be one of the tools that returning citizens have access to as they re-enter society.

The proposed legislation would build on the successes of programs across the country that have successfully deployed entrepreneurial development to reduce recidivism by helping returning citizens secure employment and start businesses. In Texas, the Prison Entrepreneurship Program—which has

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

graduated more than 2,300 returning citizens—has [helped](#) 100 percent of its participants secure employment within 90 days and has helped its participants start more than 360 businesses. In Oregon, the state Department of Corrections [found](#) that participants in the Lifelong Information for Entrepreneurship Program were 41 percent less likely to recidivate. Defy Ventures, which operates in New York, California, Connecticut, Colorado, Washington, and Illinois, [reports](#) an 82 percent employment rate and a less than 5 percent recidivism rate for its released graduates.

House Bill 158 seeks to bring this program to Maryland by establishing a 5-year pilot program within the Small Business Administration (SBA) to award grants to at least five organizations (or partnerships of organizations) annually over the five-year period to provide entrepreneurial development training to formerly incarcerated individuals. The organizations must demonstrate ties with the business and returning citizen communities. In addition, organizations are required to partner with lenders in the existing SBA Microloan Program who will provide micro-loans (up to \$50,000) to qualifying participants. Justice impacted individuals would receive training in business plan creation, work readiness, entrepreneurial management, licensing, and executive mentoring from local small businesses with the provisions in full effect. As JOTF works in partnership with many justice-impacted businesses and nonprofits to provide services to the community, we welcome all efforts to expand employment access and entrepreneurial training to the returning citizens. We respectfully ask for a favorable report on House Bill 158.

NSATestimony.docx.pdf

Uploaded by: Jazz Lewis

Position: FAV

**Testimony of Delegate Jazz Lewis
Regarding New Start Act (HB0158)
Before the House Ways and Means Committee
On January 26, 2022 1:00 pm**

To Chairman Atterbeary, Vice Chair Washington, and members of the Ways and Means Committee:

I am in strong support of HB0158. This bill would provide small business loans and training to the formerly incarcerated, build entrepreneurship opportunities for those coming out of the justice system and create business pathways that are otherwise nonexistent. It is modeled on legislation introduced by the U.S. Senator Ben Cardin, that we want to see introduced right here in Maryland.

Why provide to those who have been incarcerated?

Mass incarceration is a huge problem in the country but especially in Maryland, where Black people constitute for 31% of state residents but 69% of people in prison.¹ Many prisoners in the United States are denied or lack basic human dignity on a daily basis, massive prison populations continue to grow as a result of racial disparities but also because when prisoners are released they are sent back in to the real world with the same resources or even less than what they originally went in with. Without opportunities, these returning citizens have little chance of making a better life for themselves. 36,000 of Maryland residents are locked up in various kinds of facilities of which 5,800 are in Federal Prisons, 11,000 are in Local Jails and 18,000 are in State Prisons.² The vast majority of whom will eventually return to society, but lacking the ability to move on from their incarceration.

People of color, especially Black and Hispanic people, are overrepresented in prisons and jails as previously mentioned, but our prisons and jails are not even the start of our criminal justice system in Maryland. There are 117,000 Maryland residents who are behind bars or under any kind of criminal justice supervision.² We, in Maryland, are 1 out of 8 states that failed to reduce our prison population by more than 10% during the pandemic.²

When ex-prisoners are released they are more likely to relapse in behavior or return to a criminal offense, “recidivism” without the proper resources and abilities in place.³ Someone committing a criminal offense months after their release versus 5, 10, 15 or even 20 years after their release are two very, very different situations.³ The criminal justice system does not allow inmates to prepare themselves for a better or new life when they get out. Restorative programs are needed, such as our Maryland New Start Act which will allow for people who have been incarcerated to attain a better life. They would have the resources, the funds, to create a new life for themselves and for their loved ones. This better quality of life would ensure that those who have been incarcerated have the appropriate entrepreneurship program pathways set up in place to better help them.

This bill, like the legislation proposed by Senator Ben Cardin, has seen success in the non-profit sector, with organizations like Inmates to Entrepreneurs changing lives for the formerly incarcerated. The New Start Act ensures Maryland will be a leader in transitioning these citizens from our prison system to our Main Street businesses.⁴ This legislation will be vital in ensuring those who have been incarcerated proceed to stay out of prison and do not fall into any similar criminal offenses, by giving them opportunities beyond a life of crime. With the education and loans through the New Start Act, returning citizens will have the resources that they need to become active and successful participants in our economy.

Please allow Maryland to be the next state to reduce prison populations and allow those who have been incarcerated to stably restart their lives, invest in our economy, and improve their communities.

For these reasons I urge a favorable vote on HB0158.

¹ Vera Institute of Justice, Incarceration Trend in Maryland (2019).

² Initiative, P.P. (2020, March 24). Mass Incarceration: The Whole Pie 2020. Prison Policy Initiative. <https://www.prisonpolicy.org/reports/pie2020.html>

³ <https://www.prisonpolicy.org/profiles/MD.html>

⁴<https://inmatestoentrepreneurs.org/these-funding-and-business-assistance-programs-are-helping-felons-restart-their-lives/>

BaltimoreCounty_FAV_HB0158.pdf

Uploaded by: Joel Beller

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JOEL N. BELLER
Acting Director of Government Affairs

JOSHUA M. GREENBERG
Associate Director of Government Affairs

MIA R. GOGEL
Associate Director of Government Affairs

BILL NO.: **HB 158**

TITLE: Maryland New Start Act of 2022

SPONSOR: Delegate J. Lewis

COMMITTEE: Ways and Means

POSITION: **SUPPORT**

DATE: January 26, 2022

Baltimore County **SUPPORTS** House Bill 158 – Maryland New Start Act of 2022. This legislation would establish a pilot grant to support entrepreneurship development programs that provide assistance to formerly imprisoned individuals.

Returning citizens have an extremely difficult time securing employment and developing a career after imprisonment. Throughout the country, they face biases against them in the hiring process and may have a more difficult time securing a loan for potential projects. These challenges create barriers for those restarting their life after returning from incarceration. It is imperative we support returning citizens so that they are able to succeed and move forward in their lives.

HB 158 will help to fund programs that support entrepreneurial development for those who were formerly incarcerated. The Maryland New Start Pilot Program established by this legislation will support programs that provide individuals with reentry services and give them the tools to create their own ventures. The fund will also make available loans of up to \$50,000 to individuals in a program funded under HB 158. These services will help ensure the success of returning citizens working to create a successful life.

Accordingly, Baltimore County requests a **FAVORABLE** report on House Bill 158. For more information, please contact Joel Beller, Acting Director of Government Affairs at jbeller@baltimorecountymd.gov.

MD Catholic Conference_FAV_HB0158.pdf

Uploaded by: MJ Kraska

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

January 26, 2022

**HB 158
Maryland New Start Act of 2022**

House Ways & Means Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public policy interests of the three Roman Catholic (arch)dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

House Bill 158 establishes Maryland New Start Pilot Program in the Department of Commerce to provide certain grants to organizations to create or support certain entrepreneurship development programs to provide assistance to formerly imprisoned individuals and to provide loans to certain individuals participating in those programs; establishing the Maryland New Start Pilot Program Fund as a special, non-lapsing fund.

In remarks at his recent weekly public audience, Pope Francis told the faithful that “we risk being imprisoned in a justice that doesn’t allow one to easily get back up again and confuses redemption with punishment. For this, I want to recall today in a particular way our brothers and our sisters who are in prison...its right that those who have made a mistake pay for their mistake, but it’s even more right that those who have done wrong should be able to redeem oneself from their mistake. There can’t be sentences without windows of hope.”

The Church upholds that systems of restorative justice should seek both justice and mercy, with an emphasis upon restoration of communities, victims and offenders as a whole. The Maryland New Start Pilot Program is a restorative justice measure and the Church maintains that systems of incarceration should always be centered on restorative justice. When inmates are incentivized with entrepreneurship development programs their chances to break free from their often-challenging circumstances and live productive lives post-release are exponentially enhanced.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on House Bill 158.

HB0158_FAV_MJP.pdf

Uploaded by: Papia Debroy

Position: FAV

TESTIMONY IN SUPPORT OF HOUSE BILL 158:

Maryland New Start Act of 2022

TO: Hon. Vanessa Atterbeary, Chair, and Members of the House Ways and Means Committee

FROM: Monica Cooper, Executive Director

DATE: January 26, 2022

Maryland Justice Project (MJP) will educate and inform both ex-offenders and employers about legislation relative to this cause, their responsibilities, and the positive impact that advocated initiatives can have on the community. MJP supports House Bill 158 as a means of expanding access to capital and skills training to those experiencing barriers to employment due to their criminal record.

A criminal record can be both the cause and consequence of poverty and has detrimental effects on the employment prospects for the 25% of working-age Marylanders with a record. Every year, approximately 15,000 Marylanders are released from state prisons and struggle to secure a job, find a place to live, and reenter society. Demographically, 72% of Maryland's prison population is black, the highest in the nation, and one out of three Marylanders returning from incarceration, return to Baltimore City. The Department of Justice has [found](#) high rates of recidivism among returning citizens, with half of all returning citizens recidivating within 3 years and 60 percent recidivating within 5 years. One of the primary drivers of high recidivism rates is the inability of returning citizens to find a job: up to 60 percent of formerly incarcerated persons remain unemployed one year after their release. This is mainly due to the fact that more than 70% of employers perform background checks on all of their job applicants and deny employment to many returning citizens on the basis of a record. A past criminal conviction of any sort reduces job offers by half. This leaves many of the 1.5 million Marylanders with a criminal record out in the cold when trying to obtain gainful employment. When securing employment through traditional means becomes untenable, many opt for entrepreneurial ventures, skills training, or both, to stay afloat.

Entrepreneurial development programs for formerly incarcerated individuals report dramatically lower rates of recidivism, and self-employment can provide economic stability for those who are otherwise locked out of the labor market. A 2015 Manhattan Institute study [revealed](#) that employment, especially within the first six months of release, drastically lowers the likelihood of recidivism for nonviolent offenders. Entrepreneurship should be one of the tools that returning citizens have access to as they re-enter society.

The proposed legislation would build on the successes of programs across the country that have successfully deployed entrepreneurial development to reduce recidivism by helping returning citizens secure employment and start businesses. In Texas, the Prison Entrepreneurship Program—which has graduated more than 2,300 returning citizens—has [helped](#) 100 percent of its participants secure employment within 90 days and has helped its participants start more than 360 businesses. In Oregon, the state Department of Corrections [found](#) that participants in the Lifelong Information for Entrepreneurship Program were 41 percent less likely to recidivate. Defy Ventures, which operates in New York, California,

Connecticut, Colorado, Washington, and Illinois, [reports](#) an 82 percent employment rate and a less than 5 percent recidivism rate for its released graduates.

House Bill 158 seeks to bring this program to Maryland by establishing a 5-year pilot program within the Small Business Administration (SBA) to award grants to at least five organizations (or partnerships of organizations) annually over the five-year period to provide entrepreneurial development training to formerly incarcerated individuals. The organizations must demonstrate ties with the business and returning citizen communities. In addition, organizations are required to partner with lenders in the existing SBA Microloan Program who will provide micro-loans (up to \$50,000) to qualifying participants. Justice impacted individuals would receive training in business plan creation, work readiness, entrepreneurial management, licensing, and executive mentoring from local small businesses with the provisions in full effect. As MJP works in partnership with many justice-impacted businesses and nonprofits to provide services to the community, we welcome all efforts to expand employment access and entrepreneurial training to the returning citizens. We respectfully ask for a favorable report on House Bill 158.

CASH_ HB 158- Maryland New Start Act of 2022.pdf

Uploaded by: Robin McKinney

Position: FAV



HB 158- Maryland New Start Act of 2022
House Ways and Means Committee
January 26, 2022
SUPPORT

Chairwoman Atterbeary, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 158. This bill will create or support existing entrepreneurship development programs for formerly incarcerated individuals.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Job security is one of the biggest barriers that contributes to recidivism for formerly incarcerated individuals. Having low job security limits access to stable housing, healthcare, and basic necessities. Even though Maryland prohibits criminal record screening practices¹, there many ways that formerly incarcerated individuals can struggle to secure employment. COVID-19 has made securing employment even more difficult. Many formerly incarcerated individuals had training before being incarcerated or received training through programs offered by the Department of Corrections. This means that with proper support, formerly incarcerated individuals have skills to create job security for themselves and others.

HB 158 will expand organizational capacity for programs to help formerly incarcerated individuals. The Financial Education and Capability Commission conducted a survey of financial capability efforts across Maryland in 2021. This survey shows the top three barriers for organizations are staffing, funding, and participation². COVID-19 decreased the capacity of many non-profits providing essential services. Providing funding for programs that focus on entrepreneurship development programs for formerly incarcerated individuals will allow programs to:

- Hire and pay staff to administer program
- Support daily operations of the program, and
- Give organizations more options to increase participation

HB 158 will strengthen formerly incarcerated individuals' connection to the workforce and ensure that programs will have the organizational capacity to administer it.

Thus, we encourage you to return a favorable report for HB 158.

¹ Maryland Department of Labor
² Financial Education and Capability Commission 2021 Report

Testimony for Maryland Legislature on New Start v.

Uploaded by: Senator Ben Cardin

Position: FAV

**Testimony of Chairman Ben Cardin of the United States Senate Committee on Small
Business and Entrepreneurship
Regarding Maryland New START Act of 2022 (HB0158)
Before the House Ways and Means Committee
January 26, 2022**

Chairwoman Atterbeary, Vice Chair Washington, and members of the Ways and Means Committee:

I am grateful for this opportunity to submit testimony to the Maryland House Ways and Means Committee on the importance of ensuring access to entrepreneurship tools for the formerly incarcerated.

Hundreds of thousands of Americans who return home from prison every year struggle to secure a job, find a place to live, and reenter society. I remain proud of Congress' passage and enactment of the FIRST STEP Act in December 2018, but it was just that: a first step. The federal government and states must now find solutions to the many barriers that formerly incarcerated individuals face when they leave prison and return to participate in society. In 2019 to build on the movement from the passage of the FIRST STEP Act, I introduced the NEW START Act in Congress, which uses the power of entrepreneurship to help returning citizens rebuild their lives and reenter society successfully by giving them the training and access to capital they need to start businesses. It would give returning citizens one more tool in their reentry toolkit.

How will entrepreneurship help the formerly incarcerated successfully reenter society?

Every year, more than 600,000 people are [released](#) from prisons and another approximately 9 million cycle through local jails. An [estimated](#) 64.6 million Americans (25 percent of the population) have a criminal record of some kind. Unfortunately, studies by the Department of Justice have [found](#) high rates of recidivism within this population. For Maryland, [40%](#) of those who are released from prison end up back in prison within the first three years upon their release.

This is unacceptable. We are failing our returning citizens by not providing adequate resources to aid in their successful reentry.

One of the primary drivers of high recidivism rates is the inability for returning citizens to find a job – up to 60 percent of ex-offenders remain unemployed one year after their release. A 2015 Manhattan Institute study [found](#) that employment, especially within the first six months of release, drastically lowers the likelihood of recidivism for nonviolent offenders.

Across the country, states have effectively deployed entrepreneurial development to assist returning citizens secure employment and start businesses. In Texas, the Prison Entrepreneurship Program—which has graduated more than 2,300 returning citizens—has [helped](#) 100 percent of its participants secure employment within 90 days and has helped its participants start more than 360 businesses. In Oregon, the state Department of Corrections [found](#) that participants in the

Lifelong Information for Entrepreneurship Program were 41 percent less likely to recidivate. Defy Ventures, which operates in New York, California, Connecticut, Colorado, Washington, and Illinois, [reports](#) an 82 percent employment rate and a less than 5 percent recidivism rate for its released graduates. We need to utilize the lessons of these programs and implement legislation at the state and federal level to help successfully support those returning to society and aid in helping them get back on their feet.

Prior imprisonment carries a stigma that seriously curtails job opportunities for returning citizens. One remedy is through entrepreneurship and self-employment which can provide economic stability for those who are otherwise locked out of the labor market. As such, entrepreneurial development programs, like NEW START, should be one of the most easily accessible tools available to returning citizens when they re-enter society.

As Chairman of the United States Senate Committee on Small Business and Entrepreneurship, I believe we must support legislation in our state of Maryland and in Congress that helps equip the most vulnerable members of our society with the knowledge, resources, and access to opportunity to help them start anew through entrepreneurship after returning home.

I applaud Delegate Jazz Lewis for his work on this bill and commend the Committee for examining this important issue at today's hearing.

HB 158 - MD New Start Act 2022 -TEDCO _written com

Uploaded by: Troy LeMaile-Stovall

Position: FAV



TESTIMONY PRESENTED TO THE WAYS AND MEANS COMMITTEE

HOUSE BILL 158 – MARYLAND NEW START ACT 2022

POSITION: SUPPORT

January 26, 2022

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland based technology companies. Since TEDCO was created in 1998, it sought to find innovative approaches to economic development.

House Bill 158 establishes the Maryland New Start Pilot Program within the Department of Commerce to provide multiyear grants to organizations to create or support existing entrepreneurship development programs to provide assistance to qualifying, formerly imprisoned individuals. Related development programs must include: (1) a business plan competition for imprisoned individuals, (2) reentry services, including a work-readiness program, (3) executive mentoring with local business owners; (4) entrepreneurial training, and (5) in accordance with the requirements of the legislation, access to financing.

TEDCO is focused on the creation and growth of technology-based companies in Maryland. To this end, the proposed Maryland New Start Act of 2022 (HB0158) will be another valuable program to support the launch of new businesses – some of which will likely be technology-based companies. This will provide deal flow to TEDCO's Social Impact Funds. The Social Impact funds provides investments in emerging technology companies led by entrepreneurs who demonstrate a socially or economically disadvantaged background that hinders access to traditional forms of capital and executive networks at the pre-seed stage. Social Impact Funds and TEDCO's other entrepreneurial support programs and ultimately benefit the State through the creation of new jobs and revenues. This is in addition to the various benefits of giving returning citizens an opportunity to make significant economic contributions to the State, to live more stable and productive lives, and to create wealth for themselves.

As an organization that works with many entrepreneurs who are trying to launch businesses, we see the need for initial funding to take a business concept to a prototype or simply to establish a business with a proper legal and financial structure. We have also seen that many entrepreneurs, especially those from underrepresented communities, lack the access to funds – often from friends and family – to take these foundational steps toward launching a business. The loan component of the Maryland New Start Act of 2022 will provide the first

funds needed by the Covered Individuals, who are likely not in a position to fund the launch of a seasoned business concept.

The single largest constraint in Maryland growing its entrepreneurial economy is the number of entrepreneurs willing to take the risk of starting a business and willing to commit to learning how to start a business properly. The Maryland New Start Act of 2022 helps to address this constraint by engaging a new population of entrepreneurs, providing them with the proper training, and giving them the needed resources to get started. The more individuals we can engage in the entrepreneurial process, the more likely we will have successful businesses creating jobs.

TEDCO believes that it is in a position to partner with organizations receiving a grant under the Act. Through such a partnership, TEDCO can offer its expertise and resources associated with entrepreneur training and support. Additionally, TEDCO could be a source of funding for technology-based companies created through the New Start Act. It is for these reasons that TEDCO urges a favorable report on House Bill 24.

HB0158_FWA_OFJ (1).pdf

Uploaded by: Nicole Hanson - Mundell

Position: FWA



TESTIMONY IN SUPPORT OF HOUSE BILL 158:

Maryland New Start Act of 2022

TO: Hon. Vanessa Atterbeary, Chair, and Members of the House Ways and Means Committee

FROM: Nicole Hanson-Mundell, Executive Director

DATE: January 26, 2022

Out for Justice, Inc. (OFJ) is an organization comprised of individuals who are both directly and indirectly impacted by the criminal legal system advocating for the reform of policies and practices that adversely affect successful reintegration into society. OFJ supports House Bill 158 with amendments as a means of expanding access to capital and skills training to those experiencing barriers to employment due to their criminal record.

A criminal record can be both the cause and consequence of poverty and has detrimental effects on the employment prospects for the 25% of working-age Marylanders with a record. Every year, approximately 15,000 Marylanders are released from state prisons and struggle to secure a job, find a place to live, and reenter society. Demographically, 72% of Maryland's prison population is black, the highest in the nation, and one out of three Marylanders returning from incarceration, return to Baltimore City. The Department of Justice has [found](#) high rates of recidivism among returning citizens, with half of all returning citizens recidivating within 3 years and 60 percent recidivating within 5 years. One of the primary drivers of high recidivism rates is the inability of returning citizens to find a job: up to 60 percent of formerly incarcerated persons remain unemployed one year after their release. This is mainly due to the fact that more than 70% of employers perform background checks on all of their job applicants and deny employment to many returning citizens on the basis of a record. A past criminal conviction of any sort reduces job offers by half. This leaves many of the 1.5 million Marylanders with a criminal record out in the cold when trying to obtain gainful employment. When securing employment through traditional means becomes untenable, many opt for entrepreneurial ventures, skills training, or both, to stay afloat.

Entrepreneurial development programs for formerly incarcerated individuals report dramatically lower rates of recidivism, and self-employment can provide economic stability for those who are otherwise locked out of the labor market. A 2015 Manhattan Institute study [revealed](#) that employment, especially within the first six months of release, drastically lowers the likelihood of recidivism for nonviolent offenders. Entrepreneurship should be one of the tools that returning citizens have access to as they re-enter society.

The proposed legislation would build on the successes of programs across the country that have successfully deployed entrepreneurial development to reduce recidivism by helping returning citizens secure employment and start businesses. In Texas, the Prison Entrepreneurship Program—which has graduated more than 2,300 returning citizens—has [helped](#) 100 percent of its participants secure employment within 90 days and has helped its participants start more than 360 businesses. In Oregon, the state Department of Corrections [found](#) that participants in the Lifelong Information for Entrepreneurship Program were 41 percent less likely to recidivate. Defy Ventures, which operates in New York, California, Connecticut, Colorado, Washington, and Illinois, [reports](#) an 82 percent employment rate and a less than 5 percent recidivism rate for its released graduates.

House Bill 158 seeks to bring this program to Maryland by establishing a 5-year pilot program within the Small Business Administration (SBA) to award grants to at least five organizations (or partnerships of organizations) annually over the five-year period to provide entrepreneurial development training to formerly incarcerated individuals. The organizations must demonstrate ties with the business and returning citizen communities. In addition, organizations are required to partner with lenders in the existing SBA Microloan Program who will provide micro-loans (up to \$50,000) to qualifying participants. Justice impacted individuals would receive training in business plan creation, work readiness, entrepreneurial management, licensing, and executive mentoring from local small businesses with the provisions in full effect.

OFJ supports efforts to expand employment access and entrepreneurial training to returning citizens but we believe that the bill should be amended to specifically include the names of service providers and organizations led by impacted persons who are already doing the work to reach justice-impacted individuals. We also believe that the bill lacks a sufficient consequence for organizations that receive funding but fail to actually produce successful entrepreneurs from the returning citizen population. We respectfully ask that these concerns be amended into House Bill 158 and are open to a discussion regarding these issues.

Sincerely,

Nicole Hanson-Mundell

Cell: 301-412-5399

Email: nhanson@out4justice.org

HB0158 - Maryland New Start Act of 2022.docx.pdf

Uploaded by: Jennifer Beskid

Position: INFO



Department of Public Safety and Correctional Services
Office of the Secretary

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STATE OF MARYLAND

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CAROLYN J. SCRUGGS
ASSISTANT SECRETARY

GARY W. McLHINNEY
ASSISTANT SECRETARY

BILL: HOUSE BILL 158

POSITION: LETTER OF INFORMATION

EXPLANATION: This bill will establish the Maryland New Start Pilot Program in the Department of Commerce to provide multi-year grants to organizations to create or support entrepreneurship development programs to provide assistance to formerly incarcerated individuals. The bill also establishes the Maryland New Start Pilot Program Fund, and will require the Governor to provide funding in the annual budget.

COMMENTS:

- The Department of Public Safety and Correctional Services (Department) oversees the Division of Correction which operates 13 State correctional facilities, housing offenders sentenced to periods of incarceration for 18 months and longer. The Department also oversees the Division of Pretrial Detention and Services which operates the Baltimore City Pretrial Complex. The Department does not oversee any other local jail or detention facility.
- The Department has Re-entry Specialists who provide assistance with a myriad of services to incarcerated individuals prior to their release, including:
 - Medicaid enrollment;
 - 30-day supply of medication prior to release;
 - Identification assistance (Motor Vehicle Administration, Social Security);
 - Housing assistance;
 - Employment & Career placement services;
 - Mediation services;
 - Social Security application Social Security Income/Social Security Disability Insurance; and
 - Veteran services.

- The Department of Labor (Labor) provides education, vocational training, and occupational opportunities to incarcerated individuals throughout the Department's Division of Correction. These programs are incredibly important as education and linkage to sustainable employment are key factors in reducing recidivism.
- In addition to the occupational skills learned within the Division of Correction, several incarcerated individuals already possess skills that may transfer to entrepreneurial opportunities.
- Recognizing the potential to increase entrepreneurship opportunities, Labor will begin offering entrepreneurship training courses in February 2022 at two prisons in Jessup; the Maryland Correctional Institution for Women and the Dorsey Run Correctional Facility. These courses will include such topics as business strategies and financial planning.
- The Maryland New Start Pilot Program would serve as another re-entry resource for formerly incarcerated individuals by providing them with resources to create or support entrepreneurship development programs. Unlike the Department of Commerce, the Department of Public Safety and Correctional Services does not have the ability to provide grants or loans to support entrepreneurship development programs.
- It is vital that local communities and businesses engage with formerly incarcerated individuals and provide the essential resources and services necessary to ensure their success in the community.

CONCLUSION: For these reasons, the Department of Public Safety and Correctional Services respectfully requests the Committee consider this information as it deliberates House Bill 158.

HB 158_Commerce_Informational.pdf

Uploaded by: Jennifer LaHatte

Position: INFO



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Signe Pringle | Deputy Secretary of Commerce

DATE: January 26, 2022
BILL NO: House Bill 158
BILL TITLE: Maryland New Start Act of 2022
COMMITTEE: House Ways and Means

Statement of Information

House Bill 158 would establish a new Maryland New Start Pilot Program (Program) within the Department of Commerce (Commerce) with a purpose of:

- Providing multi-year grants to at least five eligible organizations with the purpose of providing technical assistance to “covered individuals” who have been convicted of criminal offences and completed a term of imprisonment in federal prison or a state or local correctional facility. Eligible organizations will be required to contribute an amount equal to 25% of the amount of the grant from existing or new non-state resources. The contracts to eligible vendors shall be for a period of five years. Additionally, Commerce may not award more than 20% of the funds appropriated in the grant; and
- Establishing a loan program in Commerce to provide loans up to \$50,000 to “covered individuals” without requiring collateral (unsecured). Referrals for these loans would originate from those organizations that have received grants under the Program.

Commerce would oversee this Program and establish additional eligibility and application requirements as well as priorities for assistance under the Program and be required to submit a report on the operation and performance of the Program. Commerce would also manage and supervise the Maryland New Start Pilot Program Fund (Fund). The Fund is a special, nonlapsing fund that is not subject to the State Finance and Procurement Article. This bill does not provide any revenue streams, nor does it guarantee an annual budget or funding for the Program. The Fund would consist of:

- Money appropriated by the State budget to the Fund;
- Repayments of loans made through the Program;
- Any interest earnings of the Fund; and
- Any other money from any other source accepted for the benefit of the Fund.

Estimated Fiscal Impact on Commerce:

Under the assumption that the Fund revenue received in a fiscal year is allocated for the Program under this Act in that fiscal year, there is no set special fund expenditures from the Fund annually from FY 2024 through FY 2028. Of that amount, approximately 90% annually is for distribution to listed entities and the remaining balance is for Commerce administrative costs.

Commerce estimates that the Program would require an appropriation of at least \$500,000 (\$100,000 to five organizations). This estimate is based on Commerce’s grant with the Maryland Nonprofit Center, which provides technical assistance to individuals in the nonprofit sector.

Similarly, Commerce has a small loan program that provides unsecured loans to nonprofits up to \$25,000. However, repayment is based upon a pending government grant or contract. Additionally, Commerce has another small loan program that provides up to \$50,000 and has \$300,000 in annual appropriation. However, the loans in this program are secured by collateral and borrowers have secondary sources of cash flow to repay the loan. House Bill 158 requires loans made under the Program be unsecured. Furthermore, it is difficult to determine the amount of funding demand for this type of program, as Commerce does not have the level of expertise in this area to determine the demand from this population for small business capital resources.

Commerce is required to administer the Program and currently does not have available staff to do so. The creation of a program such as this will require additional staff, outreach, meetings, and overall, more administrative costs. Due to the type of program, two additional employees would need to be hired to oversee the administration of the grant. These employees would be employed within the Division of Finance and would be a Program Manager and a Fund Administrator, focused on assisting the director with grant agreements, disbursements, reporting requirements, meeting with the business community, and fulfilling all additional duties and tasks that are needed to effectively administer the program. This program would be a full-time role, but Commerce does not currently have staff or resources to dedicate someone full-time to this program.

Additional Information:

The Maryland Department of Labor's (MD Labor) Division of Workforce Development and Adult Learning (DWDAL) has a Maryland Re-Entry Initiative (Initiative) designed to assist individuals with criminal backgrounds by increasing their employability and providing equal opportunity and access to employment resources. The Initiative provides employment assistance, technical assistance and professional development to government and community-based organizations, and information and incentives to businesses. Additionally, MD Labor will be starting an eight week Entrepreneurship Training at two prisons in Jessup in February.

Commerce recognizes the importance of supporting re-entry initiatives, nonprofits, and entrepreneurial development and activities. Commerce has made it a priority to work with this community to come up with solutions to best assist the community, without duplicating current efforts and programs provided by the State.