

February 10, 2025

Re: HB 482

Dear Members of the Economic Matters Committee,

The Responsible Business Initiative for Justice (RBIJ) is an award-winning international nonprofit that works with companies to champion solutions that promote public safety, deliver justice, and strengthen communities. Since its inception, RBIJ has collaborated with companies of all sizes across two dozen states to advocate for practical policy reforms that expand workforce opportunities and stimulate economic growth. We stand in support of the passage of HB 482, legislation that would strengthen the economy, expand the talent pool for businesses, and give hardworking Marylanders a meaningful second chance.

Approximately one million people, or 22% of Maryland's adult population, have some form of criminal record. Even decades after release, these records can present an enormous obstacle to a person's ability to find and retain employment. For occupations that require a license, that barrier is even greater. In Maryland, <u>one in five workers</u> need to obtain an occupational license before they can begin work in fields as varied as plumbing, dentistry, nursing, law, and cosmetology. Unfortunately, the process can require substantial investments of time and money; in Maryland, the average license for low- and moderate-income jobs takes 532 days of education and experience, making the state the ninth most burdensome for licensing laws in the nation. Maryland's current laws also unnecessarily restrict individuals with criminal records, keeping potential employees out of the workforce and preventing willing employers from hiring them. Further, individuals with a criminal history are often unaware if their record will disqualify them from obtaining a license until they've completed all of the necessary education and experience.

The costs of this are huge — for businesses and communities alike. Marylanders are facing an ongoing labor shortage with <u>33 available workers for every 100 open jobs</u>. As companies look to fill these vacancies, we should be working to ensure that people who want these jobs and have paid their dues to society can earn their licenses and enter the workforce. To keep the workforce growing, however, Maryland needs to ensure there is a strong and diverse talent pool for the businesses that call this state home — and those that plan to set roots here. Reducing barriers to licensing is a solution which would allow employers to tap into a vast, underutilized, and productive workforce.

The Responsible Business Initiative for Justice is the collective name for RBIJ USA (a fiscally sponsored project of NEO) and RBIJ UK (a non-profit community interest company (company number: 12100724))



Occupational licensing reform also saves tax dollars and increases prosperity. Data suggests that overly restrictive licensing laws reduce state and local tax revenue by preventing people from working. The Institute for Justice estimates that licensing costs Maryland's economy <u>\$3.27 million</u> and leads to more than 23,000 fewer jobs every year. By removing or reducing barriers to employment, states can boost incomes, increase sales tax revenue, and reduce the need for long term government support.

For employers, it's also essential that employees and their families have a safe place to live and work. Since having a job is one of the most important factors in determining whether someone will reoffend, licensing reform will serve to make communities safer. Helping returning citizens reenter the workforce benefits everyone.

Establishing a predetermination review process and removing unnecessary barriers to occupational licensing are common-sense solutions to address the labor shortage, grow Maryland's economy, and reduce recidivism. We urge the legislature to pass HB 482.

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