

Maryland Senate Finance Committee

Written Testimony: Dr. Darwyn Deyo, PhD

Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee:

My name is Dr. Darwyn Deyo. I am an associate professor of economics at San José State University and director of regulatory frontiers research, including criminal justice reforms, with the Knee Regulatory Research Center at West Virginia University. My research focuses on the effects of occupational regulation on labor markets. I am writing today about the benefits to Marylanders from criminal records reforms for occupational licensing in HB 482. The main takeaways from my testimony are:

- HB 482 builds on Maryland's previous criminal records reforms for occupational licensing.
- My research finds that criminal records reforms increased employment and reduced crime.
- HB 482 could reduce systematic inequities for people reintegrating into society by reducing uncertainty for applicants and regulators.

Occupational licensing raises barriers to opportunity and employment

There are significant opportunities for reducing licensing barriers in Maryland, according to the 2022 License to Work report, which I co-authored.¹ Maryland licenses dozens of blue-collar occupations that make it harder for people to work, and collateral consequences exacerbate economic inequities by making people pay twice for the same offense. This creates disproportionately high burdens for people simply trying to start over, especially after they have already paid a fine or were incarcerated. With over 1 in 5 Maryland workers needing a license, the potential impact of reforms is positive and large.

Criminal records reforms open doors and make communities safer

Research has also found that higher licensing barriers are associated with higher recidivism rates, as aspiring workers are locked out of major labor markets.² Conversely, my research finds that criminal records reforms increase employment in licensed occupations and reduce crime, especially property crime.³ When people are able to work in licensed occupations, there are positive spillovers to their families and communities. As employment and income go up, neighborhoods also become safer. In particular, predetermination reviews also make it easier for licensing applicants to focus on occupations for which they are eligible, instead of spending years training for a job from which they are barred.

HB 482 creates opportunities in Maryland by reducing systematic barriers

With HB 482, Maryland has an opportunity to build on its previous reforms with a broad impact. Twenty-one states, including West Virginia, have passed similar reforms, creating opportunities that could attract workers to these states. Maryland could also expand HB 482 to prevent the use of so-called "good moral character" requirements by licensing boards and ban consideration of arrest records that did not lead to a conviction. Nineteen and twenty states have passed these reforms, respectively, although Maryland could be a regional leader. HB 482 has the potential to significantly improve public safety and economic opportunity in Maryland while clarifying the process for aspiring workers and licensing boards.

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¹ <https://ij.org/report/license-to-work-3/>

² <https://cseel.asu.edu/research/publications/TurningShacklesintoBootstraps>

³ <https://www.sciencedirect.com/science/article/abs/pii/S0165176524005792>