

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1012
Judiciary

(Delegate Pena-Melnyk, *et al.*)

Ex-Offender Business Development Program Study

This bill requires the Department of Business and Economic Development, the Department of Labor, Licensing, and Regulation, and the Division of Parole and Probation in the Department of Public Safety and Correctional Services (DPSCS) to jointly study and evaluate the feasibility of establishing a business development program for ex-offenders. The program would invest in businesses run by ex-offenders and provide business training to ex-offenders. In addition, the study must identify funding sources to invest in ex-offender businesses and to fund training programs. The departments must report the findings to the Senate Finance Committee and the House Economic Matters Committee by October 1, 2013.

Fiscal Summary

State Effect: None. The departments can complete the study and meet the reporting requirement with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapters 625 and 626 of 2009 established the Task Force on Prisoner Reentry to research, analyze, and examine prisoner recidivism in the State and develop a comprehensive strategic reentry plan as specified by the federal Second Chance Act of 2007. The final report to the General Assembly recommended a restructuring of the State's correctional system to reduce prison expenditures and the creation of a Reentry

Initiative, which would create individualized reentry plans, education, and work programs for individuals in custody and under community supervision.

Background: The Division of Correction within DPSCS houses approximately 24,000 prisoners. Each year, about 15,000 are released back into the community. Statistics show that for those released in fiscal 2001, almost 50% of the offenders returned to the department with a new conviction (prison sentence or parole/probation) within three years of their release from prison. Some local jurisdictions, including Baltimore City and Montgomery County, operate programs designed to assist with ex-offender reentry.

The federal Second Chance Act of 2007 is designed to improve outcomes for people returning to the community from prisons and jails, nationwide. The Act authorizes federal grants to government agencies and community and faith-based organizations to provide employment assistance, substance abuse treatment, housing, family programming, mentoring, victims support, and other services that can help reduce reoffending and violations of probation and parole.

The Maryland Small Business Development Center (SBDC) Network is a collection of 20 one-stop-shops located around the State. SBDCs provide advice, counseling, and support to entrepreneurs and small businesses. The network is a partnership between the U.S. Small Business Association and the State – administered by the University of Maryland, College Park, which links private, government, higher education, and local economic development organizations to provide various training and technical services to the State's small businesses.

Additional Information

Prior Introductions: None.

Cross File: SB 535 (Senator Pugh, *et al.*) - Finance.

Information Source(s): Department of Business and Economic Development; Department of Labor, Licensing, and Regulation; Department of Public Safety and Correctional Services; Department of Legislative Services

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