

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

Testimony in Support of House Bill 175

Occupational Licensing and Certification – Criminal History – Prohibited Disclosures and Predetermination Review Process

TO: Hon. C.T. Wilson, Chair, and Members of the House Economic Matters Committee

FROM: Job Opportunities Task Force

DATE: February 7, 2024

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-wage workers and job seekers in Maryland. **JOTF supports House Bill 175 as a means of removing barriers to employment for individuals with a criminal record, and of improving reentry outcomes for formerly incarcerated individuals.**

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. Worse yet, in the state of Maryland, a criminal record is acquired upon arrest, whether or not a person is ever convicted of a crime. Anything that occurs after an arrest is documented on an individual's criminal record and, in Maryland, will remain publicly visible via Maryland Case Search until the charges and dispositions are expunged. Individuals with a record are also often prevented from entering into business for themselves; such as being barred from obtaining an occupational license.

The Institute for Justice ranks Maryland as 11th in most burdensome licensing laws and 20th in most broadly and onerously licensed state, with almost 60% of all low-income occupations requiring an occupational license. In 2015, the Obama administration released a framework for reforming occupational licensing policy. The subsequent FY2016 Budget included \$15 million for Department of Labor funding to identify, explore, and address areas where licensing requirements create barriers to labor market entry and labor mobility. This funding was used in part to establish a multi-year study of a consortium of 11 states, including Maryland. The Consortium final report, released in 2020, identified three populations facing significant barriers to employment due to licensure requirements, including individuals with a criminal record.

House Bill 175 would begin addressing this undue burden by allowing individuals to seek meaningful employment in fields in which they are otherwise qualified to work. Not only does our State receive poor grades on onerous licensing requirements, but it is one of the lowest rated on scales of barriers to professional licensing imposed on individuals with a criminal record. Although statute requires a direct relationship between convictions and a license, the reality is that loopholes that allow Boards to deny applicants who they deem pose an "unreasonable risk" overshadow statute, as we have often seen with incoming students in our BetterU Pre-Apprenticeship Training Program.

Licensing laws and restrictions on individuals with a criminal record disproportionately affect people of

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color and low-income populations. In Maryland, black individuals constitute 31% of state residents, but 52% of people in jail and 69% of people in prison. Meanwhile, low-income occupations are much more likely to require a license. The cumulative impact of these policies poses a significant barrier to employment and affects not just directly impacted individuals and their successful reentry, but their families and communities.

Finally, the Division of Occupational and Professional Licensing has found no records of anyone denied a license based solely on a criminal record from 2014 through 2018; this data suggests that individuals are deterred from even applying. Of the 613,034 license applications received over this period of 4 years, only 0.13%, or 803, had a criminal record. Given that over 35,000 individuals were released from prison in this period, that many more acquired criminal records during this time, and that most low-income professions require a license, evidence points to Maryland laws around restrictions for licensure being a barrier for applicants even just considering obtaining a license. Especially when considering that one in five Marylanders have an occupational license, 803 license applications over a four-year period is low compared to the general population.

The Job Opportunities Task force fully supports this bill as a step in addressing the complex web of consequences of a criminal record that disproportionately affects our low-income and black residents, and prevents them from securing stable and meaningful employment. We respectfully urge a favorable report on House Bill 175.

For these reasons, JOTF supports House Bill 175 and urges a favorable report.

For more information, contact:

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