

Maryland Senate Committee on Finance

Written Testimony: Dr. Darwyn Deyo, PhD

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

My name is Dr. Darwyn Deyo. I am an associate professor of economics at San José State University and a senior research fellow with the Knee Regulatory Research Center at West Virginia University. My research focuses on the effects of occupational regulation on labor and crime outcomes. I am writing today about the costs to everyday Marylanders from collateral consequences for occupational licensing.

The main takeaways from my testimony are as follows:

- Maryland is currently one of the most burdensome states for occupational licensing and collateral consequences make it even harder for people to get to work.
- SB 54 could reduce systematic inequities for people reintegrating into society while also reducing uncertainty for licensing applicants and departments.
- Economics research has found that higher licensing barriers are associated with higher recidivism rates, and SB 54 could also mitigate these issues by improving workforce access.

Occupational licensing is a government permission slip to work

Maryland is currently one of the most burdensome states for occupational licensing, according to the 2022 License to Work report from the Institute for Justice, which I co-authored.¹ Maryland licenses dozens of blue-collar occupations that make it harder for people to get to work, and collateral consequences exacerbate economic inequities from these structural barriers by making people pay twice for the same offense. Prohibitions on double jeopardy prevent people from having to keep defending themselves against the same charge, but collateral consequences mean that people keep paying over and over for their mistakes. This creates often-insurmountable burdens for most people simply trying to start again, especially after they have already paid a fine or were incarcerated. Working in a licensed occupation without the license could even send someone back to prison, even if they did nothing to jeopardize public safety.

SB 54 creates opportunities for Marylanders by reducing systematic barriers

Maryland has lagged behind the movement to reform collateral consequences for occupational licensing. This year, SB 54 would open important doors for aspiring workers with nonviolent criminal records. Right now, Maryland imposes more burdensome collateral consequences for its residents than its neighbors, even allowing departments to deny licenses for arrest records that did not lead to convictions and limiting due process for applicants. Research has found that higher licensing barriers are associated with higher recidivism rates, as aspiring workers are locked out of a fresh start. SB 54, by reducing uncertainty for licensing applicants and departments, raising the standard for when licenses can be denied because of a criminal record, and providing for a predetermination review process, thus has the potential to improve equity, public safety, and economic opportunity in Maryland. Further collateral consequence reform, that has already been successfully implemented in other states, can improve economic opportunities and reduce systematic economic inequalities in Maryland.

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