

## Maryland Assembly Judicial Proceedings Committee

*Written Testimony: Dr. Darwyn Deyo, PhD*

Chair Smith, Vice Chair Waldstreicher, and members of the Assembly Judicial Proceedings Committee:

My name is Dr. Darwyn Deyo. I am an associate professor of economics at San José State University. I am also the director of regulatory frontiers research with the Knee Regulatory Research Center at West Virginia University, where I research labor markets. My recent research focuses on the effects of licensing reforms for people with criminal records. I am writing today about the benefits to Marylanders from criminal records reforms for occupational licensing in HB 557. The main takeaways from my testimony are:

- HB 557 builds on Maryland's previous criminal records reforms for occupational licensing.
- My research finds that criminal records reforms increase employment and reduce crime.
- HB 557 could reduce uncertainty around licensing eligibility for both applicants and regulators.

### **Criminal records reforms open doors and make communities safer**

My research finds that criminal records reforms for licensed occupations increases employment and reduces crime, especially property crime.<sup>1</sup> Inversely, other research has found that higher licensing barriers are associated with higher recidivism as aspiring workers are prevented from working in major labor markets.<sup>2</sup> Instead of banning people from skilled work opportunities, licensing reforms for people with criminal records can create sensible regulations for applicants and regulators. When more qualified individuals are able to work in licensed occupations, their communities benefit from both improved employment and safety.

### **Occupational licensing raises barriers to opportunity and employment**

Maryland licenses dozens of occupations studied in the most recent License to Work report, which I co-authored.<sup>3</sup> People who want to work in these occupations may be deterred from completing years-long training and education requirements because they are unsure if their criminal record bars them from attaining the requisite license. In this way, collateral consequences exacerbate economic inequities by making people pay twice for the same offense. With over 1 in 5 Maryland workers needing a license to work, the potential impact of reforms is positive and large.

### **HB 557 would expand economic opportunity in Maryland by reducing systematic barriers**

Maryland has made significant criminal records reforms for licensing since 2009, and HB 557 builds on that record. Allowing aspiring workers to get confirmation of their eligibility before they invest years into training and education for a licensed occupation would support job

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<sup>1</sup> <https://www.sciencedirect.com/science/article/abs/pii/S0165176524005792>

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

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

attainment and streamline the review process for departments. In addition to preventing departments from denying licenses based only on past non-violent convictions, Maryland could also explicitly 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. HB 557 thus has the potential to significantly improve economic opportunity in Maryland while clarifying the process for aspiring workers and regulators.

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