

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 698  
Judiciary

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

Finance

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Ex-Offender Business Development Program Study

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This bill requires the Department of Business and Economic Development; the Department of Labor, Licensing, and Regulation; and the Department of Public Safety and Correctional Services (DPSCS) to jointly study and evaluate the feasibility of establishing a business development program that provides business training to ex-offenders. In addition, the study must identify nongovernmental funding sources to fund training programs. The departments must report the findings to the Senate Finance Committee and the House Economic Matters Committee by October 1, 2014.

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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.

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Analysis

**Current Law:** Chapters 625 and 626 of 2009 (SB 908/HB 637) 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:** DPSCS facilities housed approximately 24,500 inmates as of December 2012. In fiscal 2012, 13,100 were released back into the community. Statistics show that, for those released in fiscal 2001, almost 50% of the offenders returned 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.

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### **Additional Information**

**Prior Introductions:** SB 535 of 2012 passed the Senate but received an unfavorable report from the House Judiciary Committee. Its cross file, HB 1012, received an unfavorable report from the House Judiciary Committee.

**Cross File:** SB 356 (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

**Fiscal Note History:** First Reader - February 21, 2013  
mc/rhh Revised - House Third Reader - March 25, 2013  
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