

**Testimony of Chairman Ben Cardin of the United States Senate Committee on Small
Business and Entrepreneurship
Regarding Maryland New START Act of 2022 (HB0158)
Before the House Ways and Means Committee
January 26, 2022**

Chairwoman Atterbeary, Vice Chair Washington, and members of the Ways and Means Committee:

I am grateful for this opportunity to submit testimony to the Maryland House Ways and Means Committee on the importance of ensuring access to entrepreneurship tools for the formerly incarcerated.

Hundreds of thousands of Americans who return home from prison every year struggle to secure a job, find a place to live, and reenter society. I remain proud of Congress' passage and enactment of the FIRST STEP Act in December 2018, but it was just that: a first step. The federal government and states must now find solutions to the many barriers that formerly incarcerated individuals face when they leave prison and return to participate in society. In 2019 to build on the movement from the passage of the FIRST STEP Act, I introduced the NEW START Act in Congress, which uses the power of entrepreneurship to help returning citizens rebuild their lives and reenter society successfully by giving them the training and access to capital they need to start businesses. It would give returning citizens one more tool in their reentry toolkit.

How will entrepreneurship help the formerly incarcerated successfully reenter society?

Every year, more than 600,000 people are [released](#) from prisons and another approximately 9 million cycle through local jails. An [estimated](#) 64.6 million Americans (25 percent of the population) have a criminal record of some kind. Unfortunately, studies by the Department of Justice have [found](#) high rates of recidivism within this population. For Maryland, [40%](#) of those who are released from prison end up back in prison within the first three years upon their release.

This is unacceptable. We are failing our returning citizens by not providing adequate resources to aid in their successful reentry.

One of the primary drivers of high recidivism rates is the inability for returning citizens to find a job – up to 60 percent of ex-offenders remain unemployed one year after their release. A 2015 Manhattan Institute study [found](#) that employment, especially within the first six months of release, drastically lowers the likelihood of recidivism for nonviolent offenders.

Across the country, states have effectively deployed entrepreneurial development to assist returning citizens secure employment and start businesses. In Texas, the Prison Entrepreneurship Program—which has graduated more than 2,300 returning citizens—has [helped](#) 100 percent of its participants secure employment within 90 days and has helped its participants start more than 360 businesses. In Oregon, the state Department of Corrections [found](#) that participants in the

Lifelong Information for Entrepreneurship Program were 41 percent less likely to recidivate. Defy Ventures, which operates in New York, California, Connecticut, Colorado, Washington, and Illinois, [reports](#) an 82 percent employment rate and a less than 5 percent recidivism rate for its released graduates. We need to utilize the lessons of these programs and implement legislation at the state and federal level to help successfully support those returning to society and aid in helping them get back on their feet.

Prior imprisonment carries a stigma that seriously curtails job opportunities for returning citizens. One remedy is through entrepreneurship and self-employment which can provide economic stability for those who are otherwise locked out of the labor market. As such, entrepreneurial development programs, like NEW START, should be one of the most easily accessible tools available to returning citizens when they re-enter society.

As Chairman of the United States Senate Committee on Small Business and Entrepreneurship, I believe we must support legislation in our state of Maryland and in Congress that helps equip the most vulnerable members of our society with the knowledge, resources, and access to opportunity to help them start anew through entrepreneurship after returning home.

I applaud Delegate Jazz Lewis for his work on this bill and commend the Committee for examining this important issue at today's hearing.