



INSTITUTE FOR JUSTICE

May 16, 2022

Dear Chair Pratt, Chair Noor, Chair Dahms, Chair Stephenson and Members of the Conference Committee for SF 4091:

Thank you for your work on SF 4091. The Institute for Justice appreciates the inclusion of HF 3403/ SF 3036 in the House position, which will improve opportunities for justice-involved people and for employers who want to hire them.

The Institute for Justice is a nonprofit public interest law firm that works to protect civil liberties. We also study the burdens of occupational licensing, particularly on lower- to middle-income workers and people with criminal records.

We urge the committee to include HF 3403/SF 3036 in SF 4091. The state's lack of transparency in licensing makes it harder for people with criminal records to access jobs and for interested employers to fill growing vacancies. Yet unlike many states, Minnesota lacks a formal pre-clearance process in licensing for people with criminal records to get a decision from licensing agencies and boards about whether a criminal record is disqualifying. HF 3403/ SF 3036 creates a straightforward process that people can use to get this determination before investing time and resources into completing licensing requirements and applying for a license.

Roughly 30 percent of Americans have criminal records and make up an increasingly large share of the workforce.¹ Further, approximately 21.8 percent of Minnesotans need a license to work.² Together, these percentages show the potential licensing laws have to prevent people with criminal records who are rehabilitated from re-entering the workforce and employers from hiring them.

In 2020, the Institute for Justice published *Barred from Working*, a comprehensive study of the collateral consequences of occupational licensing restrictions for people with criminal records.³ The study used 10 criteria to grade all 50 states and the District of Columbia on their legal protections for licensing applicants with criminal records. **In the report, Minnesota scored low on its due process protections for people with criminal records in occupational licensing.**⁴ The report found that Minnesota lacked a transparent process for people with criminal records to apply for a license to work.

House File 3403 and SF 3036 address this problem. If Minnesota were to adopt this reform, the state would have some of the most transparent licensing laws in the nation for people with criminal records.

These reforms are good for returning citizens and good for the state. They help address labor shortages and promote public safety. Research shows a job is one of the best ways to reduce the likelihood a person will re-offend, and states that have lower barriers to re-entry also have lower rates of recidivism.⁵



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In conclusion, reducing unnecessary licensing barriers is an important way the state can safely create opportunities, support businesses, and stimulate economic growth. I encourage the committee to support these important reforms. Thank you.

Sincerely,

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¹ Umez, C. & Pirijs, R., *Barriers to Work: People With Criminal Records*, National Conference of State Legislatures (July 17, 2018), <https://www.ncsl.org/research/labor-and-employment/barriers-to-work-individuals-with-criminal-records.aspx>.

² Institute for Justice, *At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing* (Nov. 2018), <https://ij.org/report/at-what-cost>.

³ Sibilla, N., *Barred from Working: A Nationwide Study of Occupational Licensing Barriers for Ex-Offenders* (“*Barred from Working*”), Institute for Justice (June 2020), <https://ij.org/report/barred-from-working/>.

⁴ See *Barred from Working*, at “State Grades,” <https://ij.org/report/barred-from-working/state-grades/>.

⁵ Slivinski, S., *Turning Shackles Into Bootstraps: Why Occupational Licensing Reform is the Missing Piece of Criminal Justice Reform*, Center for the Study of Economic Liberty at Arizona State University (Nov. 2016), <https://cseel.asu.edu/sites/default/files/2019-09/csel-policy-report-2016-01-turning-shackles-into-bootstraps.pdf>.