

Statewide Information Campaign for Minnesota Employers & Second Chance Hiring **HF1577 / SF2627**

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BILL SUMMARY:

HF1577 (Frazier) / SF2627 (Nelson) directs the Minnesota Department of Employment and Economic Development (DEED) to develop a website, maintain a hotline service and communicate with Minnesota employers on the benefits of second chance hiring.

WHY DO WE NEED THIS LEGISLATION?

Minnesota employers often do not know or have access to information that outlines the benefits of hiring people with criminal records.

According to a survey conducted by DEED, a sample of Minnesota employers in all sectors and sizes had a willingness to hire individuals with criminal records. Approximately two-thirds of employers were “very likely” or “somewhat likely” to hire someone with a criminal record.*

However, 85% of Minnesota employers in this survey who were willing to hire an employee with a criminal record were not aware of any programs or services that would help them in hiring second chance individual.

Modeled after legislation passed in Wisconsin in 2024, this bill provides \$200,000 each year to DEED to develop a website and hotline service for Minnesota employers. This is a one-time appropriation to DEED.

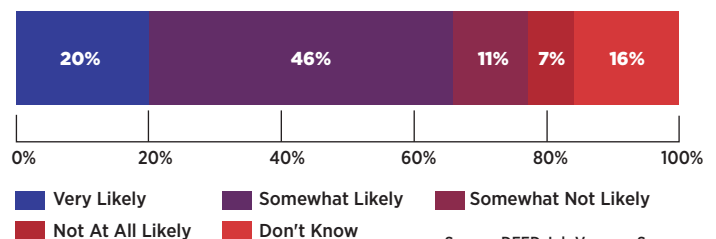
FACTS:

- *Minnesota is experiencing a lengthy workforce shortage, and there are more job openings than people looking for work.*
- *Overall labor force trends amounted to two job openings for every one unemployed worker in October of 2024.*
- *The labor shortage is statewide, with all six planning regions showing labor shortages.*
- *Roughly 1 out of 11 working age adults in Minnesota have at least one felony conviction on their record.*

EXAMPLES OF EMPLOYER BENEFITS RELATED TO SECOND CHANCE HIRING:

- *Availability of the federal Work Opportunity Tax Credit (WOTC)*
- *Access to the Federal Bonding Program*
- *Availability of state-funded DEED Training Programs*
- *Employer protections in Minnesota Statute Chapter 181*

DEED Survey of Employers: Likelihood of Hiring Applicant with a Criminal Record



Source: DEED Job Vacancy Survey

*Source: Minnesota Economic Trends, Employer Survey, 2020.

