



# Creating Transparency in Licensing

## The Problem

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 ever-growing vacancies. Approximately 1 in 3 Americans have criminal records, which can make it difficult, and sometimes even impossible, to find work, especially in licensed occupations. Minnesota licenses 21.8% of its workforce. Yet unlike many states, Minnesota lacks a formal pre-clearance process 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 uniform, pre-clearance process for people to request a decision from a licensing board or agency about whether their criminal record disqualifies them from getting a license.
- Allows a person to apply for a decision before investing in or completing training.
- Requires the licensing agency or board to provide a decision in writing.
- Requires agencies and boards to report their decisions to increase transparency.

## Benefits of the Reform

- Helps businesses. Many businesses in Minnesota are struggling to find workers. According to the Society for Human Resource Management, employers are open to hiring people with criminal records, but licensing laws stand in their way. Research shows that formerly incarcerated hires achieve the same or better scores on job performance, dependability, promotion potential, and retention.
- Supports families. By accessing licensed occupations, people with criminal records who are rehabilitated can also access higher-paying jobs and achieve greater economic stability.
- Encourages successful re-entry. Research shows a job is one of the best ways to reduce recidivism. Creating a formal process for people with criminal records to apply for licensed jobs offers them a meaningful opportunity to find work and successfully reintegrate into society.

## How Would the Pre-Clearance Process Work?

All licensing agencies and boards would accept preliminary applications from people with criminal records and decide whether the person's criminal record disqualifies them from getting a license. Upon receipt of an application, the agency or board would apply standards that already exist in state law to determine if the person's criminal record directly relates to the duties of the occupation. Within 60 days, the agency or board would issue a decision in writing regarding the person's criminal record. After receiving the decision, the person would still need to meet all other licensing requirements to qualify for a license.

## Reforms in Other States

- Since 2015, 38 states and Washington, D.C. have increased transparency in licensing for people with criminal records.
- In 19 states and Washington, D.C., people with criminal records have a pre-clearance process to apply to state licensors at any time, including before enrolling in any required training, for a determination about whether their criminal record is disqualifying.
- Ten states and Washington, D.C. have instituted new reporting requirements.

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