



INSTITUTE FOR JUSTICE

**Testimony in Support of House Bill 24-1004
Colorado Business Affairs & Labor Committee**

February 8, 2024

Dear Chair Amabile, Vice Chair Ricks, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of House Bill 24-1004, which will improve opportunities for justice-involved people and for employers who want to hire them. My name is Jennifer McDonald. I am an assistant director of the activism team at the Institute for Justice. We are a nonprofit public interest law firm that works to protect civil liberties. For more than 30 years, we have worked to protect the right to earn a living and to reduce barriers to work. We have also studied the burdens of occupational licensing, particularly on lower- to middle-income workers and people with criminal records.

Occupational licensing comes at a great cost to workers. Licensing laws commonly require aspiring workers to spend time and money completing training and testing before they can work, and there is little evidence that licensing improves quality.¹ At the same time, there is mounting evidence that licensing creates significant barriers to entry and disproportionately affects certain populations, especially people with criminal records, who are often overlooked.²

Roughly 30 percent of Americans have criminal records and make up an increasingly large share of the workforce.³ Further, approximately 18 percent of Coloradans need a license to work.⁴ Together, these percentages show the potential licensing laws have to prevent justice-involved people 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.⁵ 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, Colorado earned an F on its due process protections for people with criminal records in occupational licensing.**⁶ The report found that Colorado lacked a transparent process for people with criminal records to apply for a license to work.

House Bill 24-1004 addresses this problem. It allows people with criminal records to apply to a licensing board for a determination about whether their criminal record disqualifies them from getting a license. If Colorado 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



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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.⁷

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,

Jennifer McDonald
Assistant Director of Activism Special Projects
Institute for Justice
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¹ Knepper, L., et al. *License to work: A national study of burdens from occupational licensing*, Institute for Justice (3rd ed.) (Nov. 2022), <https://ij.org/report/license-work-3/>.

² *Id.*

³ Umez, C. & Pirus, 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>.

⁴ Vorotnikov, E.S. & Kleiner, M.M., *At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing*, Institute for Justice (Nov. 2018), <https://ij.org/report/at-what-cost>.

⁵ 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/>.

⁶ See *Barred from Working*, at “State Grades,” <https://ij.org/report/barred-from-working/state-grades/>.

⁷ 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/cseel-policy-report-2016-01-turning-shackles-into-bootstraps.pdf>.



February 2024

To: House Business Affairs and Labor Committee
Re: HB24-1001—Reauthorization of Rural Jump-Start Program

Dear Committee Members,

The American Association of University Women (AAUW) is one of the oldest women's organizations in the country, empowering women since 1881. The mission of AAUW is to advance equity for women and girls through research, education and advocacy.

AAUW has led the fight for economic empowerment for women, and we have made progress over the years. Yet women continue to lag men in both pay and opportunity. Today, women are starting new businesses in record numbers. The new business income tax credit and the new hire income tax credit, which are benefits under the Rural Jump-Start grant program, are providing opportunities for women to reach their full potential as business owners.

For these reasons, AAUW of Colorado strongly supports House Bill 1001 and requests your YES vote in committee and throughout the process of becoming law.

Respectfully submitted,

A handwritten signature in blue ink that reads "Su Ryden".

Su Ryden
AAUW Colorado Public Policy Co-Director

16699 E. Kentucky Ave.
Aurora, CO 80017
303.898.5797
su@ryden.com

American Association of University Women--AAUW is a top-rated 501(c)3 charitable organization whose mission is to advance gender equity for women and girls through research, education, and advocacy.

February 15th, 2024

RE: Support of HB 24-1004

Dear Chairwoman Judy Amabile, Vice-Chairwoman Naquetta Ricks, and Members of the Business Affairs and Labor Committee,

Colorado is a place for people who build their own future. The spirit of pioneer- and entrepreneurship has made our Centennial State one of the nation's top ten states in which to do business. But like states across the country, we're facing an ongoing labor shortage. According to the U.S. Chamber of Commerce, Colorado has nearly 200,000 open jobs – with only 100,000 workers to fill them. This makes Colorado's employment gap one of the most severe in the nation. To continue growing our economy, we need to ensure a strong and diverse talent pool is available for the employers that call Colorado home – and for those that plan to set roots here.

Nearly one in five jobs in Colorado requires an occupational license. But unlike other states, Colorado lacks transparency in its licensing processes. There is no way for people with criminal records to get a decision from licensing agencies and boards on whether or not a past conviction will restrict their access to professional licensure. Furthermore, individuals can be denied licenses for old convictions that have no relation to their professional industry. When Coloradans have paid their debt to society, we should open doors to employment and opportunity, instead of needlessly restricting them from the labor market.

Fortunately, there's a solution. House Bill 24-1004 would open access to occupational licensing, helping to grow our economy, encourage entrepreneurship, and make communities safer through lower recidivism. By joining the 39 other states that have eliminated or eased licensing barriers for people with criminal records, our legislature can address the labor shortage and ensure Colorado remains a top place to do business for years to come.

Colorado's economic future is bright, but we can build it brighter. We, the undersigned business leaders of Colorado, stand united in asking the Colorado General Assembly and Governor Polis to support businesses, entrepreneurs, and working professionals across the state by passing House Bill 24-1004.

Sincerely,

Vail Valley Partnership
Honeycomb Strategies
Checkr
Terrapin Care Station
Rocky Mountain MicroFinance Institute
Labor Depot
Cannabis Impact Fund
Spur LLC



February 15th, 2024

The Honorable Judy Amabile
Chairwoman, House Committee on
Business Affairs and Labor
200 E Colfax Avenue
Denver, CO 80203

The Honorable Naquetta Ricks
Vice-Chairwoman, House Committee on
Business Affairs and Labor
200 E Colfax Avenue
Denver, CO 80203

RE: Support of HB 24-1004

Dear Chairwoman Judy Amabile, Vice-Chairwoman Naquetta Ricks, and Members of the Business Affairs and Labor Committee,

Colorado has long been a great place to do business – but ongoing workforce shortages are holding back our economic growth. As business leaders, we write to you in strong support of HB 24-1004, which would make it easier for individuals with old criminal records to access occupational licenses. This legislation would strengthen the economy, expand the talent pool, and give hardworking Coloradans a meaningful second chance.

Nearly one in four jobs – from plumbing, to dentistry, to cosmetology, to law – requires an occupational license. State-based licensing processes assure both employers and consumers that workers are appropriately qualified to perform specialized tasks. Here in Colorado, nearly one-fifth of all workers are required to have an occupational license. But the two million Coloradans with criminal records can be denied these licenses – often after investing significant time and money – and with no guarantee their case will be fairly reviewed.

Entrepreneurship provides powerful opportunities for economic inclusion and financial stability for formerly incarcerated individuals. The Institute of Justice's research shows that entrepreneurship leads to economic independence and reduces recidivism rates to as low as 8% compared to the national average of 68%. HB 24-1004 would help remove an existing barrier to economic growth by expanding access to occupational licensing for individuals with old criminal records and requiring licensing boards to provide individual consideration for specific cases. These changes provide more opportunities for formerly incarcerated individuals to pursue occupational licenses in high-demand fields, start their own small businesses in these industries, create new jobs, and contribute to local economies. And many of the formerly incarcerated business owners in our networks seek to hire candidates from underrepresented communities and backgrounds, further creating employment opportunities for formerly incarcerated individuals.

This bill will sustain the growth that has defined Colorado for decades while expanding prosperity to more of our neighbors than ever before. Restrictive licensing laws like Colorado's have been shown to depress economic activity by preventing people from working. The Institute for Justice estimates that licensing systems cost the United States more than [\\$6 billion](#) in state and local tax revenue each year. By chipping away at barriers to

work, Colorado can boost incomes, increase sales tax revenue, and reduce our state's reliance on long-term government assistance.

Coming off of Clean Slate legislation in 2022, we have an opportunity to further support economic mobility among formerly incarcerated individuals and entrepreneurs. We know that prosperous communities are safe and strong communities. For returning citizens, having a job is one of the most reliable predictors that they will stay out of prison. By getting individuals back into the workforce, HB 24-1004 will make our communities safer, drive future investment in Colorado, and make our state an even better place to live and work.

Occupational licensing reform is a common-sense solution for Colorado's businesses, employees, economy, and communities. On behalf of the undersigned organizations, we thank the sponsors of this important legislation and urge the legislature to pass HB 24-1004 during the 2024 legislative session.

Thank you,

Adalante Community Development
Colorado Black Chamber of Commerce
The Economic Development Association for Black Communities
Rocky Mountain MicroFinance Institute
Small Business Majority

February 15th, 2024

The Honorable Judy Amabile
Chairwoman, House Committee on
Business Affairs and Labor
200 E Colfax Avenue
Denver, CO 80203

The Honorable Naquetta Ricks
Vice-Chairwoman, House Committee on
Business Affairs and Labor
200 E Colfax Avenue
Denver, CO 80203

RE: Support of HB 24-1004

Dear Chairwoman Judy Amabile, Vice-Chairwoman Naquetta Ricks, and Members of the Business Affairs and Labor Committee,

I wanted to add my voice in support of Colorado HB24-1004. As an HR leader in Denver, I know first-hand about the difficulty finding talent to fill open roles. I'm also very aware of the importance of safety and risk management in the workplace. Abundant data show that lowering barriers to employment for people with criminal records is a boost for individuals, communities, and local economies. The data also proves it poses little risk to employers.

I am thrilled to see this legislation in our state. Everyone deserves a fair chance to provide for themselves and their families. And we all deserve to live in a society where a large, capable, motivated workforce isn't denied professional credentials based on past mistakes.

I hope that this legislation passes swiftly, and that more legislation is on the way to remove barriers and enable returning citizens to thrive across this great state.

Sincerely,

Amanda Sendero
HR Leader
Denver, CO

House Business Affairs & Labor
02/15/2024 01:30 PM
HB24-1004 Ex-Offenders Practice in Regulated Occupations
Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Carol Peeples For Remerg	<p data-bbox="565 373 980 407">Dear Members of the Committee:</p> <p data-bbox="565 449 1419 558">I want to thank the sponsors of this bill for submitting important legislation that will help with employment barriers for people with a criminal history, and I ask you to support HB24-1004.</p> <p data-bbox="565 600 1451 785">I'm the founder of a nonprofit that works to reduce recidivism, and through that work I know that many of the better paying career path jobs require licensing through DORA. While the agency currently has a means for people with a criminal history to apply for a conditional license, I think this bill improves on the process.</p> <p data-bbox="565 827 1451 936">Before people invest time and money into training, it's important they have a means to determine whether their criminal history will preclude their later becoming licensed by a specific board. This just makes sense.</p> <p data-bbox="565 978 1458 1272">In addition, I also believe the bill brings clarity to the process of denial by a board and brings decision-making by a board along the lines of the Equal Employment Opportunity Commission's determination that an employer "assess the relevance of a person's criminal history and how it relates to the risks and responsibilities of the job" when making a hiring decision. Or at least I hope that's what will happen when boards must demonstrate denial based on a criminal conviction is directly connected to the applicant's history.</p> <p data-bbox="565 1314 1419 1381">Second chances require transparency from all parties, including licensing boards, and I believe this bill is a step in the right direction.</p> <p data-bbox="565 1423 883 1457">Thank you for your time.</p> <p data-bbox="565 1499 964 1650">Regards, Carol Peeples Founder and Executive Director Remerg</p>