

April 11, 2023

The Honorable Tim Briggs Chair, House Judiciary Committee Pennsylvania House of Representatives 302 Main Capitol Building Harrisburg, PA 17120 The Honorable Rob Kauffman Republican Chair, House Judiciary Committee Pennsylvania House of Representatives 313 Main Capitol Building Harrisburg, PA 17120

RE: Small Business Majority Support for House Bill 689

As a representative of the 1.1 million small businesses in Pennsylvania, Small Business Majority writes to express our support for HB 689, legislation that would expand Pennsylvania's Clean Slate laws and ensure people who have served their time get at second chance.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and inclusive economy. We engage our network of more than 85,000 small businesses and 1,500 business and other partner organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

Small business owners are facing an acute labor shortage, with an estimated <u>62.6%</u> labor force participation (down from 63.3% in February 2020). For their businesses to succeed, they must be able to attract and hire workers to fill open positions. This labor shortage is exacerbated by the reality that 1 in 3 American adults have some form of criminal or arrest record, presenting a major obstacle to employment.

HB 689 aligns Pennsylvania's law with evidence-based policies and best practices by automatically sealing low-level drug felonies and allowing some property-related felonies to be sealed by petition after 10 years of being crime-free. The bill also allows more individuals to petition to have their records sealed and shortens the waiting period for misdemeanors.

Small businesses agree these types of policies are essential to their labor recruitment. Our <u>polling</u> of Pennsylvania small business owners found a robust 81% agree that Clean Slate policies will open a pool of job applicants that deserve a second chance. What's more, 78% of Pennsylvania small businesses support laws that automatically expunge or seal certain qualifying offenses. In a state where <u>84% of small</u> <u>businesses</u> surveyed said they are likely to hire in the next six months, it's essential they have access to a ready workforce.

In addition, small business owners (77%) in the state agree that removing barriers to employment for people with criminal records will save tax dollars by reducing recidivism and the need for long-term government assistance. This is why we encourage you to pass this bill immediately and expand the pool of job candidates that is ready to work and support Pennsylvania small businesses.

Sincerely,

Awesta Sarkash Public Policy Director Small Business Majority