



**STATEMENT FOR THE RECORD**  
**BEFORE THE TEXAS SENATE COMMITTEE ON STATE AFFAIRS**  
**HB 1737 “CLEAN SLATE TEXAS” BILL**

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Awesta Sarkash  
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Dear Chair Hughes, Vice Chair Paxton, and members of the Committee.

My name is Awesta Sarkash and I am the Public Policy Director for Small Business Majority, a national small business organization that empowers America’s diverse entrepreneurs to build a thriving and equitable economy. I am writing in support of House Bill 1737 (Clean Slate Texas). This commonsense legislation will strengthen our economy, expand the talent pool for small businesses, and make Texas a better place to live and work.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. In Texas, we engage and partner with 4,623 small business owners. Our work is bolstered by extensive research and deep connections with the small business community that enable us to educate stakeholders about key issues impacting America’s entrepreneurs, with a special focus on the smallest businesses and those facing systemic inequities.

Small business owners are struggling to hire and retain a ready workforce post-pandemic. Simultaneously, more than [70 million](#) Americans have a criminal record, reducing their opportunities to contribute to society and earn a living wage. Texas makes up for [9 million](#) of those Americans. Even a minor criminal record can lead to a wall of lifelong barriers that prevent gainful employment. The underemployment of these individuals costs the state an estimated [\\$32 billion](#) in lost annual earnings. In our [recent polling](#), we found that 62% of small business owners in Texas say they are likely to hire in the next six months. Clean slate policies like HB 1737 would allow these employers to tap into this underutilized talent pool while strengthening the economy.

In fact, Small businesses can play a critical role in addressing the labor shortage as they employ [nearly half \(44.5%\) of the state’s total private workforce](#). By hiring justice-impacted individuals, small employers can fill the gap in labor, provide a second chance for those who have paid their debts to society and reduce the harms of mass incarceration. Additionally, Clean Slate policies are also good for business. Employers who hire justice-impacted workers consistently report that their quality of work and contributions are on par with or better than their non justice-impacted peers. Moreover, turnover rates with individuals who have a criminal record are notably lower.

These kinds of policies are strongly supported among small businesses. Our polling found that a robust [83% of Texas respondents agree](#) that Clean Slate policies will open a pool of job applicants that deserve a second chance, which will benefit small businesses in their efforts to hire and recruit employees.

Clean Slate is a bipartisan initiative that has passed in ten states already, including neighboring Oklahoma. I applaud the sponsors of HB 1737 for their efforts to make Texas a state of second chances and opportunities. Small business owners will thank you for passing policies that can address the ongoing labor shortage so they can get back to work. I encourage the Committee to pass this important legislation.