



## Responsible Re-Entry to Employment

### HB 1388

Sponsored by Rep. Beth McCann, D-Denver

#### What does this bill do?

By expanding Colorado's "ban the box" law, this bill would allow most job applicants to apply for positions without having to disclose their criminal history on an initial application.

#### Why is it needed?

There are more than 1.5 million Coloradans listed on the state criminal record database. For many of these people involvement with the justice system has led to perpetual unemployment and income instability for themselves and their families.<sup>1</sup>

Several studies have demonstrated that enabling face-to-face interaction with prospective employers is an effective approach to reduce barriers to employment. Research also indicates that consistent employment lowers recidivism.<sup>2</sup>

#### Do other states have this policy?

Yes, seven states have already enacted similar legislation— often with bipartisan support. Hawaii, Illinois, Massachusetts, Minnesota, New Jersey, Rhode Island, and Oregon have all adopted private sector "ban the box" legislation.

**Responsible Re-Entry Legislation allows people with a criminal record to be considered on their merits without compromising safety and security on the job.**

- Employers may still conduct criminal background checks at any point in the hiring process.
- Under state law, private employers can still consider criminal records to whatever extent they deem appropriate.
- Any positions that legally require exclusion of people with certain records are **exempted** from this bill.
- This policy has been endorsed as a best practice by the U.S. Equal Employment Opportunity Commission and is supported by the Colorado Society for Human Resource Management.

<sup>1</sup> Michele Natividad Rodriguez and Maurice Emsellem, *65 Million 'Need Not Apply': The Case for Reforming Criminal Background Checks for Employment*. The National Employment Law Project, March 2011, [http://www.nelp.org/page/-/SCLP/2011/65 Million Need Not Apply.pdf?nocdn=1](http://www.nelp.org/page/-/SCLP/2011/65%20Million%20Need%20Not%20Apply.pdf?nocdn=1)

<sup>2</sup> Anastasia Christman and Michele Natividad Rodriguez, *Research Supports Fair Chance Policies*. The National Employment Law Project, April 2015, <http://www.nelp.org/content/uploads/Fair-Chance-Ban-the-Box-Research.pdf>

## **SUPPORT FOR RESPONSIBLE RE-ENTRY TO EMPLOYMENT**

9to5 Colorado  
ACLU  
African American Humanist Temple  
All Families Deserve a Chance Coalition (AFDC)  
Anti-Defamation League  
Bayaud Enterprises  
Bridges to Career Pathways Commission (BCPC)  
Cities of Refuge Denver  
CLLARO  
CO Coalition for the Homeless  
CO Jobs With Justice  
Colorado Catholic Conference  
Colorado Council of Churches  
Colorado Criminal Defense Bar  
Colorado Criminal Justice Reform Coalition  
Colorado Fiscal Institute  
Colorado Juvenile Defender Coalition  
Colorado Social Legislation Committee  
Colorado Society for Human Resource Management (SHRM)  
Community Reentry Project  
Connections Training and Staffing, Inc.  
CrossPurpose  
CWEE  
Denver Area Labor Federation  
Denver Urban Ministries  
Empowercom, Inc.  
Family Environmental Compliance Services  
Family Tree  
Four Seasons Denver  
FRESC: Good Jobs, Strong Communities  
Fresh Anointing Christian Church  
Helping Veterans  
HIREDenver  
Homeless Out Loud  
Humboldt Consultants Inc.  
Interfaith Alliance  
J.A.G. Properties  
Latino Coalition for Community Leadership  
League of Women Voters  
Metro Caring  
Mile High United Way  
NAACP State Conference: Colo. Mont. Wyo.  
Orchid Mental Health Legal Advocacy of CO, Inc.  
Pretty Good Consulting Inc.  
Rocky Mountain Synod, Evangelical Lutheran Church in America  
Second Chance Ministries  
Skills2Compete—Colorado  
Spring Back Colorado  
The Bell Policy Center  
The Center for Spirituality at Work  
The Conflict Center  
The Empowerment Program  
The Second Chance Center  
Together Colorado  
United Veterans Committee of Colorado  
Urban Colors Arts and Mentoring  
Waters Public Affairs, LLC  
Worker to Job Connection  
WorkLife Partnership  
Zero Drop Outs

### **For more information:**

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## **“Banning the Box” Effective at Boosting Employment**

After incarceration, we expect people to work, pay restitution and support their families. Although most people re-entering society want to do exactly this, millions of Americans frequently encounter barriers to employment. In Colorado, many residents experience unemployment, food insecurity, and housing instability, as a collateral consequence of having a criminal record. By inhibiting re-entry into the workforce and limiting one’s ability to earn an income, these obstacles often affect entire families, thereby fueling both poverty and recidivism rates.

In light of these problems, the Colorado Center on Law and Policy is supporting HB 1388, which will provide new economic opportunities to individuals and families who encounter barriers to employment.

**Data demonstrates that this reform is an effective approach to increase employment rates.**

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### **Fair Chance Policies Have Proven Effective**

- After the City of Minneapolis implemented its policy, they found that removing the criminal disclosure box from initial applications and postponing background checks until a conditional offer of employment was made decreased the amount of transactional work for City staff, did not slow down the hiring process, and resulted in more than half of applicants with convictions being hired.<sup>i</sup>
- As a result of its new criminal disclosure policy, 10 percent of the City of Atlanta’s hires between March and October of 2013 were people with records.<sup>ii</sup>
- In Durham County, North Carolina, the number of applicants with criminal records recommended for hire has nearly tripled in the two years since its “ban the box” policy passed, with the resulting number of hires increasing from 35 to 97. On average, 96.8 percent of those with records recommended for hire ultimately get the job.<sup>iii</sup>
- Studies have shown that if hiring discrimination takes place, it is most likely (76 percent) to take place at the first interaction: the submission of a job application. Applicants who indicate a criminal record on these applications are much less likely to get a call-back: 34 percent of whites without a record were contacted, while only 17 percent of those with a record did; and among African Americans 14 percent without a record got a callback, but only 5 percent one of African Americans with a criminal record heard back from the potential employer.<sup>iv</sup>

## Personal Contact and Context Put a Criminal Record in Perspective, Giving Applicants a Fair Chance

- A survey of California employers found that if they knew the nature of an offense, their willingness to consider hiring a worker varied significantly, with 23 percent willing to hire a person with a drug-related felony, and 84 percent willing to consider applicants with a misdemeanor offense, but a blanket prohibition on hiring those with a “criminal record” does not allow for this kind of qualitative assessment.<sup>v</sup>
- In a study in which test pairs of potential workers, one with a criminal record and one without, applied for jobs researchers found that having personal contact with the potential employer reduced the negative effect of a criminal record by approximately 15 percent.<sup>vi</sup>
- In a study released in 2014 of how hiring managers consider job applicants with criminal records, one of the central themes of the employers’ accounts of hiring was that applicants can compensate for their criminal records based on their personality and ability to make in-person contact with hiring authorities.<sup>vii</sup>

## Ban the Box Helps Employers Find Valued Workers

- One study of former prisoners found that 8 months after release, 80 percent of employed respondents said that their employers knew about their criminal record but that they were satisfied with their work and their wages.<sup>viii</sup>
- Evolv, a company that evaluates large amounts of human resources statistics to help companies profile successful employees, has found that “employees with criminal backgrounds are 1 to 1.5 percent more productive on the job than people without criminal records.”<sup>ix</sup>

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<sup>i</sup> Letter from City Council Member Elizabeth Glidden with Attachment of City of Minneapolis Conviction History Summary 2004- 2008 YTD (March 16, 2009) (<http://www.nelp.org/page/-/SCLP/2014/Guides/Glidden-Ltr-Minneapolis2004-2008.pdf?nocdn=1>)

<sup>ii</sup> Materials on file with the National Employment Law Project.

<sup>iii</sup> Daryl Atkinson & Kathleen Lockwood, “The Benefits of Ban the Box: A Case Study of Durham, NC,” The Southern Coalition for Social Justice, Oct. 2014 ([http://www.southerncoalition.org/wp-content/uploads/2014/10/BantheBox\\_WhitePaper-2.pdf](http://www.southerncoalition.org/wp-content/uploads/2014/10/BantheBox_WhitePaper-2.pdf))

<sup>iv</sup> Devah Pager, “The Mark of a Criminal Record,” *American Journal of Sociology* 108(5), 2003: 937-975. ([http://scholar.harvard.edu/files/pager/files/pager\\_ajs.pdf](http://scholar.harvard.edu/files/pager/files/pager_ajs.pdf))

<sup>v</sup> Jennifer Fahey, Cheryl Roberts, and Len Engel, “Employment of Ex-Offenders: Employer Perspectives,” Boston, Massachusetts: Crime & Justice Institute, 2006. ([http://208.109.185.81/files/ex\\_offenders\\_employers\\_12-15-06.pdf](http://208.109.185.81/files/ex_offenders_employers_12-15-06.pdf))

<sup>vi</sup> Devah Pager, “Sequencing Disadvantage: The Effects of Race and Criminal Background for Low-Wage Job Seekers,” Statement to the U.S. Equal Employment Opportunity Commission, convened November 20, 2008. (<http://www.eeoc.gov/eeoc/meetings/11-20-08/pager.cfm>)

<sup>vii</sup> Sarah Lageson, Mike Vuolo, and Chris Uggen, “Legal Ambiguity in Managerial Assessments of Criminal Records,” *Law & Social Inquiry*, 2014. (<http://onlinelibrary.wiley.com/doi/10.1111/lsi.12066/abstract>)

<sup>viii</sup> Christy Visher, Sara Debus, and Jennifer Yahner, “Employment after Prison: A Longitudinal Study of Releasees in Three States,” Washington, D.C.: Urban Institute, 2008. ([http://www.urban.org/UploadedPDF/411778\\_employment\\_after\\_prison.pdf](http://www.urban.org/UploadedPDF/411778_employment_after_prison.pdf))

<sup>ix</sup> Inside the Wacky World of Weird Data: What’s Getting Crunched, <http://www.cnbc.com/id/101410448>



## **Research Shows “Banning the Box” Reduces Recidivism and Strengthens Families**

After incarceration, we expect people to work, pay restitution and support their families. Although most people re-entering society want to do exactly this, millions of Americans frequently encounter barriers to employment. In Colorado, many residents experience unemployment, food insecurity, and housing instability, as a collateral consequence of having a criminal record. By inhibiting re-entry into the workforce and limiting one’s ability to earn an income, these obstacles often affect entire families, thereby fueling both poverty and recidivism rates.

In light of these problems, the Colorado Center on Law and Policy is supporting HB 1388, which will address recidivism rates by providing new economic opportunities to individuals and families who encounter barriers to employment.

**Data demonstrates that this reform is an effective approach to reduce recidivism rates.**

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### **Employing People With Records Improves Public Safety**

- A study from 2011 concluded that employment is the most significant factor in decreasing recidivism. Moreover, two years after release, people with records who had gained employment were nearly twice as likely to have avoided further criminal activity.<sup>1</sup>
- Another study found that formerly incarcerated people who had found employment for one year had a recidivism rate of only 16% over three years— compared to a 52.3% recidivism rate for all other DOC releases.<sup>2</sup>
- Research stemming from a national public work program found that even minimal employment opportunities helped reduce illegal activity and arrest for people age 27 or older.<sup>3</sup>

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<sup>1</sup> Mark T. Berg and Beth M. Huebner, “Reentry and the Ties that Bind: An Examination of Social Ties, Employment, and Recidivism,” *Justice Quarterly* (28), 2011: 382-410. (<http://www.tandfonline.com/doi/abs/10.1080/07418825.2010.498383?journalCode=rjqy20#preview>)

<sup>2</sup> “Safer Foundation Three-Year Recidivism Study, 2008,” Chicago, IL: 2008. (<http://saferfoundation.org/files/documents/Safer%20Recidivism%20Study%202008%20Summary.pdf>)

<sup>3</sup> Christopher Uggen, “Work as a Turning Point in the Life Course of Criminals: a Duration Model of Age, Employment, and Recidivism,” *American Sociological Review* (67), 2000: 529-546. ([http://www.socsci.umn.edu/~uggen/Uggen\\_asr\\_00.pdf](http://www.socsci.umn.edu/~uggen/Uggen_asr_00.pdf))

### **Ban the Box Helps Lift Families and Children From Poverty**

- In one survey of family members of the formerly incarcerated, 68% of parents stated they experienced trouble paying child support, 43% faced challenges regaining custody, and over a quarter reported hardships with rebuilding familial relationships.<sup>4</sup>
- In another study of women with felonies, 65% acknowledged that they relied on a family member or spouse for financial support.

### **Fair Chance Policies Effectively Promote Re-Entry to the Workforce**

- Research has indicated that if hiring discrimination occurs, it is most likely to happen at the onset of the hiring process: the submission of a job application. For instance, one study showed that for white people, 34% without a record were contacted by employers, compared to only 17% for people with records. For African Americans, 14% without a record were contacted, in contrast to only 5% among people with records.<sup>5</sup>
- In jurisdictions that have implemented ban the box reforms, hiring rates for people with records has increased. For example, after enacting fair hiring policies, the City of Atlanta hired 10% more people with records between March and October, 2013.<sup>6</sup> Similar, in Durham County, North Carolina, the number of applicants with records who have been recommended for hire has almost tripled since the adoption of ban the box policies.<sup>7</sup>

### **Ban the Box has Gained Widespread Recognition as a Best Practice for Employers**

- Several prominent employers have already implemented ban the box reforms in their hiring policies, including Koch Industries, Walmart, Target, Home Depot, and Bed Bath & Beyond.<sup>8</sup>
- Nationally, more than 100 cities and counties, and 19 states, have enacted ban the box policies. Seven states— Hawaii, Illinois, Massachusetts, Minnesota, New Jersey, Rhode Island, and Oregon— have expanded this policy to the private sector.<sup>9</sup>
- Ban the box has been endorsed as a best practice by the U.S. Equal Employment Opportunity Commission and is supported by the Colorado Society for Human Resource Management.

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<sup>4</sup> Tracey Shollenberger, "When Relatives Return: Interviews with Family Members of Returning Prisoners in Houston, Texas," Washington, D.C.: Urban Institute, 2009. ([http://www.urban.org/UploadedPDF/411903\\_when\\_relatives\\_return.pdf](http://www.urban.org/UploadedPDF/411903_when_relatives_return.pdf))

<sup>5</sup> Devah Pager, "The Mark of a Criminal Record," *American Journal of Sociology* 108(5), 2003: 937-975. ([http://scholar.harvard.edu/files/pager/files/pager\\_ajs.pdf](http://scholar.harvard.edu/files/pager/files/pager_ajs.pdf))

<sup>6</sup> Anastasia Christman and Michele Natividad Rodriguez, *Research Supports Fair Chance Policies*. The National Employment Law Project, April 2015, <http://www.nelp.org/content/uploads/Fair-Chance-Ban-the-Box-Research.pdf>

<sup>7</sup> Daryl Atkinson & Kathleen Lockwood, "The Benefits of Ban the Box: A Case Study of Durham, NC," The Southern Coalition for Social Justice, Oct. 2014 ([http://www.southerncoalition.org/wp-content/uploads/2014/10/BantheBox\\_WhitePaper-2.pdf](http://www.southerncoalition.org/wp-content/uploads/2014/10/BantheBox_WhitePaper-2.pdf))

<sup>8</sup> Emma Stieglitz, "Koch Industries Decision to 'Ban the Box' Signals Broad, Growing Appeal for Fair-Hiring Practices," April 27, 2015. National Employment Law Project, <http://www.nelp.org/news-releases/koch-industries-decision-ban-box-signals-broad-growing-appeal-fair-hiring-practices/>

<sup>9</sup> Michelle Natividad Rodriguez and Nayantara Mehta, "Ban the Box: U.S. Cities, Counties, and States Adopt Fair Hiring Policies," Dec. 2015, National Employment Law Project. <http://www.nelp.org/publication/ban-the-box-fair-chance-hiring-state-and-local-guide/>



## **HB 1388 Helps Veterans By “Banning the Box” on Job Applications**

After incarceration, we expect people to work, pay restitution and support their families. Although most people re-entering society want to do exactly this, millions of Americans frequently encounter barriers to employment. In Colorado, many residents experience unemployment, food insecurity, and housing instability, as a collateral consequence of having a criminal record.

In light of these problems, the Colorado Center on Law and Policy developed **HB 1388**, which will help veterans and other Coloradans by providing new economic opportunities to individuals and families who encounter barriers to employment.

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### **A Significant Number of Veterans Experience Criminal Justice Issues**

- Nearly 10% of all U.S. inmates are veterans.<sup>1</sup> Additionally, many more veterans who are not incarcerated still experience some form of criminal justice system involvement.
- As reported by the Bureau of Justice Statistics, “From 1980 to 2008, the total number of veteran inmates increased along with the growth in the overall prison population.” By 2011, there were approximately 181,500 U.S. veterans who were incarcerated.<sup>2</sup>
- More locally, one study that focused on El Paso County, Colorado, found that “180 veterans and 76 active duty military personnel are arrested each month, comprising 14 percent of all arrests.”<sup>3</sup>
- The Institute for Veteran Policy has acknowledged that “with over two million personnel serving in OIF/OEF/OND, it is anticipated that the number of Iraq and Afghanistan veterans engaging with the criminal justice system has and certainly will continue to rise.”<sup>4</sup>

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<sup>1</sup> Tsai, et. al. “Risk of Incarceration and Other Characteristics of Iraq and Afghanistan Era Veterans in State and Federal Prisons,” *Psychiatric Services in Advance*, Nov. 2012,

<http://www.justiceforvets.org/sites/default/files/files/Risk%20of%20Incarceration%20and%20Other%20Characteristics%20of%20Iraq%20and%20Afghanistan%20Era%20Veterans%20in%20State%20and%20Federal%20Prisons.pdf>

<sup>2</sup> “Veterans in Prison and Jail, 2011-2012,” Bureau of Justice Statistics, Summary NCJ 249144, Dec. 2015, [http://www.bjs.gov/content/pub/pdf/vpj1112\\_sum.pdf](http://www.bjs.gov/content/pub/pdf/vpj1112_sum.pdf)

<sup>3</sup> Id.

<sup>4</sup> “Veterans and Criminal Justice: A Review of the Literature,” Institute for Veteran Policy, Aug. 2011, <https://www.swords-to-plowshares.org/wp-content/uploads/Veterans-and-Criminal-Justice-Literature-Review.pdf>

## There is a Correlation Between PTSD and Justice Involvement in Veterans

- As reporter Matthew Wolfe recently described,  
“After Vietnam, the number of inmates with prior military service rose steadily until reaching a peak in 1985, when more than one in five was a veteran. By 1988, more than half of all Vietnam veterans diagnosed with PTSD reported that they had been arrested; more than one third reported they had been arrested multiple times. Today veterans advocates fear that, unless they receive proper support, a similar epidemic may befall soldiers returning from Iraq and Afghanistan.”<sup>5</sup>
- One study found “Forty percent of veterans who suffer from PTSD are noted to have committed a violent crime since their completion of military service.”<sup>6</sup>

## Justice-Involved Veterans Face Additional Hurdles in Rejoining the Workforce

- Research conducted on “earlier generations of veterans found that veterans with histories of incarceration have an increased risk of psychiatric problems, substance abuse and dependence, and homelessness compared with veterans with no incarceration history.”<sup>7</sup>
- These problems also afflict more recent veterans. One study, which examined veterans from Afghanistan and Iraq, “reported higher rates of combat exposure and PTSD than other incarcerated veterans.”<sup>8</sup> According to another report that examined veterans returning from Iraq and Afghanistan, “Upward of 26 percent of returning troops may have mental health conditions, and the frequency of diagnoses in this category is increasing [...]”<sup>9</sup>
- The Institute for Veteran Policy has noted, “For veterans who lack access to care for psychological conditions or economic support, their lives can quickly unravel into a cycle of poverty and homelessness. [...] These veterans are engaging in illegal survival tactics which make them prone to arrest and conviction.”<sup>10</sup>

## **As the American Legislative Exchange Council (“ALEC”) has recognized:**

**“More employers committing to ‘Ban the Box’ will ensure veterans returning from prison are not faced with the double disadvantages of mental health issues and criminal backgrounds to weigh them down in a cycle of poverty and criminal recidivism.”<sup>11</sup>**

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<sup>5</sup> Matthew Wolfe, “From PTSD to Prison: Why Veterans Become Criminals,” The Daily Beast, Jul. 2013, <http://www.thedailybeast.com/articles/2013/07/28/from-ptsd-to-prison-why-veterans-become-criminals.html>

<sup>6</sup> Brandt Smith, “Posttraumatic stress disorder (PTSD) in the criminal justice system,” The Military Psychologist, Apr. 2014, <http://www.apadivisions.org/division-19/publications/newsletters/military/2014/04/ptsd.aspx>

<sup>7</sup> Tsai, et. al. (*supra* note 1)

<sup>8</sup> Id.

<sup>9</sup> Tanielian, et. al. “Invisible Wounds of War: Summary and Recommendations for Addressing Psychological and Cognitive Injuries,” Center for Military Health Policy Research, 2008, <http://justiceforvets.org/sites/default/files/files/RAND%20invisible%20wounds%20of%20war.pdf>

<sup>10</sup> “Substance Use, Dependence, and Treatment among Veterans,” The NSDUH Report, Nov. 2005, <https://www.swords-to-plowshares.org/wp-content/uploads/Veterans-and-Criminal-Justic-Literature-Review.pdf>

<sup>11</sup> Brian Hawkins, “How States Can Serve Veterans in their Communities,” ALEC, Nov. 2015, <https://www.alec.org/article/how-states-can-serve-veterans-in-their-communities-2/>



## Responsible Re-Entry Colorado: Who's Exempt?

HB 1388, Sponsored by Rep. Beth McCann

House Bill 1388 addresses preliminary obstacles to employment by implementing the "Ban the Box" reform, which would allow most job applicants to apply for positions without having to disclose their criminal history on an initial application.

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This law would **NOT** "apply to a position being offered or advertised if ..."

1) "FEDERAL, STATE, OR LOCAL LAW PROHIBITS THE EMPLOYMENT OF A PERSON WITH A SPECIFIC CRIMINAL CONVICTION FOR THE POSITION AND THE EMPLOYER ADVERTISES ABOUT, MAKES A STATEMENT ABOUT, OR INQUIRES ABOUT THAT SPECIFIC CONVICTION"

OR

"FEDERAL, STATE, OR LOCAL LAW REQUIRES THE CONSIDERATION OF A CANDIDATE'S CRIMINAL CONVICTIONS FOR THE POSITION"

According to one report from February, 2016, Colorado has at least 81 employment restrictions based on certain categories of offenses.<sup>1</sup> Many of these restrictions involve employers who work in finance, security, or who work with vulnerable populations. Additionally, many more restrictions are imposed under federal law.

### Examples

- Child Care
- Nursing care facilities
- Transportation industries (air, road, rail, or sea).
- Commodity dealers.
- Broadcast licensing.
- Firearms related professions (arms use, dealing, transportation, etc.).
- Farm labor contractors.
- Financial institutions (banks, brokers,)
- Jobs requiring a security clearance.

For a more comprehensive list of employers restricted under Colorado law, please consult the American Bar Association database, available at <http://www.abacollateralconsequences.org/map/>

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<sup>1</sup> "Jobs After Jail: Ending the prison to poverty pipeline," Alliance for a Just Society, Feb. 2016  
[https://jobgap2013.files.wordpress.com/2016/02/ajs\\_job\\_after\\_jail\\_report\\_final\\_pdf.pdf](https://jobgap2013.files.wordpress.com/2016/02/ajs_job_after_jail_report_final_pdf.pdf)

**2) "THE POSITION IS DESIGNATED BY THE EMPLOYER TO PARTICIPATE IN A FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAM TO ENCOURAGE THE EMPLOYMENT OF PEOPLE WITH CRIMINAL HISTORIES"**

This exemption allows employers who want to utilize the Work Opportunity Tax Credit program and promote the hiring of people with records.

**3) "THE POSITION REQUIRES A FIDELITY BOND OR EQUIVALENT BOND AND A SPECIFIC CRIMINAL CONVICTION WOULD DISQUALIFY THE APPLICANT FROM OBTAINING OR BEING COVERED BY THE BOND, AND THE EMPLOYER ADVERTISES ABOUT, MAKES A STATEMENT ABOUT, OR INQUIRES ABOUT THAT SPECIFIC CONVICTION"**

A fidelity bond is a type of insurance that protects employers from losses that occur as a result of fraudulent, dishonest, or unlawful acts by employees.

Employees that often require a fidelity (or equivalent) bond include positions that involve managing funds or other fiduciary responsibilities. Some examples include accountants, stock brokers, and pension managers.

Similarly, employees that frequently handle customers' property may also require a bond. For example, it is common for electricians, plumbers, and other positions with high-public access to require bonding.

In light of the important function these bonds serve, positions that require fidelity bonding are exempted from the scope of HB 1388.

**4) "EMPLOYER" DOES NOT INCLUDE A STATE, LOCAL GOVERNMENTAL, OR QUASI-GOVERNMENTAL ENTITY OR POLITICAL SUBDIVISION OF THE STATE"**

Additionally, employers with three or fewer employees are also exempted from this bill.

**For more information on these exemptions, please contact:**  
Jack Regenbogen, Esq. 303-573-5669, Ext. 321 or [jregenbogen@cclponline.org](mailto:jregenbogen@cclponline.org)