



**March 26, 2021**

**House Government & Veterans Affairs Committee**

**SB 2266**

**Katie Ralston, Director of Workforce Division, ND Department of Commerce**

Good morning, Chairman Kasper and members of the House Government and Veterans Affairs Committee. My name is Katie Ralston, and I have served as the director of the workforce division at the North Dakota Department of Commerce since January 2020. In my role, I also have the great pleasure of serving as the director of the industry-led Workforce Development Council. I'm here in support of SB 2266, as the review and revision of language included in licensing board policies emerged as an opportunity through a study that the Council and the Department of Commerce did last year.

For context, SB 2306 in the 66<sup>th</sup> Legislative Assembly, included that licensing boards and commissions must submit a report to the Department of Commerce by August 2020. We contracted with the Council on Licensure, Enforcement and Regulation (CLEAR) to complete this report, and leveraged a subcommittee of the Workforce Development Council to identify the best path for reform, with the goal of removing unnecessary barriers to employment while preserving the health and safety of North Dakotans and promoting competition. This effort uncovered unique and effective practices already being utilized by our boards, while also helping us identify opportunities.

For example, one of the most interesting findings is the practice of designated authority, where a board appoints one person from the board (30%) or a staff member (61%) to process routine license applications. A combined 91% of our licensing boards engage in this practice, which expedites license processing timelines, but can create challenges when 62% of our boards employ a good moral character clause.

The language identified in SB 2266 is vague and subjective, and one person's interpretation of good character or moral turpitude may differ from someone else's. Although the practice of appointing one person to process applications increases efficiency and gets people to work quickly, those who have criminal convictions may face more hurdles to getting a license if a board member considers a past conviction to be a reflection of an applicant's character.

According to a 2018 report by the National Conference of State Legislatures, some states automatically disqualify licenses for people who have a felony conviction whether or not the conviction is related to public safety, and while North Dakota is not one of those states, good character clauses can give licensing boards broad discretion to deny applications due to an applicant's criminal history, including convictions for minor offenses or even for arrests that never led to a conviction.<sup>1</sup>

Updating or removing the language identified in SB 2266 will reduce subjective interpretation of an applicant's character and unintended barriers to the labor market for individuals with criminal records, while increasing transparency, predictability, and consistency in license application processing practices for our boards.

Thank you for your time and for the opportunity to speak today. I'm happy to answer any questions you may have.

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<sup>1</sup> (National Conference of State Legislatures, 2018)

National Conference of State Legislatures. (2018). *Barriers to Work: Improving Employment in Licensed Occupations for Individuals with Criminal Records*. Denver: NCSL.