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The Honorable Chris R. Holden
Chair, Assembly Appropriations Committee
Sacramento, CA 95814

Re: S.B. 1262 would reduce expenses and add revenue to the state

Dear Chair Holden:

I write on behalf of the Consumer Data Industry Association (“CDIA”) to urge your support for S.B. 1262.¹ The bill will have no adverse fiscal impact on the state, and it would likely save court clerks’ time and money. The bill passed the Senate Public Safety Committee, the senate, and the Assembly Public Safety Committee without a single against it. The bill lowers barriers to hiring by expediting the background check process for employers, principals, and volunteers.

The problem created that S.B. 1262 will solve

As noted by Sen. Bradford at the start of the hearing on the bill, S.B. 1262 “returns public court record access to the status quo by allowing [background check companies to] search and filter by...[using] identifiers [DOBs and DLNs].” Since May 2021, court clerks in Superior Courts across the state have felt obligated to follow a decision by the Fourth Appellate Division decision that removes DOBs and DLNs from court indexes.² Following *Hamrick*, many courts removed the ability to search and filter records based on dates of birth and/or driver’s license number. The delays that result in conducting background checks are a month or more.

By removing the ability to search and filter records based on a DOB and/or a DLN, courts created a situation where background check companies seeking public access to public records must now appear before clerks far more regularly. As a result of the workload burdens imposed by the *Hamrick* decision, clerks are now limiting court record access to file files per requestor per day.

¹ CDIA is the voice of the consumer reporting industry, representing consumer reporting agencies, including the nationwide credit bureaus, regional and specialized credit bureaus, background check and residential screening companies, and others. Founded in 1906, CDIA promotes the responsible use of consumer data to help consumers achieve their financial goals and to help businesses, governments, and volunteer organizations avoid fraud and manage risk. Through data and analytics, CDIA members empower economic opportunity all over the world, helping ensure fair and safe transactions for consumers, facilitating competition, and expanding consumers’ access to financial and other products suited to their unique needs.

² *All of Us or None – Riverside Chapter v. Hamrick* (2021) 64 Cal.App.5th 751 (“*Hamrick*”).

The *Hamrick* decision prohibiting DOB/DLN filtering in indexes, piled on by the clerks' limiting public record access to court records, presents a double-whammy for employers, nonprofits, and volunteer organizations seeking to fill positions.³

Senate Bill 1262 eases the burdens on court clerks across the state

Senate Bill 1262 will return the hiring and volunteer placement process to the status quo, as it existed for approximately 20 years before *Hamrick*. In that pre- *Hamrick*, clerk burdens were lower because background check companies could filter for DOBs and DLNs in electronic indexes. Now, without the workload relief afforded by S.B. 1262, clerks must contend with many more public record requestors standing in front of them, making the requests necessary to place people in jobs and volunteer positions.

A faster hiring process means less dependency on the state's unemployment insurance ("UI") system, and the savings to the state by passing S.B. 1262 could be in the millions.⁴ The reduced expenditures of millions of dollars to the state also mean increased revenues for the state. As workers leave the UI rolls as an expense, they enter the workforce and pay taxes, generating hundreds of thousands of dollars for state and local governments.

As Sen. Bradford said when he closed the hearing on S.B. 1262, "[a]ll this [bill] does is streamline...that search or background check and narrows it..." This streamlined process eases burdens on clerks and allows them to work more efficiently.

Sincerely,



Eric J. Ellman
Senior Vice President, Public Policy & Legal Affairs

³ A search on Indeed of all open positions at "Los Angeles community hospitals" on April 29, 2022, showed 5,135 jobs that needed to be filled. This search is an imprecise measure because not every position in Los Angeles community hospitals require background checks, either by law or by practice (but many do), and not every position open at Los Angeles community hospitals are posted on Indeed. Yet, the scope of the open positions offers in an insight into perhaps hundreds of thousands of jobs that must now undergo personal intervention by court clerks across the state.

⁴ According to the California Employment Development Department, for March 2022, the Monthly Average Weekly Benefit Amount for the payment of ("UI") was \$344. That average payment comes from 190,772 claims filed for a total of \$464mm. If 10,000 workers are receiving UI payments and those workers are delayed an average of four week each while waiting for the courts to clear their background checks, that delay would amount to an additional bleed of UI payments of \$3,440,000.