

OPPORTUNITY STARTS WITH A FAIR CHANCE

**An Employer's Guide to Complying with
the LA County Fair Chance Ordinance
and Hiring System-Impacted Individuals**

fairchance

**department
of economic
opportunity**
COUNTY OF LOS ANGELES

Powered by Center for Employment Opportunities and TaskForce

WHY OPPORTUNITY STARTS WITH A FAIR CHANCE

Every year, more than 650,000 individuals return home from the criminal legal system, ready to restart their lives, reconnect with their communities, and reenter the workforce. This includes approximately 60,000 of our neighbors right here in LA County—people seeking that second chance—with valuable skills, perspectives, and a strong desire to contribute.

On February 27, 2024, **the Los Angeles County Board of Supervisors unanimously adopted the County’s Fair Chance Ordinance for Employers (FCO).** This ordinance aligns with the California Fair Chance Act (FCA), also known as “Ban the Box,” which was established to ensure that individuals impacted by the justice system are not locked out of employment opportunities.

With the ordinance now in effect, the Department of Economic Opportunity (DEO) is working alongside trusted partners—including the Center for Employment Opportunities and TaskForce—to connect businesses with talented individuals who are often overlooked. Los Angeles County also offers a variety of support services for employers, including financial incentives, training reimbursements, customized hiring assistance, and wraparound services. These resources make it easier than ever to hire responsibly and grow inclusively.

This Employer Guide was created to help you understand your responsibilities under the ordinance—and to highlight the benefits of fair chance hiring.

Whether you’re exploring fair chance hiring for the first time or expanding your existing efforts, this guide provides the information and resources you need.

Opportunity starts with a fair chance. And it starts with you.



Kelly LoBianco

*Executive Director
Economic and Workforce Development,
Los Angeles County Department of
Economic Opportunity*

Portraits in this guide were taken by Brandon Tauszik, with stories compiled by Alisha Jucevik.

THE BENEFITS OF FAIR CHANCE HIRING

Fair chance hiring offers many **benefits to your business, community, and prospective employees**. Our team is standing by to support you in connecting your business to local individuals with past convictions, also known as system-impacted individuals, who are qualified and ready to work.

FAIR CHANCE HIRING IMPROVES YOUR BOTTOM LINE

- A recent report by the Society for Human Resource Management demonstrated that **85% of HR professionals believe that workers with criminal records actually perform “as good or better than”** those without.¹
- The **turnover rate for employees with criminal records is about 13% lower** than their peers, dramatically lowering turnover costs.¹
- **Widen your talent pipeline.** Nearly 1 in 3 Americans have a conviction record.² With increasing labor shortages across the country, fair chance hiring can help fill vacancies. 7 out of 10 employers agree that without hiring employees with past convictions, their business is missing out on skilled workers.
- **Higher rates of performance**, with 8 out of 10 employers reporting that system-impacted individuals' performance at work is better or the same as their co-workers' when measuring quality of work, honesty, loyalty, reliability, relationship with co-workers, and punctuality.
- **Demonstrates a commitment to anti-racism and diversity, equity, and inclusion** by looking at a pool of candidates that will more than likely be from diverse racial and economic backgrounds, gender identities, and sexual orientations.

FAIR CHANCE HIRING COMES WITH INCENTIVES

- **Receive Federal Tax Credits.** Qualify for \$2,400 in Federal tax credit for *each* fair chance jobseeker you hire.³ In 2023, 1,378 credits were given in California.⁴
- **Homeless Hiring Tax Credit.** Qualify for tax credits ranging from \$2,500 - \$10,000 per employee when you hire housing-insecure job seekers.
- **Risk Mitigation Through Bonding.** Alleviate your concerns in hiring a fair chance participant by receiving free fidelity bonding insurance of \$5,000 to \$15,000 for 6 months.
- **Access Subsidized Wages.** Offset the cost for new employee training and get reimbursed of up to 50% of wages paid or \$7,500 (whichever is less) when you hire a fair chance program job seeker through LA County's *America's Job Centers of California*.⁵

“I know that I can do it, but having someone believe in you, invest in you, or give you that opportunity is what's difficult. Never give up and be tenacious in whatever you're pursuing.”



Carlos Sanchez
Owner, C&A Simplified Remodeling

¹ <https://insight.kellogg.northwestern.edu/article/should-you-hire-someone-with-a-criminal-record#:~:text=White%20that%20might%20not%20seem,records%20is%20about%2013%25%20lower>

² <https://www.science.org/doi/10.1126/sciadv.abj6992>

³ https://edd.ca.gov/en/jobs_and_training/WOTC_Employer_Guide/

⁴ <https://www.dol.gov/sites/dolgov/files/ETA/wotc/pdfs/FY23%20National%20Certification%20Data.pdf>

⁵ <https://www.ajcc.lacounty.gov/employers/services/access-subsidized-wages>

FAIR CHANCE ORDINANCE FOR EMPLOYERS: WHAT YOU NEED TO KNOW

The LA County Fair Chance Ordinance (FCO) ensures employers aren't overlooking unique talent by preventing outdated, discriminatory hiring practices. Its goal is to reduce recidivism rates and improve public safety outcomes. The FCO complements the California Fair Chance Act (Ban the Box laws) and adds further requirements and enforcement mechanisms for employers located in or doing work within the unincorporated areas in LA County. It is enforced by the LA County Department of Consumer and Business Affairs, which can also assist you with questions regarding compliance.

KEY REQUIREMENTS FOR THE FAIR CHANCE ORDINANCE

- **Job Bulletins**
Employers must avoid discouraging language in job postings, for example, "No Felons," and instead state that applicants with criminal records will be considered under the Fair Chance Ordinance. If a background check is required, employers must provide a valid reason and disclose any legal restrictions related to criminal history.
- **Criminal History Inquiries**
An employer cannot ask about a criminal record until a conditional job offer has been extended, and they must provide written notice stating that the offer is contingent on the review and include a specific justification for conducting the review.
- **Consideration of Criminal History**
Employers cannot consider arrests that did not lead to conviction, convictions older than seven years, or convictions that have been dismissed or expunged.
- **Taking Adverse Action Based on Criminal History**
If an employer intends to withdraw a conditional job offer, solely or partly due to an applicant's criminal history, the employer must conduct a written Initial Individualized Assessment. This assessment determines whether the applicant's criminal history directly impacts their ability to perform the job, justifying the denial of the position or any adverse action. If the employer still intends to rescind the job offer after the Initial Individualized Assessment, then the employer must follow the Fair Chance process to remain compliant with the law. This includes conducting a reassessment and providing the applicant with specific timeframes to respond.
- **Penalties for Non-Compliance**
Fines are \$5,000, \$10,000, or \$20,000 for each violation, and can also result in the suspension, revocation, or denial of any licenses that are issued by the County. Penalties are determined by factors such as the violation's seriousness, whether it was corrected, prior violations, and any unpaid amounts owed.

5 FAIR CHANCE HIRING RULES EVERY EMPLOYER MUST KNOW:

NOTICE AND POSTING REQUIREMENTS	Employers must post the Fair Chance Ordinance poster in an area visible to workers or applicants, and send the poster to labor unions or worker representatives if applicable. The notice must be available in English and any other languages spoken by at least 10% of the workforce.
FAIR CHANCE PROCESS	If an employer still intends to deny a job offer after conducting the Initial Individual Assessment, the employer must provide the applicant a Preliminary Notice of Adverse Action, provide a chance for the applicant to respond within specific timeframes, conduct a Second Individualized Assessment, and send a Final Notice of Adverse Action.
KEEP THE POSITION OPEN	An employer is required to keep the position open while conducting the Fair Chance Hiring Process in most circumstances.
NOTIFICATION TO APPLICANT	An employer is required to provide an individualized assessment to the candidate as well as information on where to file a complaint.
DOCUMENT RETENTION	Employers are required to retain all records pertaining to the Fair Chance Hiring Process for four years.

This is not an exhaustive list of all requirements employers must follow to be in compliance with the LA County Fair Chance Ordinance.

To ensure compliance, and to learn more please visit:
Website: opportunity.lacounty.gov/fairchance
Email: fairchance@opportunity.lacounty.gov

Employers can also reach out to the Center for Employment Opportunities for free direct technical assistance and education: ihsupport@ceoworks.org or call (323)219-5652.

“It’s good to hire someone who’s gone through that challenge in their life because they survived it, and if they’ve learned from it, then they’re a stronger person.”

Elizabeth Yang

Founder, Yang Law Offices
Fair Chance Employer

BEYOND THE ORDINANCE: HOW TO ELEVATE FAIR CHANCE HIRING PRACTICES AT YOUR WORKPLACE

- Educate your workforce about why fair chance hiring is an important business practice that the company is embracing. Provide facts and answer any questions.
- Ensure that all necessary stakeholders are brought-in including legal, human resources executive staff and managers.
- Embrace skills-based hiring which removes unnecessary barriers to employment.
- Build out talent pipelines with local reentry organizations; they are working with individuals eager for employment
- and often provide support while the new employee is employed.
- Make sure that you self-identify as a Fair Chance employer on platforms such as LinkedIn and Indeed.
- Double-check your recruitment material to ensure that it is not only aligned with the LA County Fair Chance Ordinance but that it adequately signals that job seekers with past convictions are welcome to apply.

MYTHS ABOUT HIRING SYSTEM-IMPACTED INDIVIDUALS

Myth: “Hiring fair chance talent is a risk to my business.”

- Research demonstrates that system-impacted individuals are **reliable and consistent**. Studies show DEI has the potential to **increase sales revenue**, increase customer base and ultimately **increase profits**. Committing to hiring diverse employees, including system-impacted individuals, makes good business sense.

Myth: “Fair chance talent do not have a long tenure.”

- Research shows that system-impacted individuals tend to **stay longer**, while being just as, if not **more productive than their peers**.

Myth: “Fair chance hiring is costly.”

- Business leaders and HR Professionals believe the opposite. A recent SHRM study showed that the majority of business leaders that have adopted fair chance hiring practices said that the **cost-per-hire was the same or less than workers without past criminal records**.

Myth: “Hiring a person re-entering the workforce will cost time and money because they will need extensive training”

- Data from business leaders and HR professionals proves the opposite. A recent SHRM survey showed that 74% of business leaders who have adopted fair chance hiring practices said that the cost-per-hire of workers with records was about the same as or less than that of workers without records. Moreover, **our fair chance program includes benefits to offset up to 90% of wages**.

Myth: “It’s hard to find qualified candidates with criminal records”

- People with records can bring a wide array of talents, skills, and perspectives to the workplace. In fact, **many have held jobs while incarcerated, gaining both technical and soft skills**. There are many workforce organizations throughout Los Angeles that are providing soft and hard skill training to fair chance talent. They are eager to forge a relationship with you. American Job Centers in Los Angeles also have qualified employees who are readily available.

“They gave me a second chance, and they believed in me. They didn’t look at me for where I was. They looked at me for where I am.”



Vanessa Ebenezer
Ground Maintenance Supervisor,
LA County Parks Department



“System-impacted people are goal-oriented, and if you can teach somebody how to do it, they can become one of your best employees.”

Jack Morris

Program Manager at the RISE Reentry Program,
St. John's Community Health

Home for 7 years

Language is important and it signals to fair chance talent whether or not they are welcome to apply to work for your company. Consider using humanizing language such as “a person that has a felony conviction” instead of “felon”, or “a person on parole supervision” instead of “parolee”.

LEADING BY EXAMPLE: LA COUNTY'S FAIR CHANCE HIRING COMMITMENT

As the largest employer in Southern California, with over 100,000 employees in more than 36 Departments, LA County attracts thousands of dedicated public servants interested in diverse fields spanning law enforcement, property assessment, public health protection, water conservation, cultural activities and many more.

The County of Los Angeles firmly believes that its employees are its greatest asset. A career in the County means joining a workforce as diverse as the people that it serves. Creating equal opportunity is deeply valued in the County. This is why the County is proud to lead the way in fair chance hiring.

As a fair chance employer, an applicant's conviction history will not be considered unless and until that applicant receives a conditional offer of employment. The County will then conduct an individualized assessment to determine if an applicant's conviction history is directly and adversely related to the job, taking into consideration potential mitigating factors, including, but not limited to, evidence and extent of rehabilitation, recency of the offense(s), work history and references, and age at the time of the offense(s).

The County's most recent hiring data reflects the County's commitment to fair chance hiring.

In 2024, Los Angeles County made 561 conditional job offers to candidates with past convictions. Of those, 518 (over 92%) passed the background check. In fact, since 2018, more than 91% have cleared the process, showing LA County's ongoing commitment to fair chance hiring and second chances.

Hailed as one of the Top 10 Government Services Employers by Forbes Magazine, LA County's Department of Human Resources will continue to collaborate with stakeholders to persistently **create pathways to employment for system-impacted individuals**. With integrity and respect as its core values, the County stands true to its commitment of creating boundless opportunities for all. To learn more about obtaining employment with LA County visit, hr.lacounty.gov/fairchanceemployer.

ENSURE YOU ARE UP-TO-DATE WITH THE LATEST INFORMATION

- Connect with the Center for Employment Opportunities (CEO) at ihsupport@ceoworks.org, or call (323) 219-5652. CEO is providing direct services to employers focused on the LA County Fair Chance Ordinance.
- Visit the LA County Department websites for more information:
 - LA County Department of Economic Opportunity: opportunity.lacounty.gov/fairchance
 - LA County Department of Consumer & Business Affairs: dcba.lacounty.gov/fairchance
- Sign up as an employer with your local American Job Center of California (AJCC). Not only will you have access to important fair chance hiring updates, but you will also be able to widen your talent pool by recruiting directly from the AJCC.

