

# Business Leaders Summit on Reentry

A Conversation About  
Hiring People with Criminal Records

LAWYERS' COMMITTEE FOR  
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**NELP**  
National Employment Law Project

Business Leaders Summit on Reentry: Strategizing for a Strong Local Economy

# Local Business Leader in Reentry

Mike Hannigan

Co-Founder and President,  
Give Something Back

**Business Leaders Summit on Reentry: Strategizing for a Strong Local Economy**

# Public Safety and Employment

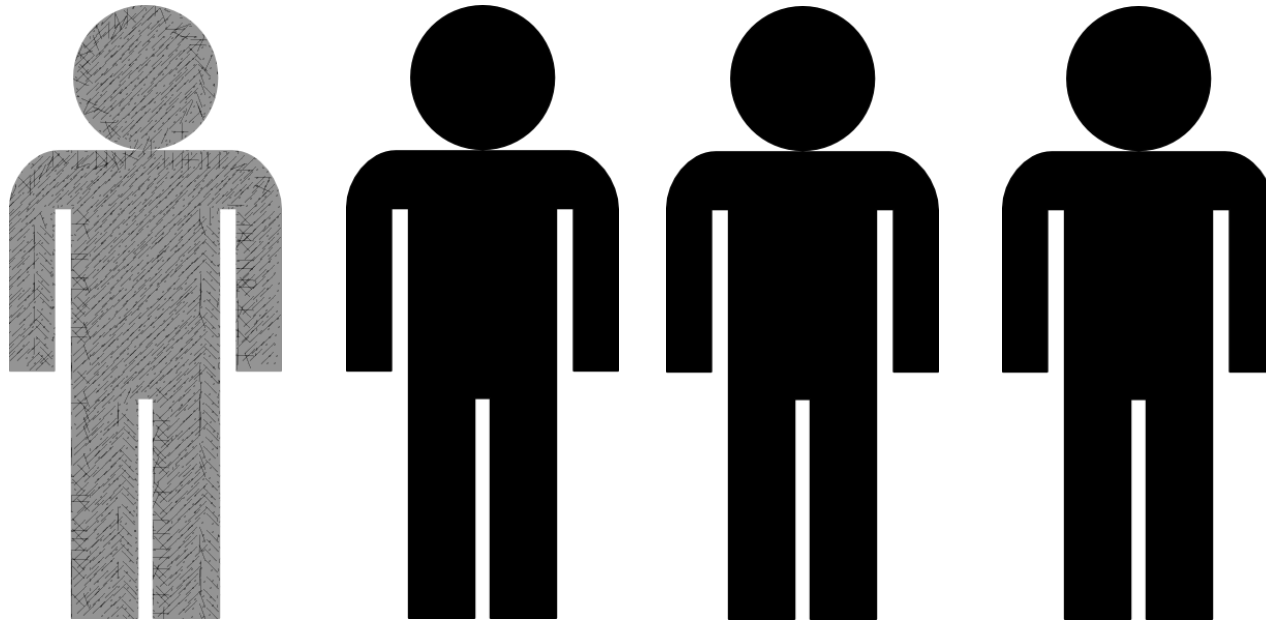
Jeanne Woodford

Senior Fellow, Chief Justice Earl Warren  
Institute on Law and Social Policy, UC Berkeley

**Business Leaders Summit on Reentry: Strategizing for a Strong Local Economy**

# Who has a record?

Anyone. Over **1 in 4** U.S. adults have a record, which is 70 million of 235 million U.S. adults. (U.S. Bureau of Justice Statistics 2012 and Census estimates 2012)



# Why do 1 in 4 U.S. adults have a record?

**Each year**

12.1 million arrests

**Today**

6.9 million adults are in the correctional system

Most commonly, arrests are for property, drugs, and DUI

46.5% people in prison in for non-violent convictions

# Hundreds of Thousands in Alameda County Have Records

375,000 Residents with a Record



Populations of Fremont & Hayward

22,475 People in Correctional System

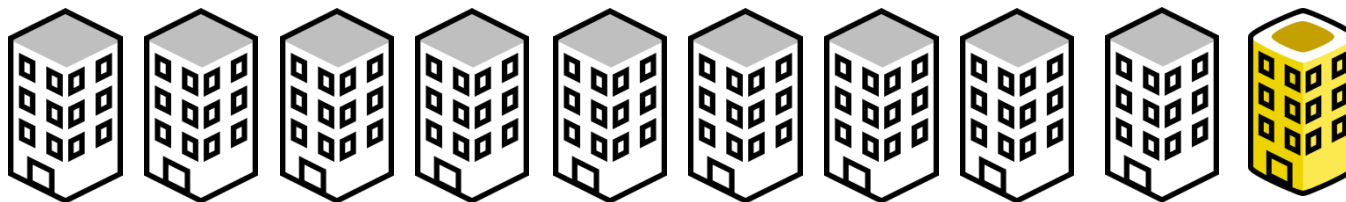


Populations of Emeryville & Piedmont

# Real People

## Majority of Companies Use Criminal Background Checks— Although They Are Not Required

In a survey of companies, about 90% reported using background checks for at least some job candidates.





# “Nothing stops a bullet like a job.”

*Father Gregory Boyle, Homeboy Industries, Los Angeles*

## Reduce re-offending

At state level, 1% drop in unemployment rate causes decline: 2% in burglary, 1.5% in larceny, and 1% in auto theft. (Raphael & Winter-Ebmer 2001)

## Reduce crime

Formerly incarcerated persons with 1 yr. of employment had 16% recidivism rate over 3 yrs. as compared to avg. of 52.3%.

(Safer Foundation, 2008)

# Our economy suffers when...

Loss of production of people with felonies and prison records costs U.S. economy \$57-\$65 billion. (CEPR, 2010)



Incarceration depresses annual income by 40%, impacting economic mobility of children. (PEW, 2010)

# Closing Remarks

# Strategy Sessions

Reducing Business Risk  
and Liability

Improving Your Bottom Line

# Reducing Business Risk and Liability

## Real and Perceived Risks

- **Compliance with Federal & State Laws**
- **Negligent Hiring**
- **Training and Retention**

# Compliance with Federal and State Laws

## True or False?

**As an employer, I can have a no-hire policy for anyone with a criminal record.**

**False.** U.S. EEOC guidance warns that across-the-board exclusion of people with records could violate federal civil rights law.

# Compliance with Federal and State Laws

## True or False?

**As an employer, when I run a background check, I will see everything in an applicant's criminal record.**

**False.** Commercially prepared background checks cannot legally include matters that are more than 7 years old, arrests not leading to conviction, and other protected information.

# Compliance with Federal and State Laws

## The Three R's

**As an employer, if you determine that a background check is necessary for a particular position, then conduct a case-by-case assessment considering:**

- **Relevance**
- **Recency**
- **Evidence of Rehabilitation**



# Negligent hiring is one of the smallest legal risks for employers.

- In California, background checks are not legally required for most jobs.
- An employer is 10 times as likely to face liability for wrongful discharge as for negligent hiring.



# Training and Retention

- Only a small portion of people with criminal records are in transition.
- Workforce development organizations provide additional support to these individuals.



# Reducing Business Risk and Liability

## Real and Perceived Risks

- **Compliance with Federal & State Laws**
- **Negligent Hiring**
- **Training and Retention**
- **Others?**

# Improving Your Bottom Line

- **Wage Subsidies**
- **Enterprise Zone Tax Credits**
- **Work Opportunity Tax Credits**
- **New Employment Credit**
- **New Jobs Credit**

# Wage Subsidies

- AC Hire Wage Subsidy for 50% reimbursement of wages
- On the Job Training (OJT) Wage Subsidy for 50% of wage rate of OJT trainees

# Enterprise Zone (EZ)

- Businesses located within an Enterprise Zone
- Up to \$37,000 per qualified employee hired

# Work Opportunity Tax Credit (WOTC)

- Employers who hire people from specific target groups
- Maximum credit ranges from \$1,200 to \$9,600 per qualified employee

# New Employment Credit (NEC)

- Certain employers are eligible
- Greater the wages, greater the credit
- Over 5 years, credit may be \$6,000 to \$66,000 per qualified employee



# New Jobs Credit

- Employers that hire qualified full-time employees
- Credit is 35% of wages paid to each new qualified employee

# Improving Your Bottom Line

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- **New Employment Credit**
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- **Others?**

# Local Business Leader in Reentry

Derek Barrett

Founder and President,  
D & B Painting Co.

# WHY EMPLOY PEOPLE WITH RECORDS?



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# Johns Hopkins Hospital



Pamela Paulk, VP of Human Resources

# Johns Hopkins Hospital Hires People with Records

- Turnover is lower than employees without records for first 40 months
- Anecdotal observation:

**ZERO** “problematic” terminations  
were people with records (Source: Pamela Paulk, VP Human Resources)



# Next steps



- Short survey
- How can I get involved?
  - Become a Project Advisor
  - Sign up for a legal training or workshop on incentives
  - Ella Baker Center initiative
- Spread the word – upcoming Summit:
  - Thursday, July 17 at 8am

# Business Leaders Summit on Reentry: Strategizing for a Strong Local Economy

**JOIN US!** A summit for employers, business leaders, and HR professionals to discuss challenges and opportunities related to hiring people with past criminal records, as a means of strengthening your business and the local economy. [www.lccr.com](http://www.lccr.com)



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