

Business Leaders Summit on Reentry

A Conversation About
Hiring People with Criminal Records

LAWYERS' COMMITTEE FOR
CIVIL RIGHTS
OF THE SAN FRANCISCO BAY AREA

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

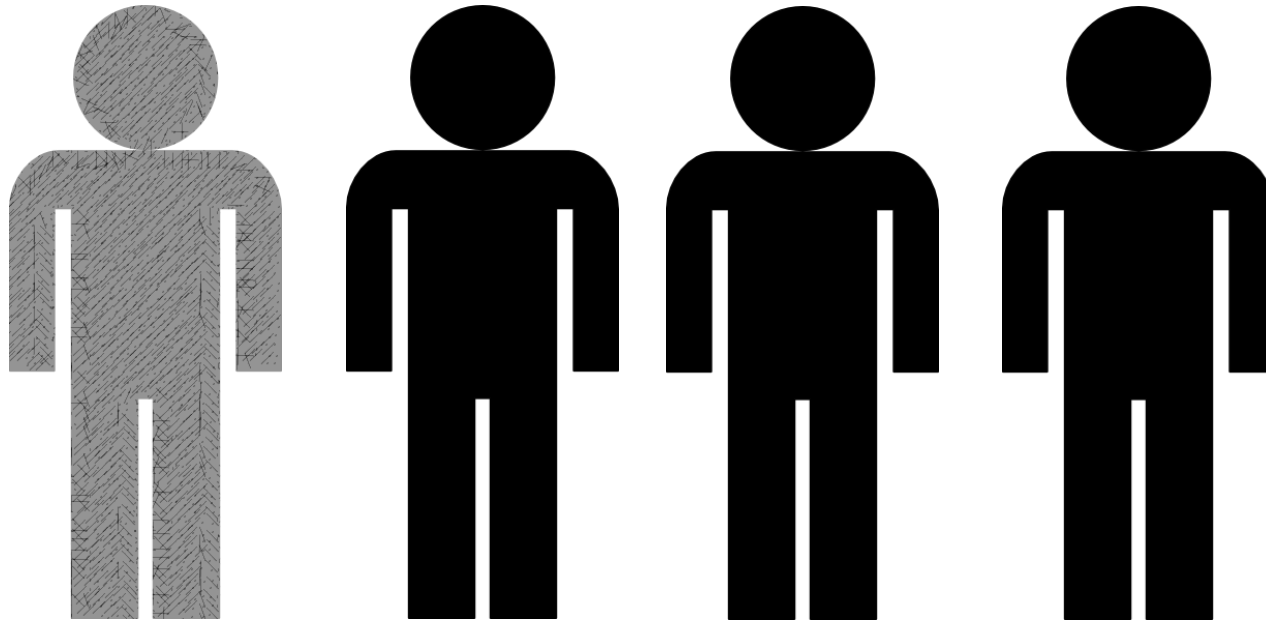
Jeanne Woodford

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

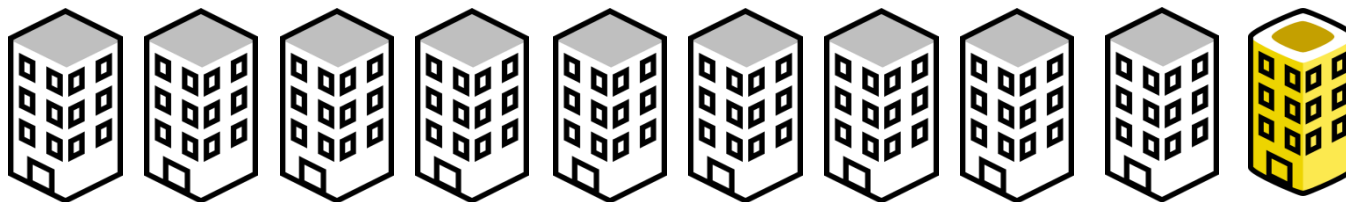


Populations of Emeryville & Piedmont

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

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

Local Business Leader in Reentry

Derek Barrett

Founder and President,
D & B Painting Co.

WHY EMPLOY PEOPLE WITH RECORDS?



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

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



ORGANIZED BY



SPONSORED BY

