

This document is the result of 5-7 months of meetings and research by the 10 State Reentry Council Collaborative (SRCC) workgroups and presents draft recommendations. The SRCC welcomes your comments and feedback on these draft recommendations. **Note: Budget numbers in these recommendations are estimates only and have not been verified.**

All feedback will be reviewed and considered. Once the final recommendations are approved by the SRCC, they will be submitted to the NC General Assembly and the Office of Governor Roy Cooper.

In submitting your feedback, please include the following information:

- Your name
- Organization (if applicable)
- Workgroup and recommendation to which your feedback applies

We welcome any feedback submitted prior to the deadline, but all comments must be emailed to Irene Lawrence at irene.lawrence@ncdps.gov by 5pm on October 31st.

SRCC Employment Workgroup Recommendation #1

RECOMMENDATION SUMMARY

North Carolina started the first Work Release Program in the country in 1957. This program has proven success in reducing recidivist incarceration from 47% to 34% and recidivist arrests from 30% to 18%. Because this program is proven to be one of the most successful correctional programs, the Employment Workgroup makes a recommendation to increase the utilization of the Work Release Program.

After carefully researching the challenges faced by the North Carolina Department of Public Safety in filling all current work release slots, it is recommended that the department prioritize expansion of this program. Research should include evaluation of other state's Work Release Programs, evaluation of current program and North Carolina Department of Public Safety (NCDPS) challenges, and additional recommendations provided to guide the expansion project.

BACKGROUND

According to the Department of Public Safety website (<https://www.ncdps.gov/adult-corrections/prisons/transition-services/work-release>), "the Work Release Program provides selected inmates the opportunity for employment in the community during imprisonment. It addresses the transitional needs of soon-to-be-released inmates, and the program provides an opportunity for inmates to support their families and to reduce the economic costs of their imprisonment."

Criteria for Participation

"Work Release participation is based on factors such as the sentence received, the statute under which sentenced and the inmates record of behavior. Participating inmates must be in the final stage of imprisonment and are carefully screened for participation by prison managers."

Program Operation

"The Work Release Program is available at the majority of minimum security prisons. Inmates are allowed to leave the prison each day to work and are required to return to the prison when their work is finished. Inmates must earn at least minimum wage. The job plan and job site must be reviewed and approved by prison managers.

Inmates must work in a supervised setting and cannot work for family members or operate their own businesses. The work release employer must receive an orientation from Section of Prison staff and agree to the rules of the program. The employer must have Worker's Compensation insurance. Earnings from work release wages are used to pay restitution and fines, to pay family support, to pay prison housing and work release transportation costs and to set aside money for the inmate upon release. Prospective employers interested in employing work release inmates should contact the [minimum-security prison nearest their location.](#)"

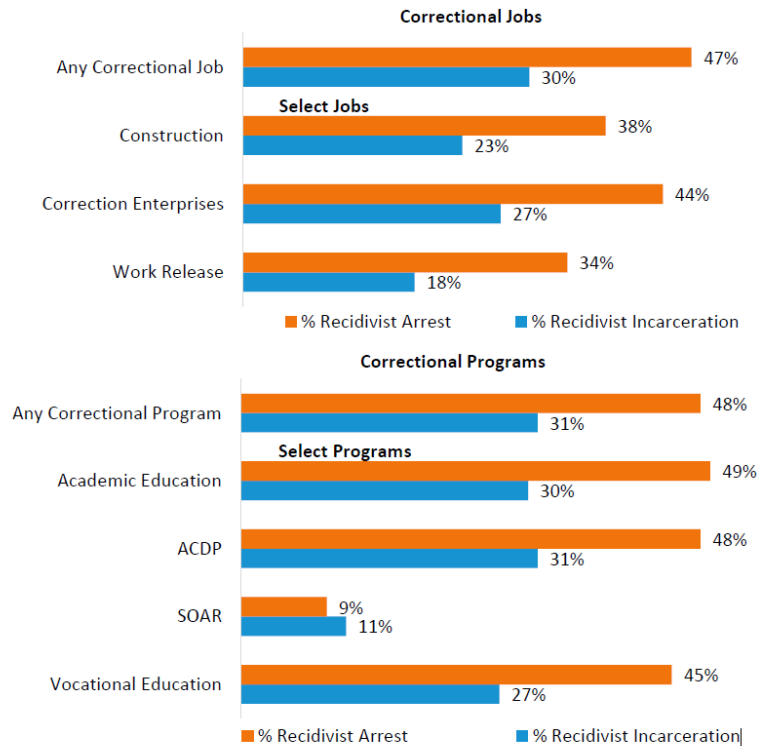
North Carolina was a pioneer in creating the first work release program in the country in 1957. However, since that time, NC has fallen behind other states in their capacity to support this

valuable program. According to the NCDPS, Fiscal Year 2016-2017, Annual Statistical Report, 18,319 inmates had work assignments, but only 1,182 of those were assigned to work release. Over 37,000 inmates were incarcerated during this period. Compare that to a report submitted by the Florida Department of Corrections (FLDC), which states that “in 2001, 29 state correctional agencies reported that 39,705 inmates were placed in work release programs in the United States, with Florida having the second highest number with **4,885** placements.” It should be noted that Florida has a much larger inmate population with about 97,000 inmates. However, consider that NCDPS’s work release program consists of about 3% of their inmate population compared to FLDC whose work release program consists of about 5% of their inmate population. If NCDPS were to increase their capacity to 5%, and additional 668 inmates would benefit.

The financial benefits to the state in having inmates in the Work Release Program is tremendous. NCDPS reported, “Inmates on work release receive prevailing market wages from their employers, but must pay a room-and-board fee to the prison unit. For FY 2016-2017, inmates paid the Division of Adult Correction and Juvenile Justice \$5,487,078 in per diem and \$1,936,064 for transportation and job-related expenses. They also paid child support and restitution totaling \$1,650,824. During this period, inmates paid an additional \$2,435,626 for personal expenses, spousal support and other family expenses.” A total paid out of **\$11,509,592**. This is in addition to the taxes which were deducted from their paychecks.

The Work Release Program has proven to be one of the most success prison programs at reducing recidivism. “Figure 4.9, below, provides recidivism rates for prison releases assigned to select correctional jobs and programs. Recidivism rates for prisoners in Academic Education, ACDP, and Vocational Education were fairly similar or slightly lower than those found for the overall prison population.” However, “prisoners in Correction Enterprises, SOAR, and **Work Release** generally had lower recidivism rates than the overall prison population.” According to this report, participation in the Work Release Program reduced recidivist incarceration from 47% (the rate for any correctional job) to 34% (work release only) and recidivist arrest from 30% (the rate for any correctional job) to 18% (work release only). (Correctional Program Evaluation, NC Sentencing and Policy Advisory Commission)

Figure 4.9
Criminal Justice Outcomes for Prison Releases Assigned to Select Correctional Jobs/Programs



RECOMMENDATION

More information is required to determine what action(s) need to be taken to support the expansion of the Work Release Program in NC. First, expansive research and evaluation of the current NCDPS Work Release Program should be completed. There are several questions which need to be answered:

1. **Who/what determines the number of available work release slots?**
2. **How do we increase the number of available work release slots available to inmates?**
3. **Are the slots currently available completely full?**
4. **If not, why? What are the challenges in filling those available slots?**

Second, extensive evaluation of other states Work Release Programs should also be completed. There may be innovative solutions used by other states which NCDPS could learn from. Funding and staffing issues should be examined.

Third, after evaluations are completed, additional recommendations should be made to expand the Work Release Program capacity. The relationship between the NCDPS and the NC Department of Commerce Reentry Initiative could be utilized to help prepare inmates for work assignments and assist in applying for opportunities. The promotion of work release to employers could be increased by utilizing this and other relationships. Other programs which

engage employers, such as Step Up Ministries, Jobs for Life, Goodwill Industries, Community Success Initiative, Vocational Rehabilitation, Etc. should also be utilized.

STAKEHOLDERS

NC Department of Public Safety, NC Department of Commerce, Division of Workforce Solutions, Step Up Ministries, Jobs for Life, Goodwill Industries, Community Success Initiative, Vocational Rehabilitation, Chambers of Commerce, NC Businesses, other community agencies who are willing to promote the Work Release Program with employers.

BUDGET

The budget for this project will be determined after the research phase is completed.

TYPE OF ACTION

Possible Legislative changes, Possible NCDPS Policy changes.

TIMELINE

Short-Term Research phase, Long-term implementing expansion.

References:

Fiscal Year 2016-2017 Annual Statistical Report. NC Department of Public Safety. Retrieved 7/26/2018 from: <https://randp.DACJJ.state.nc.us/pubDACJJs/0007081.PDF>

An Assessment of the Effectiveness of Prison Work Release Programs on Post-Release Recidivism and Employment. The Florida Department of Corrections and Florida State University College of Criminology and Criminal Justice. December 1, 2015. Retrieved 7/26/2018 from: <https://www.ncjrs.gov/pdffiles1/nij/grants/249845.pdf>

NC Sentencing and Policy Advisory Commission, FY 2015 Correctional Program Evaluation Data. Retrieved 7/27/2018 from: https://www.nccourts.gov/assets/DACJuments/publications/recidivism_2018.pdf?4VQBsstuyzU5dH1Ap7SJQiMe0zTKYU1G

SRCC Employment Workgroup Recommendation #2

Carolina Entrepreneurship Community (CEC) Project

RECOMMENDATION SUMMARY

Allocate \$1.75m [\$.75m for year 1, \$.5m for each of two subsequent years) to pilot the CEC Project described below.

BACKGROUND

Entrepreneurship is the engine of economic innovation. Supporting the development of new businesses that fill important needs is exactly what allows an economy to grow and thrive. Support of entrepreneurship generally in the state would be a worthwhile investment. We think that the entrepreneurship support needed for the general population and the support needed for the justice involved is coextensive and that the additional help the justice-involved require can be provided at low additional cost given the efficiencies we envision. The project described below would work for both those who have been justice involved and the general population.

Those who have been justice involved are very often excluded from a vast array of kinds of employment that lead to personal and income growth. Helping those justice involved individuals who are motivated and have innovative ideas to become entrepreneurs is one way to allow those who have been in prison find a way forward that helps themselves and the economy in general.

RECOMMENDATION

We recommend, therefore, that the North Carolina Department of Public Safety and the Commerce Department work together in a partnership with organizations like Self-Help, Inmates-to-Entrepreneurs, WeWork (or similar organization), Habitat for Humanity and Triangle Residential Options for Substance Abusers (TROSA) as well as local educational institutions, and businesses to implement the CEC project described below. With modest allocation using existing programs, this project will support entrepreneurial activity around the state and, at the same time, encourage and support entrepreneurial activity for people who have been justice involved.

While the project has several parts, the major focus of the project would be to establish co-working spaces with bare-bones residential capacity for justice involved members who need it. In addition, the project would create links to microloans, educational opportunities and treatment (should that be needed) and the tools to prototype both physical and electronic innovations. Co-working spaces create innovative energy, physical and psychological support, and an efficient way to deliver needed education and training for all populations. The addition of a modest residential capacity for those justice-involved individuals who need it would enhance the capacity for innovation for all members.

For those who have been justice involved, the program would begin in prison to teach those interested in entrepreneurship the business and entrepreneurial skills they will need [Inmates to Entrepreneurs provide this kind of training]. Some of these individuals will already have a marketable idea and family or other support while they began their business, so they would best be served only by having an additional workshop in place to help them apply for a microloan (through Self-Help or the SBA or other organization).

Other individuals who have the basics of an innovative idea in place would require time and a supportive setting to prototype their idea. Those individuals would be best served through the co-working option. The cost of a space in a co-working facility that would support up to 50 co-workers (assuming 20 have been justice involved and 15 are residents) would be about \$150,000 per year. ¹ Additional microloans could be available to help fund materials not routinely provided by the center. There could be limits on the number of years a justice-involved co-worker could be permitted to stay in the space, but that might be linked to the progress of their entrepreneurial effort (about 5 years with decreasing state support would be reasonable). After the first site has been piloted, we would envision opening sites in strategic locations throughout the state.

1. Program Goals

A. For those who are justice involved and are interested in becoming entrepreneurs should this project should give them:

1. A good understanding of the basics of running a business of any kind, including the ability to see and communicate the need and viability of their proposed business.
2. A sponsor (not merely a mentor) to help them. The sponsor would work with them to help them think through the many obstacles anyone faces when they try to start a business.
3. Knowledge of the workings of several low-capital businesses since those in prison are unlikely to have access to the capital needed to start anything that requires significant outlay.
4. Access to a place to stay, possibly also an undemanding job that gives them time to develop their business and an "office" with a community where they can work to prepare the materials they will need to launch the business.
5. Access to the life skills assistance they might well need.
6. Access to competitive microloans to defray some of the material cost of a startup for all of those who are regular members of the co-working site.

B. For those not justice involved the project would:

¹ That assumes the price WeWork charges for a co-worker (\$350/month) for all 20 justice involved co-workers and an additional \$350/month for the 15 who will reside in a loft-like residential area within the building chosen for the site. The up-front cost of converting the space could be done with help from Habitat. Partnering with Self-Help to teach how to develop viable microloan applications would also be necessary.

1. Give them special access to educational programs and technical support they would not get easily elsewhere.
2. Give them access to wonderful work-space with special support.
3. Access to competitive microloans to defray some of the material cost of a startup for all of those who are regular members of the co-working site

C. For the State:

1. Provide real time and affordable support for entrepreneurial activity in the general population.
2. Decrease “technical” recidivism (recidivism caused by a lack of a place to live and employment) while decreasing the real recidivism rate among those in the program.
3. Develop a pool of sponsors by requiring justice-involved entrepreneurs to “pay-it-forward.”

2. Project Requirements

A. Partnerships

Required: NCDPS-Commerce, Self-Help, WeWork (or similar organization), TROSA as consultants, Habitat for Humanity, Educational Institutions, Businesses

Desirable: Health and Treatment organizations

B. Budget (Costs need to be refined)

Estimated Ongoing Annual Fixed Costs:

Staff: \$150,000 (1.5 FTE) --- Develop, Coordinate and manage the project

Data collection and analysis: \$10,000

Estimated Ongoing Annual Variable Per Site Costs:

Estimated cost per site per desk: \$150,000

Costs for special materials: \$20,000

Educational Initiatives \$12,000

STAKEHOLDERS

People employed who would like to become entrepreneurs either within their companies or by starting their own companies. Those who have been justice-involved who have developed viable ideas that could be developed into businesses with basic support. Project Partners (Self-Help, WeWork (or similar company), Habitat for Humanity, TROSA, educational institutions and healthcare providers.

TYPE OF ACTION

Legislative, Executive

TIMELINE

Short and Long-term

SRCC Employment Workgroup Recommendation #3

RECOMMENDATION SUMMARY

Recommend strategies to do targeted outreach to employers about the benefits of Certificates of Relief as well as the legislation's most recent expansion of applicant eligibility.

BACKGROUND

In North Carolina, criminal records present a significant barrier to employment and housing. In 2011, the North Carolina General Assembly passed the Certificate of Relief Act (S.L. 2011-265). In 2018, this was amended to SL 2018-79. This bill provides judges the discretion to reduce civil barriers to employment, housing, and other essential resources by issuing certificates of relief to significantly more individuals that are currently in need. Specifically, this expansion makes individuals with multiple convictions for misdemeanor and up to three convictions for Class H and I felony offenses (multiple convictions disposed in the same session of court count as 1 conviction for purposes of certificate of relief eligibility) eligible for Certificate of Relief. Unlike an expunction, a certificate of relief does not obscure or change the criminal record itself. Instead, a certificate addresses a broad range of civil disabilities imposed by the state of North Carolina and shields employers, landlords, and other decision makers from the risk of certain types of negligence liability, making it more likely these decision makers will hire, rent to, or otherwise grant an opportunity to a certificate holder.

A Certificate of Relief restores opportunities for individuals to be productive, law-abiding citizens in several ways:

1. Transforms certain automatic civil disqualifications into discretionary civil disqualifications (ex. occupational licensing)
2. Provides employers, landlords, and other decision-makers evidence of "due care" that shields them for negligence liability (a 2014 Society for Human Resource Management survey of employers found that more than half cited the fear of negligent hiring liability as a primary reason they do not hire qualified applicants with criminal records)
3. Provides employers, landlords, and other decision-makers with additional information and context in determining an applicant's suitability for a specific position or resource

RECOMMENDATION

In order for the expansion of Certificates of Relief to be truly effective, the SRCC recommends targeted outreach to educate employers about the benefits. The workgroup's recommendation is that community partners focus on educating employers about the benefits of Certificates of Relief. Many state and local agencies (both government and nonprofit) are currently engaged in employer recruitment. The objective is to strengthen these efforts by including information about the expanded eligibility of Certificates of Relief. This will also include targeted public information to ensure that the community, and ultimately those with criminal records, are aware of these changes.

STAKEHOLDERS

While this project will require judicial action, to grant Certificates of Relief, it also requires collaboration between state, county, city, nonprofits, advocacy and constituency groups. This will include NC Commerce Reentry Initiative, NC Correction Enterprises, County Chambers of Commerce and Local Reentry Councils. Partnership between these stakeholders is necessary to successfully educate employers in North Carolina, thus leading to increased economic/vocational opportunities for returning citizens.

BUDGET

This will not require significant financial burden to the state, as it only requires more targeted education on the part of agencies already recruiting employers.

This project could be completed with a small budget for public information campaign to include public service announcements and laminated informational sheets to be displayed in county jails, state prison libraries)

TIMELINE

Immediate to short term

SRCC Employment Recommendation #4

RECOMMENDATION SUMMARY

Enact a statute that requires all licensing boards to remove non-specific terms, like “good moral character” and “moral turpitude”, as a licensing or certification requirement.

BACKGROUND

Approximately 77 million Americans, or 1 in 3 adults, have a criminal record. Having a criminal record can make it difficult, or even impossible, for an individual to work in a given field, especially one that requires an occupational license. Considering that [1 in 3 adults](#) has a criminal record and [1 in 4](#) occupations requires a license, such barriers can pose significant challenges for states that want to encourage rehabilitation of people with criminal records. In 2014, employment barriers faced by people with felony convictions—including occupational licensing and other challenges—were associated with a reduction in the overall employment rate, amounting to a loss of at least 1.7 million workers from the workforce and a cost of at least [\\$78 billion to the economy](#).

In North Carolina, hundreds of occupations require some form of licensure. These occupations constitute approximately 30 percent of all jobs. As a result, over one million North Carolinians—from pawnbrokers to accountants—must satisfy statutory and administrative requirements in order to work in their chosen fields. Oftentimes, occupational licensing statutes and regulations contain ambiguous “good moral character” and/or “moral turpitude” clauses, which give decision makers unbridled discretion when making licensing decisions for people with criminal records. Consequently, people with criminal records are routinely denied occupational licenses because their criminal records are presumed to be evidence of “moral turpitude” or a lack of “good moral character”.

RECOMMENDATION

Indiana Governor Eric Holcomb (R) signed a bill that reduces licensing barrier for persons with criminal histories. The [bill](#), requires all licensing boards to revise any licensing requirements that look at an applicant’s criminal history. By this November, every board must: (1) Explicitly list all disqualifying crimes; (2) **Eliminate any vague terms that allow the board unfettered discretion in licensing decisions, such as “moral turpitude” or “good character”** and; (3) Exclude, from consideration, any arrest records not resulting in a conviction. Moreover, an applicant who has a prior conviction for a disqualifying crime will be allowed an opportunity to show evidence of rehabilitation and mitigating factors.

The SRCC Employment workgroup recommends that the North Carolina General Assembly enact a statute requiring all licensing boards to remove non-specific terms, like “good moral character” and “moral turpitude”, as a licensing or certification requirement.

STAKEHOLDERS

North Carolina General Assembly, North Carolina Department of Justice, North Carolina Second Chance Alliance

BUDGET

Still under development

TYPE OF ACTION

Legislative

TIMELINE

Long-term