

TRAIN the WORKFORCE of the FUTURE

Pennsylvania needs a willing and qualified workforce trained for jobs of the future. The need for workers is one of the most common issues raised by employers who are seeking to maintain or expand their businesses. Employers are straining to hire whether they are large or small, but it is especially challenging for smaller and medium-sized businesses. In some communities there are signs "Help Wanted" everywhere from Main Street to the local industrial park. People must be trained to replace the years of senior talent lost by the avalanche of retiring baby boomers. Some of the jobs lost during the pandemic may never come back. People who lost those jobs must be trained for jobs of the future. Given the state's demographic outlook it is important to focus on creative, non-traditional ways to build the workforce. Pennsylvania needs to find and train underutilized workers. That points to a continued focus on criminal justice reform and the reduction of barriers that make it difficult to train and rehabilitate the incarcerated.

BACKGROUND:

"Economic growth is a function of gains in the number of workers and their productivity. More workers mean more output, income, and consumer spending. These trends, in turn attract more employers and workers, fueling a virtuous cycle of growth.... But analysts agree that for the US economy to expand faster, it is going to need more people working. 'Without people, you can't have jobs, and without jobs, you can't have an economy,' said Mark Zandi, Chief economist at Moody's Analytics."

... *The Wall Street Journal* "Utah's Labor Force Fuels Its Economy," Sarah Chaney and Sharon Nunn, 1/19/19.

PROBLEM: There is a shortage of skilled workers and entry level workers with a work ethic and soft skills.

When MBA member businesses were asked "What issues could help your business in the short-term?" the top reply was "Access to a pool of qualified workers," 74 percent, of seven possible choices.

.... *2020 Government Affairs Survey*, Manufacturer & Business Association.

INNOVATIVE SOLUTION: Pennsylvania can identify and train workers. **MBA agrees that workforce training is needed, however, that does not get at the root of the work force problem.** There simply are not enough people in the pipeline. Pennsylvania needs to find and train underutilized workers. That points to a continued focus on criminal justice reform and the reduction of barriers that make it difficult to train and rehabilitate the incarcerated. They can be educated, trained, and shown a path to employment and a better life. For the incarcerated there are larger issues that need to be resolved that are not adequately addressed by traditional job training programs.

"PA has a long-term demographic problem that is negatively impacting growth: From 2015-2025 the number of retirees is estimated to increase by 667,000 residents or 31%. We have a workforce that we think could contract over the next decade and that is a major driver of economic growth: From 2015-2025 the working age population (20-64) will contract by 181,000 residents. (-2.4%)"

.... *2017 House Appropriations Budget Hearing*, Matthew Knittel, Director, Independent Fiscal Office

THE INCARCERATED

INNOVATIVE SOLUTION: The incarcerated are an underutilized resource and can be trained and rehabilitated for a productive re-entry into the community and the workforce.

Approximately 70-100 million men and women in the U.S. have a criminal record – which means that nearly one in three individuals will struggle to obtain meaningful employment. Businesses have the power to turn this around. More and more businesses are considering the idea of second chance employment – hiring individuals with a criminal record. Employers benefit by having a highly motivated and eager talent pool of individuals hungry for a second chance and willing to do what it takes get the job done.

... "Second Chance Hiring - How Employment Can Change Some One's Life," Teisha Sanders, 4/ 29/19, Society of Human Resource Managers

"The program called The Last Mile aims to help inmates find work and stay out of prison once they are released. ... The Last Mile, founded in 2014, operates in Indiana as well as in six correctional facilities in California. All 50 people who have completed the program in California and been released are employed and none have returned to prison."

... "In Indiana, Inmates Learn How to Code," The Wall Street Journal, Kris Maher, 8/29/18

PENNSYLVANIA HAS ADOPTED SOME SOLUTIONS BUT MORE ARE NEEDED

More education and workforce training are needed during incarceration. Data shows that every \$1 spent on education in prison saves taxpayers \$5 in related incarceration costs. In addition, Pennsylvania should remove barriers to post-prison employment to ensure inmates that receive job training can use it after their release.

BACKGROUND:

Education: There is hope. Data have shown the value of education for inmates. According to the World Population Review, 2021, Pennsylvania's recidivism rate is 46 percent meaning ex-offenders returning within a year. However, a 2014 RAND Corporation study concluded that people who participated in educational programs while incarcerated "had a 43 percent lower chance of recidivating than those who did not." In other words, with some education nearly half would not have returned to prison. That is the return on investment for education of the incarcerated.

Workforce Training: People currently in prison in Pennsylvania can participate in programs to qualify to practice cosmetology, electrical engineering, plumbing, welding, and other skilled vocations. They should be able to utilize those skills and qualifications to gain stability in their lives after incarceration. Not only does helping people in prison learn job skills improve their chances of not reoffending once released, but it also provides an opportunity to train more people for careers that need workers.

PROBLEM: Training is not available in all facilities. There were roughly 46,000 inmates in 2018-2019. As of December 2019, there were only 5,789 inmates in Pennsylvania prisons who had earned vocational certifications. Many people walk in with nothing and many walk out with nothing and find the only way to survive is to revert to criminal behavior.

"Factors contributing to recidivism include a person's social environment and community, their circumstances before incarceration, events during their incarceration, and one of the main reasons, difficulty adjusting back into normal life. Many of these individuals have trouble reconnecting with family and finding a job to support themselves."
....<https://worldpopulationreview.com/state-rankings/recidivism-rates-by-state>

INNOVATIVE SOLUTION: Pennsylvania prisons need to do better. Otherwise, it is only perpetuating a vicious, useless cycle. A better path is to have workforce training available for the incarcerated. Training is not for everyone; but some can be incentivized to take advantage of it so they can move into the workforce more easily upon their release. Training in trade skills learned through apprenticeships ideally will result in an adequate level of competency to pave the way to a living wage on release.

One of employers' top concerns is the lack of soft skills. Training can emphasize soft skills such as teamwork, communication, dependability, being on time, meeting goals, all part of a good work ethic.

Everyone needs a job. A good job makes it possible to survive financially outside of prison, and equally as important, a good job contributes to self-esteem.

PROBLEM: Although there is a shortage of skilled and willing workers, employers may be reluctant to hire ex-offenders. Some may have tried unsuccessfully in the past and may not be willing to try again. Many will be uncertain and legitimately concerned about the "what ifs."

INNOVATIVE SOLUTION: What would really alleviate the unease for employers' is a financial incentive and more important, liability protection for hiring an ex-offender.

Providing narrow liability insurance to employers who hire individuals with criminal records will expand the workforce pool and provide such individuals with job training and stable, long-term employment.

A Northwestern University 2017 study finds that—despite more difficulty obtaining legitimate employment—once hired, employees with criminal backgrounds are much less likely to quit their jobs, have longer job tenure, and no more likely to get fired or commit workplace misconduct than their non-ex-offender counterparts.¹

¹ Dylan Minor, Nicola Persico, Deborah Weiss, "Criminal Background and Job Performance," Northwestern University (2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2851951&download=yes.

Employers most strongly justify not hiring ex-offenders because they would be vulnerable to negligent hiring lawsuits, as most insurance companies do not cover people with criminal records for workplace misconduct.

Therefore, pursuing innovative reforms to offer liability coverage will diminish barriers to hiring ex-cons—benefiting both community employment and public safety. Such liability protection, which could be implemented through legislation or a trial study/grant, will require clear definitions and parameters, including:

- Employers would be protected from lawsuits based *solely* upon an employee's criminal record.
- An employee's criminal record can only be introduced into a liability suit if the conviction was directly related to the nature of the employee's work and conduct forming the basis of the suit. In other words, liability would not protect employers who knowingly deploy employees whose underlying criminal offenses reasonably preclude work safety.

A HISTORY of CRIMINAL JUSTICE REFORM LEGISLATION in PENNSYLVANIA

The term “criminal justice reform” refers to efforts to change facets of the criminal justice system to make it fairer and more equitable for all defendants. In Pennsylvania, this change has also been undertaken with the intent to reduce corrections costs.

- The United States incarcerates the largest share of its population of any country in the world. Approximately 700 out of every 100,000 residents is behind bars. Pennsylvania's rate is even higher, at roughly 725 per 100,000 people.
- The state Department of Corrections spent \$2.6 billion in the 2018 -19 fiscal year to incarcerate approximately 46,000 people.
- Roughly \$101 million of that total is spent every year to incarcerate people who have committed no new crimes but have instead technically violated their probation or parole by, for example, missing curfew.

Justice Reinvestment Initiative (JRI 1)

The state launched its JRI 1 effort in 2015. It was preceded by JRI in 2011-2012 when PA started the process of employing a data driven JRI approach to reduce corrections spending and reinvest a portion of the savings generated to increase public safety. The primary goals of Act 122 were to address:

- The size of Pennsylvania's incarcerated population
- Recidivism rates
- Inefficient parole processes

Since the passage of JRI 1, Pennsylvania's prison population has declined significantly. According to the Department of Corrections, prison population is 26.8 percent lower than projections without JRI 1, and the \$2.6 billion annual budget is 23.3 percent lower than projections without JRI 1 — resulting in an estimated savings of roughly \$543 million.

- Approximately 46,000 people were incarcerated in 2019, a 10.8 percent decrease since JRI 1 was passed and implemented in 2012.

Justice Reinvestment Initiative JRI 2

The bulk of JRI 2 was passed by the General Assembly in December 2019 and became law. The intent of this legislative initiative was the same as JRI 1: to reduce corrections spending and reinvest savings in strategies to reduce recidivism and improve public safety.

The list of Pennsylvania's criminal justice reforms is long and revolutionary. Pennsylvania leads the nation with steady advancement of commonsense, bipartisan criminal justice reforms. Governor Wolf signed the following legislation between 2018 and 2020.

- Passed a Clean Slate Law, the first state in the nation to do so. It helps those who have committed low-level offenses and have paid their penalty get back on the path to a blemish-free record. It removes some types of criminal records from public databases. It makes it easier for people convicted of nonviolent crimes that occurred more than 10 years ago to move past the stigma of having a criminal record. Clean Slate prevents employers and landlords from using criminal cases against potential employees and tenants by removing those cases from public view.
- Created a fair chance hiring policy for state government. The policy removes the criminal conviction question, known as "banning the box" from non-civil service employment applications for agencies under the governor's jurisdiction.

- Eliminated driver's license suspensions for non-driving infractions.
- Extended the time a convicted individual has to file a post-conviction relief action to one year, from 60 days.
- Updated Pennsylvania's DNA testing law to reflect significant advances in technology and the lessons learned by criminal justice professionals since 2002. The legislation removes the supervision requirement that only people serving a sentence can apply for DNA testing.
- Created a victim protection bill regarding housing options and emergency transfers.
- Created a county adult probation and parole advisory committee to review county programs and have oversight of the justice reinvestment grants ear-marked to help supplement county probation and parole programs.
- Created expungement of the criminal history record of individuals who have been unconditionally pardoned or fully acquitted following a trial. This helps break down barriers that prevent some ex-offenders from becoming gainfully employed.
- Removes restrictions for individuals with certain convictions so they can obtain state-issued occupational or professional job licenses. Pennsylvania's outdated occupational licensing laws have denied many qualified residents the right to work because of an old or irrelevant criminal record.

Sources of information if not otherwise specified come from the following:

.... "***Criminal Justice Reforms to Improve Lives and Save Money,***" Auditor General Eugene Pasquale, 6/9/20

https://www.paauditor.gov/Media/Default/Reports/RPT_CJR_060920_FINAL.pdf

.... "Auditor General DePasquale Calls for New Criminal Justice Reforms to Improve Lives, Reduce Taxpayer Costs, Tackling technical probation violations differently could save more than \$100 million annually" 6/9/20

https://www.paauditor.gov/Media/Default/Print/RLS_DePasquale_CJR_Report_060920_REV_FINAL.pdf

.... "Gov. Wolf Signs Bipartisan Criminal Justice Reinvestment Initiative Bills," 12/18/19

<https://www.governor.pa.gov/newsroom/gov-wolf-signs-bipartisan-criminal-justice-reinvestment-initiative-bills/>

.... "Gov. Wolf to Lead National Criminal Justice Discussion at Governors Meeting in D.C." 2/19/19

<https://www.governor.pa.gov/newsroom/pennsylvania-gov-wolf-to-lead-national-criminal-justice-discussion-at-governors-meeting-in-d-c/>

For more information:

Eileen Anderson, Director, Government Relations, MBA/SMC

eileenanderson@mbausa.org

412-805-5707