

## What does Reentry mean to North Carolina Employers?



Every year in North Carolina, about 25,000 people are released from the state's correctional facilities. In fact, more than 90 percent of individuals who spend time in our state's correctional facilities will eventually be released.

These individuals are returning to their communities and represent ***an under-utilized, skilled workforce that is prepared to contribute to the success of your business.***

Many of these individuals have participated in programs to prepare them for the workforce, including:

- work release in the community during incarceration;
- basic education classes;
- vocational training;
- post-secondary academic programs; and
- employment readiness classes.

In addition, through Correction Enterprises, more than 2,000 incarcerated people learn job skills by producing certain goods and services for the Department of Public Safety and other tax-supported entities. The valuable skills that these individuals have gained help them transition to employment upon release.

Data analysis shows that participation in these workforce development programs is associated with improved employment outcomes. Hiring from this population not only can help meet employers' needs for skilled workers, but also may include financial incentives, through the **Federal Bonding** program (\$5,000 in coverage per fidelity bond, free of charge) and the **Work Opportunity Tax Credit** (up to a \$2,400 tax credit for each eligible employee under the ex-felon category).

More than 2,000 North Carolina employers are using these services and shoring up their workforce with reliable and loyal employees. In addition, a recent reform to North Carolina law on occupational licensing (House Bill 770) helps both jobseekers and employers. The new law clarifies qualifications for licensure and removes automatic disqualification based on criminal history, so that more people can become licensed to work in a number of fields.

Removing barriers to employment is a "win-win-win" - for workers, for businesses, and for safer communities.

To learn more about how you can benefit from this under-utilized talent pool, please contact your local NCWorks Career Center, which can be found by visiting [www.ncworks.gov](http://www.ncworks.gov).

For more information on North Carolina Reentry efforts, please visit [www.ncdps.gov/reentry](http://www.ncdps.gov/reentry)

## Addressing Common Employer Concerns about Hiring Justice-involved Workers

### 1: Individuals coming out of prison are not untrained or uneducated.

People who are incarcerated have access to educational and vocational opportunities prior to release. Some earn certifications in Food Service, Construction, Welding, HVAC and more. Many participate in work assignments where they gain useful skills and learn to use specialized equipment. From 2015-2019, 29,986 incarcerated people in N.C. completed a vocational program, and 4,178 completed their High School Equivalency.

### 2: Theft by employees is not

**common, and insurance is available.** The Federal Bonding Program was created to alleviate this concern by providing *FREE* bonding to guarantee job honesty when hiring “at risk” applicants.

**3: “Negligent hiring” lawsuits are not a major concern.** Lawsuits based on unfair or discriminatory hiring practices are actually more common than those based on negligent hiring. Following the Equal Employment Opportunity Commission guidance when considering applicants with criminal records ([www.eeoc.gov/laws/guidance/arrest\\_conviction.cfm](http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm)) will tend to decrease the likelihood of a lawsuit.

**4: Risk associated with hiring someone with a criminal record is low.** Employers take a risk on each individual they hire, whether or not they have a criminal record. The risk of someone convicted of a crime committing a *new* crime declines over time, eventually becoming essentially the same low level of risk as the general population. Obtaining stable employment dramatically *reduces* that risk. Also, if you must terminate a new employee within the first 100 days because they are unable to do the work, your Unemployment Insurance account will not be charged. Contact the N.C. Division of Employment Security at [des.nc.gov/employers](http://des.nc.gov/employers) for details.

### **Know the Difference: Expungement vs. Certificates of Relief**

Expungements (a.k.a. expunctions) are issued by a judge, removing a conviction from the public record. A Certificate of Relief (COR) is a document issued by a judge certifying that a person is rehabilitated, making him/her/them more employable and giving employers more reassurance that the individual is low-risk. Employers are generally protected from being sued for negligent hiring when they hire someone with a COR.

**The NC Department of Commerce Reentry Initiative** provides resources that help job seekers with criminal records to overcome barriers to employment. The initiative supports NCWorks Career Centers, which provide direct employment & training services. Individuals who need additional assistance may be referred to their Regional Reentry Specialist. For general questions or concerns, email the Program Coordinator at [DWS\\_Re-Entry@nccommerce.com](mailto:DWS_Re-Entry@nccommerce.com).

### **Work Opportunity Tax Credit**

The Work Opportunity Tax Credit (WOTC) provides tax incentives for employers who hire individuals from certain target groups, including recipients of certain types of public assistance, certain veterans and people who have felony convictions. The tax credit for each group varies, but the total for an individual with a felony conviction may be as much as \$2,400. Contact your local **NCWorks Career Center** for more information or visit [www.nccommerce.com](http://www.nccommerce.com).

### **Federal Bonding**

The Federal Bonding Program provides **free** insurance to employers who hire “at risk” workers, including individuals with a history of arrest or conviction, bad credit, poor work history, history of substance abuse, or dishonorable discharge from the military. The employer is eligible for \$5,000 of coverage for the first six months of employment. Contact an **NCWorks Career Center** or the State Bonding Coordinator at N.C. Commerce to take advantage of the program. More information: [www.bonds4jobs.com](http://www.bonds4jobs.com).