

Memorandum



CITY OF DALLAS

DATE August 30, 2017

TO Economic Development and Housing Committee:
Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Scott Griggs, Casey Thomas, II,
B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Fair Chance Hiring**

DEPARTMENT:

Fair Housing and Human Rights Office

SUMMARY

On Tuesday, September 5, 2017, you will be briefed on Fair Chance Hiring. The purpose of the briefing is to present options for implementation of a Fair Chance Hiring Policy within the City of Dallas that will reduce barriers to employment for job seekers with criminal histories.

BACKGROUND INFORMATION

The Dallas City Council was briefed on Ban the Box and Fair Chance Hiring by Human Resources on June 2, 2016. Ban the Box removes criminal history from the job application and delays criminal background inquiries to later in the hiring process. Fair Chance Hiring requires employers to conduct an individual assessment to determine job relatedness of a conviction, time passed since the conviction and consideration of other mitigating information in assessing a job candidate's qualifications and fitness for a position. Staff was directed at that time to investigate the possibility of developing a policy or ordinance that would provide protection to job seekers with criminal histories within the City of Dallas. The Economic Development Committee was briefed on Fair Chance Hiring on April 17, 2017. The Economic Development and Housing Committee was briefed on August 21, 2017 and requested an additional briefing for September 5, 2017.

ISSUE

Job seekers with criminal histories face severe challenges obtaining employment especially when they are screened out based on criminal history alone. Research indicates that employment is the most important factor in reducing recidivism. A Fair Chance Hiring Policy will provide more job opportunities.

ALTERNATIVES

Based on the information collected, staff identified three options for City Council Consideration: (1) A resolution of support for Fair Chance Hiring; (2) A comprehensive ordinance covering most employers within the City; and (3) A resolution covering vendors, contractors and suppliers who do business with the City.

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COORDINATION

In conducting the research and developing the proposals for a Fair Chance Ordinance, Fair Housing and Human Rights staff coordinated with Human Resources, Civil Service, City Attorney's Office, Business Procurement and Development and The Office of Business Diversity. Fair Housing will partner with City Departments to develop a marketing campaign for the new policy.

RECOMMENDATION

Staff recommends that City Council adopt an ordinance that requires contractors, vendors and suppliers who do business with the City to adopt Fair Chance Hiring Guidelines.

FISCAL IMPACT

No additional cost consideration for the recommended option.

ATTACHMENTS

A copy of the Fair Chance is attached for your review. Please let me know if you have questions or need additional information.



Raquel Favela
Chief of Economic Development & Neighborhood Services

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|---|---|
| c: The Honorable Mayor and the Members of City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager | Jon Fortune, Assistant City Manager
Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors |
|---|---|

Fair Chance Hiring

**Economic Development
and Housing Committee,
September 5, 2017**

**Beverly Davis, Assistant
Director, Fair Housing and
Human Rights Office**



City of Dallas

Background

- The City removed general criminal history questions from employment applications for civilian positions in 2007
 - Criminal background checks are conducted after making a contingent offer of employment
 - The City still has criminal history questions on employment applications for sworn positions
- In May 2015 City Council approved the revised standards for criminal convictions for laborers and truck drivers
 - Prior to change, 57% of applicants for laborer/truck driver positions were disqualified based on the criminal convictions matrix
 - Currently losing 20% of applicants

Background

- Dallas City Council was briefed on Ban The Box and Fair Chance Hiring by Human Resources on June 2, 2016
- Economic Development Committee was briefed on Fair Chance Hiring on April 17, 2017
- Economic Development and Housing Committee was briefed on Ban The Box and Fair Chance Hiring on August 21, 2017
 - Requested an additional briefing on 9/5/2017

Purpose

- To present options for implementation of a Fair Chance Hiring initiative within the City of Dallas that will reduce barriers to employment for job seekers with criminal histories

Overview and Definitions

- Ban the Box
 - Removes the conviction history on job applications and delays criminal background inquiries to later in the hiring process
- Fair Chance Hiring
 - Incorporates EEOC's arrest and conviction records guidelines which requires employers to consider:
 - Job relatedness of a conviction
 - Time passed from the conviction, and
 - Mitigating circumstances or evidence of rehabilitation
- Goal of Fair Chance Hiring is to increase employment opportunity and reduce recidivism

Overview

- Seventy (70) Million adults in the U.S (about one in three American Adults) have a criminal record
- Since 1980, the rate of imprisonment in the United States has tripled
- The United States has the highest incarceration rate in the world

Overview

- Nationwide, over 150 cities and counties have adopted Ban the Box
- There are a total of 25 states representing nearly every region of the country that have taken action to implement Ban the Box:
 - California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Rhode Island, Tennessee, Vermont, Virginia, and Wisconsin

• Source: www.nelp.org/content/uploads/Ban-the-Box-Fair-Chance-State-and-Local-Guide.pdf

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Rationale For Policy Development

- Economic Growth
- Public Safety
- Greater Opportunity for Job Seekers
- Human Rights Initiative

Economic Growth

- Removing job barriers boosts the economy
 - Economists have estimated that because people with felony records and the formerly incarcerated have poor prospects in the labor market, the nation's gross domestic product in 2014 was reduced by an estimated \$78 to \$87 billion

Public Safety

- Employing the formerly incarcerated individuals improves public safety
 - A 2011 study of the formerly incarcerated found that employment was the single most important influence on decreasing recidivism, and that two years after release, nearly twice as many employed people with records had avoided another brush with the law than their unemployed counterparts
 - An examination of a national experimental public work program for the formerly incarcerated found that even marginal employment opportunities were effective in reducing illegal activity and arrest for those over 27 years of age

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Greater Opportunity for Job Seekers

- Potential Hires are not screened out for positions where they have the requisite skills to be successful
- Enlarges the pool of available applicants to fill positions
- Creates opportunity to partner with non-profits and agencies involved in job training

Human Rights Initiative

- Provides opportunity for those with criminal history to mainstream back into society
- Recognizes the worth and value of each person regardless of criminal history
- Recognizes that each community has a role in assisting with the rehabilitation of those with a criminal history

Consideration for City Resolution or Ordinance

- Scope of Policy or Ordinance
 - Who is covered?
 - What is covered?
 - Exemptions
 - How is it enforced?
 - Resources for enforcement
 - Education and outreach
- Overview of Fair Chance Hiring Laws in Texas
- Current City Initiatives and Partnerships

List of All Ban the Box & Fair-Chance Laws and Policies in Texas

Location	Employers:			Background checks only for some positions	Background check only after conditional offer or finalists selected	EEOC criteria	Notice of denial (N); Copy of record (C); Appeal or complaint (A)
	Private	Vendors	Public				
TEXAS							
152. Austin	X	X	X	X	X	X	N, A
153. Dallas County			X			X	A
154. San Antonio			X		X	X	
155. Travis County			X	X	X	X	

Sources: <http://www.nelp.org/content/uploads/Ban-the-Box-Fair-Chance-State-and-Local-Guide.pdf>

City of Austin Ordinance

- The City of Austin adopted a Fair Chance Ordinance on March 24, 2016 with the following provisions:
 - Covers private employers with 15 or more employees
 - Criminal history cannot be an automatic disqualification from consideration for a covered job
 - Employer cannot solicit criminal history or consider criminal history unless the employer has first made a conditional employment offer to an individual
 - An employer who takes adverse action against an individual based on the individual's criminal history must inform the individual in writing that the adverse action was based on criminal history

City of Austin Ordinance

- Employers who fail to cease a violation by the 10th day after a violation are liable for a civil penalty of up to \$500.00
- For the first violation, an employer may elect to take a class and receive a warning
- Complaint must be filed within 90 days of the adverse action
- Ordinance Effective April 4, 2016
- Largest Employers (State of Texas and U.T. Austin) are exempt from the ordinance

City of Austin Ordinance

- The City of Austin created 3 new positions and funded a marketing campaign with a FY17 budget of \$363,822
 - Equal Employment and Fair Housing Investigator – Annual Salary (including benefits) \$92,075
 - Business Process Consultant, Sr. – Annual Salary (including benefits) \$124,221
 - Administrative Specialist – Annual Salary (including benefits) \$72,526
- Marketing campaign for outreach and education \$75,000

City of Austin Ordinance

- The City of Austin has received 3 complaints since the passing of the Ordinance, and they are still under review
- Ordinance has not led to significant complaint activity

City of San Antonio

- On December 7, 2016, the San Antonio City Council Governance Committee supported a staff recommendation to remove all questions about criminal history from the civilian job application
- After receiving background check results, human resources staff conduct an individualized assessment, considering:
 - job relatedness of a conviction
 - offense level
 - time elapsed
 - mitigating circumstances
 - rehabilitation evidence

Texas Counties with Fair Chance Hiring Guidelines

- Travis County (Administrative policy applies to county):
 - Background check only after applicant selected for hire
 - Background checks only required for some positions
 - Incorporates EEOC criteria in individualized assessment
- Dallas County, TX (Administrative policy applies to county) :
 - Incorporates EEOC criteria in individualized assessment
 - Right to appeal denial of employment

City Initiatives that Support Fair Chance Hiring

- Council awarded a 1.5 million contract for workforce readiness, placement and retention on May 10, 2017
 - Targeted populations include formerly incarcerated
 - Nonprofit Partners include: City Square, Habitat for Humanity, Serve West Dallas and Transformance

City Initiatives that Support Fair Chance Hiring

- Contract with DOORs(Unlocking Doors to Reduce Recidivism)
 - Collects and report evidence-based data regarding re-entry rates and recidivism
 - Conducts assessments on clients with criminal backgrounds referred by the City of Dallas, Homeless Services Program; and
 - Assist ex-offenders to gain employment and housing referrals before release from incarceration
 - \$50,000 General Fund Contract

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Options for Consideration

1. Resolution of support for Fair Chance Hiring
2. Resolution covering City Vendors, Contractors and Suppliers
3. Ordinance covering most employers within the City of Dallas

Resolution of Support

- City Council Resolution that would contain the following provisions:
 - Encourage all employers to remove questions on criminal history from job applications
 - Adopt Fair Chance Hiring guidelines practices that incorporate EEOC guidelines on the use of criminal records in employment screening
 - Remove barriers that prevent qualified applicants with criminal histories from being hired

Resolution For Vendors, Contractors and Suppliers

- Requires Fair Chance Hiring as a condition of contracting with the City of Dallas
- Incorporates in request for bid and proposal
- Incorporates in final contract language
- Requires annual certification that Fair Chance Hiring guidelines are being followed

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Comprehensive Ordinance Covering Most Employers

- Requires commitment of significant City Resources for Enforcement
- No Proven Model of Effectiveness
- Costs Appear to Outweigh Benefits

Recommendation

- Adopt a resolution that requires contractors, vendors and suppliers who do business with the City to adopt Fair Chance Hiring guidelines
- Require Annual Certification of Fair Chance Hiring guidelines
- Partner with Business Groups and Non-Profits to promote Fair Chance Hiring
- Market new policy in cooperation with other city departments including Business Procurement, Economic Development and Office of Business Diversity

Next Steps

- Adoption of resolution by City Council

Fair Chance Hiring

**Economic Development
and Housing Committee,
September 5, 2017**

**Beverly Davis, Assistant
Director, Fair Housing and
Human Rights Office**



City of Dallas