

Testimony of
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TESTIMONY OF MASON M. BISHOP DEPUTY ASSISTANT SECRETARY FOR THE
EMPLOYMENT AND TRAINING ADMINISTRATION U. S. DEPARTMENT OF LABOR
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Dr. Coburn, Ranking Member Durbin, and distinguished members of the Subcommittee, I am pleased to have the opportunity to discuss the Department of Labor's considerable work on prisoner re-entry initiatives. In my testimony today, I will describe the Department of Labor's approach to prisoner re-entry efforts and provide an overview of the Department's work in this area, including the programs and funding sources currently available to state and local governments and community and faith-based organizations for re-entry efforts.

I. Introduction

Two philosophical underpinnings exist for all of the Department of Labor's re-entry efforts: (1) employment is the core focus of all efforts and issues such as housing, mental health and substance abuse treatment are addressed in the context of the employment goal; and (2) faith and community-based organizations often possess unique strengths and resources that make them critical partners in addressing these issues. These two underpinnings are embodied in the President's Prisoner Re-entry Initiative (PRI) - which he announced in his January 2004 State of the Union address - as well as other projects funded by the Department of Labor. Since Fiscal Year 2000, the Department of Labor has devoted approximately \$371.5 million to prisoner re-entry efforts of various types that I will describe further in my testimony.

II. The Need for Reentry Efforts

There is a great need in this country for programs to assist prisoners returning home to their communities. Each year more than 650,000 inmates are released from Federal and State prisons and return to their communities and families. The return of these ex-prisoners challenges many of the most troubled neighborhoods in America. Without help, a majority of ex-prisoners do in fact return to criminal activity. For example, according to the U.S. Department of Justice, almost three out of five inmates returning to society will be charged with crimes within three years of their release from prison and two out of five will be re-incarcerated.

Released prisoners face myriad challenges that contribute to a return to criminal activity, re-arrest, and re-incarceration. Joblessness among ex-prisoners has been broadly linked to recidivism rates. Statistics demonstrate that even before incarceration, adult prisoners

demonstrate weak or non-existent ties to the workforce. Data show that nearly one-third of adult prisoners were unemployed in the month before their arrest.¹ Post-incarceration, unemployment among ex-prisoners has been estimated at between 25 and 40 percent. Likewise, prisoners also have low levels of educational attainment. Nineteen percent of adult State prisoners are completely illiterate and 40 percent are functionally illiterate;² over half of State parole entrants were not high school graduates and as many as eleven percent had only an eighth grade education or less.³

Research has also broadly documented the substance abuse and mental health issues of ex-prisoners--factors that are likely to contribute to poor education levels, lack of employability, and a return to criminal activity. A study of parolees from State prisons in 1999 found that 84 percent had been using an illegal drug or abusing alcohol at the time of their offense. One-quarter had been alcohol dependent, one-quarter had been intravenous drug users and twelve percent were homeless at the time of their arrest. In some States, nearly one-quarter of parole revocations were related to drug-related violations.⁴

1 Petersilia, 2002. *When Prisoners Come Home: Parole and Prisoner Reentry* 2 Rubinstien, 2001 as quoted in Petersilia, 2002 3 Petersilia, 2002

Estimates of mental illness among the prison population vary. A recent survey of prisoners issued by the Justice Department's Bureau of Justice Statistics on September 6, 2006 indicates that more than half of all prison and jail inmates, including 56 percent of state prisoners, 45 percent of federal prisoners and 64 percent of local jail inmates, were found to have a mental health problem. The survey further found that about one in three state prisoners with mental health problems, one in four federal prisoners and one in six jail inmates had received mental health treatment since admission.⁵

In returning to criminal activity, ex-prisoners reduce their chances of living healthy and positive lives for both themselves and their families. Research indicates that parental loss is related to a host of poor outcomes for children that include poverty, drug abuse, educational failure, criminal behavior, and premature death. Healthy and consistent relationships between parents and children strengthen the community by positively impacting both the parent and the child's generations. Ex-offenders who maintain strong family and community ties have greater success in reintegrating into the community and avoiding incarceration.⁶

III. The President's Prisoner Re-entry Initiative

The President's Prisoner Re-entry Initiative seeks to strengthen urban communities characterized by large numbers of returning prisoners through an employment-centered program that incorporates mentoring, job training, and other comprehensive transitional services. This program is designed to reduce recidivism by helping non-violent ex-offenders find work when they return to their communities as part of an effort to build a life in the community. The Initiative utilizes the unique strengths of faith-based and community-based organizations (FBCOs) and provides a direct link to the communities to which they are returning. In addition, the Department of Justice has held a limited grant competition to conduct pre-release services for program participants in the 20 states where the Department of Labor grants were awarded.

4 Hughes, T.A., Wilson, D.J., and Belk, A.J., 2001, Trends in State Parole, 1990-2000. Bureau of Justice Statistics, Special Report, NCJ 184735 James, D.J., and Glaze, L.E., 2006, Mental Health Problems of Prison and Jail Inmates. Bureau of Justice Statistics, Special Report, NCJ 2136006 Hairston, 1991; Muston, 1994; Nelson, 1999

In response to the President's 2005 and 2006 budget requests, Congress has appropriated a total of \$54 million for PRI to DOL and DOJ. Competition for DOL's portion of the funding has been robust. DOL received over 500 applications for its first solicitation for grant proposals: of these, 30 were awarded funding in November 2005. Partnerships are a critical component of this project; applicants were asked to describe linkages among the criminal justice system, the public workforce system, the public housing authority, and mental health and substance abuse treatment providers.

The goal is to serve 6,250 released prisoners during the first year of the Initiative. Grantees began operation in March 2006. As of September 8, 2006, 2,874 participants had been enrolled, with 1,469 of these placed into employment. As of September 11, 2006, 686 discrete services had been provided to the target group. We are set to achieve the outcome goals we set for the first year of the initiative. We have also established a rigorous performance tracking system for our grantees, which will allow us to track placement in and retention of employment, and recidivism.

DOL has collaborated with several Federal agencies in the implementation of the PRI grants. DOL works in tandem with the Department of Justice in providing guidance to grantees in how to obtain documentation necessary to prove program eligibility for participants. The National Institute of Corrections within DOJ is providing training to job developers in the 30 PRI grants. The Department of Health and Human Services is coordinating PRI projects with their Access to Recovery (ATR) grantees to provide substance abuse treatment and housing assistance. The Corporation for National and Community Service (CNCS) is providing AmeriCorps VISTA volunteers for 20 selected projects. The Department of Housing and Urban Development has helped plan the initiative and may in future years provide funds for transitional housing services for PRI participants.

Because employment is a key to an ex-offender's success in re-entering society, we have placed a strong emphasis on job development, contacts with private sector employers, high-growth employment in implementing PRI. Some key best practices that we have identified thus far include the following:

The Chicago PRI project is a good example of how this initiative can strengthen the capacity of faith-based organizations to serve returning prisoners. The Safer Foundation is using its PRI grant to build up the capacity of neighborhood-based churches to serve released prisoners in some of the poorest communities in the city by training case managers at each of their three faith-based sub-grantees. Mentoring of returning prisoners occurs right at the neighborhood churches. The churches are also recruiting parishioners to be mentors for the prisoners. Thus far, the Safer Foundation has served 146 enrollees, provided them with 659 separate services, and placed 71 of them in jobs.

The Talbert House in Cincinnati has thus far provided the most services to released prisoners of the PRI grantees. The Talbert House has served 144 enrollees, provided them with 933 services, and placed 117 of them in jobs. Talbert House was founded 40 years ago with the support of the Catholic Archdiocese, the Southern District of Ohio Presbyterian Church, and Hebrew Union College.

Of the PRI grantees, the Directors Council in Des Moines has placed the largest number of enrollees. Thus far, the Directors Council has served 144 enrollees, provided them with 803 services, and placed 120 of them in jobs. The Directors Council is a collaboration of several community-based organizations that serve the Des Moines area.

In St. Louis, the parole officer works full-time with the PRI grantee and is housed at St. Patrick Center, the grantee location, in order to work hand-in-hand with the staff. Thus far, the St. Patrick Center has enrolled 102 enrollees, provided them with 461 separate services, and placed 62 of them in jobs.

The Department has also put in place an 18-month outcome evaluation in order to determine the initiative's effectiveness and to analyze the extensive program data being collected by the 30 grantees. The evaluation will also look at the implementation of an employment-centered re-entry approach in order to gain further insights into successful re-entry practices.

IV. Responsible Reintegration of Youthful Offenders

The Department also funds a variety of projects aimed at serving young offenders and youth at-risk of becoming involved in the justice system. The Department has supported projects aimed at young offenders, at-risk youth, youth in the juvenile justice system, and youth in the adult criminal justice system. The Department has also funded projects in partnership with the Justice Department for the Serious and Violent Offender Re-entry Initiative.

The Department currently funds projects using demand-driven strategies designed to move youth into high-growth occupations; provides employment to youth offenders and youth at-risk of criminal involvement in selected cities; provides training in construction; and utilizes community service for youth offenders returning to their communities from correctional facilities.

Other programs funded include state-operated projects aimed at improving the academic and workforce preparation components for youth in correctional facilities; local projects that involve faith-based organizations in assisting released prisoners returning home; locally-operated projects that serve youth returning home from correctional facilities and first-time offenders assigned to alternative sentences; projects targeting both Hispanic and African American at-risk youth in several cities; and two projects aimed at serving at-risk Native American youth. Lessons learned from these demonstration projects have been incorporated into the design of PRI.

The Department has accomplished the following:

The local community grants have succeeded in placing youth in employment. The evaluation of the local community grants found that 69% of 14-17 year-olds and 79% of 18-24 year-olds that were served by a set of eight study sites were placed in subsidized or unsubsidized employment.

? The state grants are increasing the reading and math achievement levels of youth, in large part because they can spend so much time with youth while the youth are behind bars. For example, the State of California has provided 200,922 hours of services to 361 youth and is reporting average gains of three grade levels in reading and four grade levels in math for the youth receiving remedial services in these areas. The State of Pennsylvania has provided 142,451 hours of services to 383 youth and is reporting averages gains of 1.6 grade levels in reading and 3.6 grade levels in math.

Some states are considering improvements in their educational offerings at correctional facilities because of lessons learned from these grants. Examples of this include Virginia picking up the funding of the DOL grant project at the first facility served by the grant; Michigan considering adding counselors at its other juvenile facilities; and California considering adding career academies similar to the one started under the DOL grant at other California youth correctional facilities.

Serious and Violent Offender Reentry Initiative (SVORI): DOL collaborated with the Departments of Justice, HHS, Education, and HUD to focus on the increasing number of offenders who are being released from prisons, jails or court-affiliated training schools through the Serious and Violent Offender Reentry Initiative (SVORI). This initiative was designed to reduce further criminal activity by violent ex-offenders upon their return to their communities through job training and supportive services in preparation for gainful employment.

SVORI was a comprehensive effort addressing both juvenile and adult populations of serious, high-risk offenders. The initiative provided funding to develop, implement, enhance, and evaluate reentry strategies that ensure the safety of the community and the reduction of serious, violent crimes. Sixty-nine grants with a total value of \$125,000,000 were in operation from July 2002 through June 2005. DOL provided \$52,660,000 of this total. The Department of Justice is prepared to describe and explain the SVORI program in its testimony before the Committee.

Ready4Work: Ready4Work is a three-year ex-offender re-entry demonstration project overseen by ETA and the DOL Center for Faith-Based and Community Initiatives (CFBCI) and is funded by DOL, DOJ, and a consortium of private foundations. Ready4Work uses community and faith-based organizations to help people returning from prison find jobs and assist their transition back into their communities. The core components of the program model include case management, job readiness training, job placement assistance, and faith-based mentoring (either one-on-one, group, or team mentoring). Beyond the core components, Ready4Work sites also provide, typically through partnerships with local community-based organizations, other services as needed, such as assistance with housing needs, substance abuse counseling, or GED classes. It was hoped that the combination of these services would help overcome the barriers ex-offenders face in finding and retaining jobs, which in turn would lead to lower recidivism rates among Ready4Work participants.

Between October 2003 and April 2006, the 11 adult Ready4Work sites have enrolled 4,465 participants and provided services to them for a median of 8 months. During this period, 2,497 Ready4Work participants have been placed in employment, with 1,425 of these participants

remaining employed for at least three consecutive months. Moreover, only five percent of participants who have reached their 1-year post-release anniversary have returned to prison.

During the project's third and final year, statistics comparing Ready4Work's six-month and one-year known recidivism rates with the Bureau of Justice Statistics' expected recidivism rates for the population Ready4Work serves are promising. The known recidivism rate among Ready4Work participants is 38% lower than the rate stated by the Bureau of Justice Statistics at six months after release and 48% lower at one year after release. The three-year budget for this project is \$24.9 million, of which \$17.5 million was provided by DOL.

V. Leveraging WIA Formula Dollars

Targeted funding for re-entry efforts allow the Department to test innovative strategies and approaches. However, in order to sustain these efforts, States and local governments need to leverage the resources they receive on an annual basis under the Workforce Investment Act of 1998 (WIA). Formula dollars allocated to states for the WIA Youth and Adult programs can be used to serve this important population. For example, in Montgomery County, Maryland, the Director of the Local Workforce Investment Board collaborated with the Director of Corrections for Montgomery County to establish a One-Stop Career Center within the local jail. WIA funds support half of the salary of the staff person at this center. Inmates at the jail contributed \$22,000 from their own funds raised from canteen sales towards establishing the Center and the purchase of computers. The inmates consider supporting the Center as an investment in itself and are very proud of their role in establishing and maintaining the center. Montgomery County also uses non-WIA funds to support a case manager dedicated to serving ex-offenders at a One-Stop Center located outside the jail.

VI. Other Programs and Initiatives

As requested by the Subcommittee, I will discuss several other programs and initiatives that also contribute to prisoner re-entry efforts, including tax credit and Federal bonding programs that help non-violent ex-felons.

A. Tax Credits and Bonding

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit that encourages employers to hire eight targeted groups of job seekers by reducing employers' Federal income tax liability by as much as \$2,400 per qualified new worker. Among the targeted groups are ex-felons from low-income families. The WOTC expired at the end of 2005 and legislation is pending before Congress to extend the credit retroactively to the beginning of 2006.

The Federal Bonding Program, sponsored by the Department of Labor, serves as a tool to secure the job placement of ex-offenders and other high-risk applicants by issuing fidelity bonds. These bonds are business insurance policies that protect the employer in case of any loss of money or property due to employee dishonesty.

B. Incarcerated Veterans Transition Program (IVTP): The Homeless Veterans Comprehensive Assistance Act (P.L. 107-95) amended Title 38 U.S.C. to revise, improve and consolidate

provisions of law providing benefits and services to homeless veterans. Section 2023 of the Act mandated a "Demonstration Program of referral and counseling for veterans transitioning from certain institutions who are at risk of homelessness." The demonstration program was to be carried out by the Department of Veterans Affairs (VA) and the Secretary of Labor in at least six locations (one of the locations was to be in a penal institution under the jurisdiction of the Bureau of Prisons).

The Department of Labor's Veterans' Employment and Training Service worked with the VA to implement a two-pronged approach to provide referral and counseling services to incarcerated veterans who are at risk of homelessness. The first approach was to develop a Solicitation for Grant Applications to serve incarcerated veterans at four demonstration sites. The first four proposals awarded (\$250,000 each) were funded from April 1, 2004 - March 31, 2005. The four grantees were Volunteers of America (KY), Quad Area Community Action (LA), Joint Efforts (CA), and Volunteers of America (CA). Three more demonstration sites were funded from July 1, 2004 - March 31, 2005: Salvation Army (NY); Vietnam Veterans of San Diego (CA); and Veterans Benefits Clearinghouse (MA). All seven of these demonstration grants have been extended through June 30, 2007.

The second approach was to train 120 Local Veterans' Employment Representative (LVER) staff members and Disabled Veterans' Outreach Program (DVOP) specialists to facilitate workshops for incarcerated veterans. Colorado, Connecticut, Georgia, Illinois, Kentucky, Virginia, and Washington were identified as potential pilot states. In five of those states, LVER staff members and DVOP specialists currently are providing IVTP workshops at correctional facilities within the states. Of the 836 participants that took part in the workshops in FY 2005, 827 were enrolled in case management, 671 were referred to One-Stop Career Centers, 262 individuals entered employment and 320 received VA services.

To date, over two thousand incarcerated veterans have participated in the IVTP. The results indicate that many of the participants will go from "tax taker to taxpayer" at a cost that is significantly lower than the cost to retain them in prisons or jails. Cost for incarceration at state and Federal prisons is approximately \$22,000 a year compared to IVTP grantee costs of \$4,300 per job placement. FY 2005 expenditures for the IVTP demonstration grants were \$1.6 million.

VII. SUMMARY AND CONCLUSION.

As evidenced by my written testimony, the Department of Labor has considerable program oversight for initiatives assisting prisoners in returning to the labor force, including an integral part of the President's Prisoner Re-entry Initiative (PRI) along with the Departments of Justice and HUD. The President's 2007 budget for the Department of Labor includes \$19.6 million for the third year of funding of this four-year initiative.

Unfortunately, neither the House nor Senate Committee-reported Labor-HHS-Education Appropriations bills include this important funding. Without continued funding for PRI, we are concerned that much of the progress that has been made will be lost. We will continue to work with Congress to secure funding for this critical initiative.

The Department is also aware of pending legislation - S. 1934 and H.R. 1704, the "Second Chance Act" - which would authorize additional funding for prisoner re-entry initiatives primarily by state and local governments. The Department recommends that faith-based and community groups be explicitly included in any legislation including the "Second Chance Act" bills.

Overall, the Department has significant programs to help ex-offenders re-enter their communities and we appreciate the Subcommittee's oversight on these efforts. We look forward to providing the Committee any further information it requires. I will be pleased to respond to your questions.