

Bridging the Gap: Bolstering Economic Mobility in Reentry 2030





Overview

- 1** Reentry 2030
- 2** Economic Mobility: A National Perspective on Best Practices
- 3** North Carolina's Reentry 2030 Initiative

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**REENTRY
2030**

The Council of State Governments Justice Center

We are a national nonprofit, nonpartisan organization that combines the power of a membership association, serving state officials in all three branches of government, with policy and research expertise to develop strategies that increase public safety and strengthen communities.



**Justice
Center**

The Challenge

People returning from incarceration face significant challenges that impact community safety and well-being.

More likely to experience **homelessness**



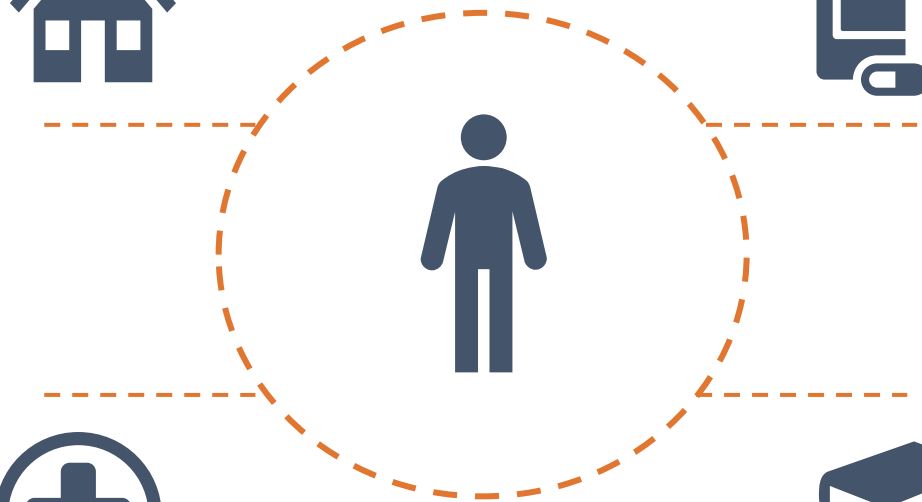
Higher rates of **substance abuse and mental illness**

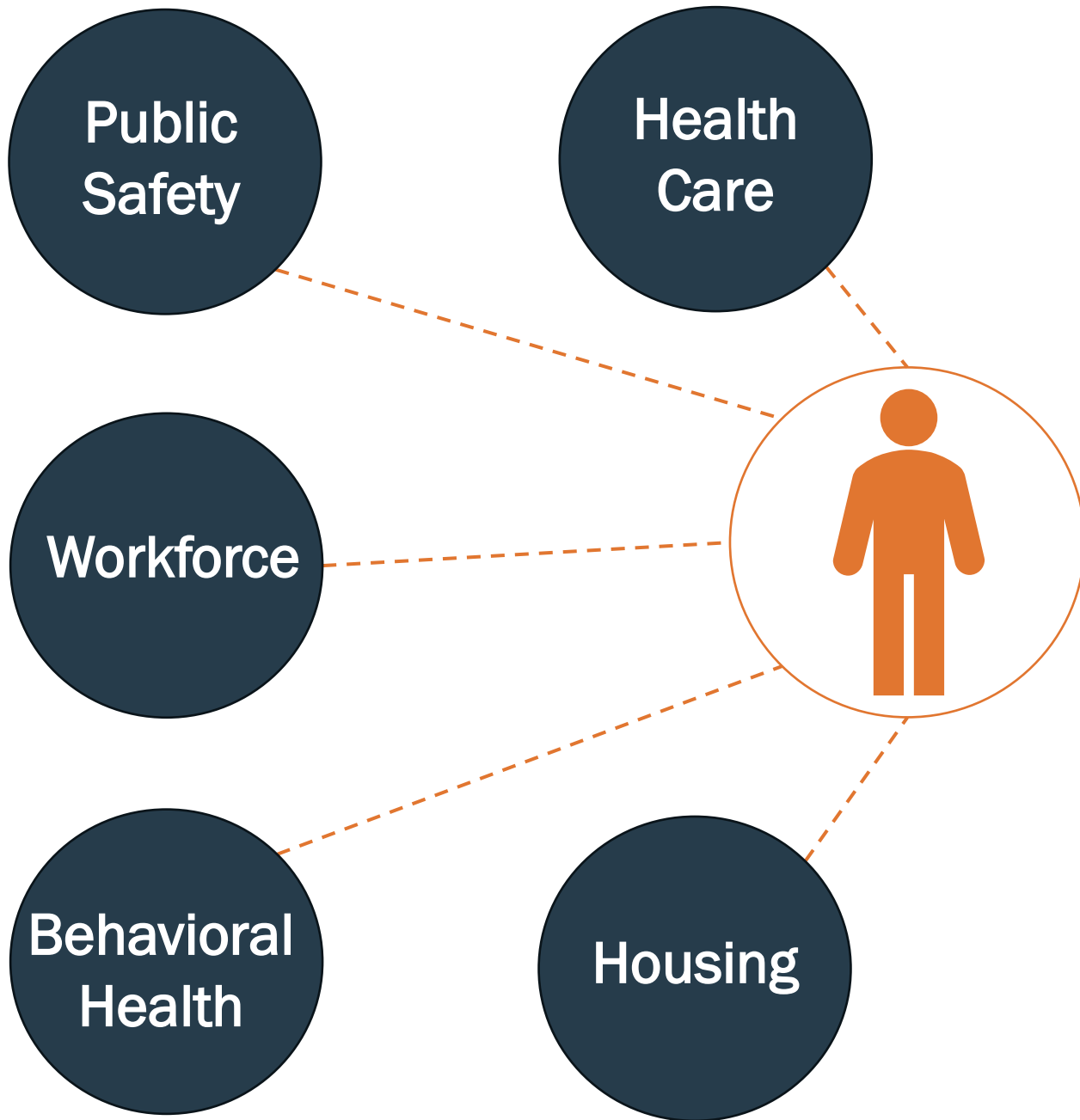


Higher rates of chronic **health conditions** and infectious diseases



Limited **education** and higher than average **unemployment** rates





Tackling these challenges one-by-one ignores a **singular opportunity** to make a dramatic impact on outcomes and across social service systems.

States will collectively spend an estimated **\$8 billion** to reincarcerate people who were released from prison in 2022.

+420K

Total number of **people released from state prisons** in 2022

5M

Number of **formerly incarcerated people** living in the United States

46%

National 5-year **return-to-incarceration** rate*

\$8B

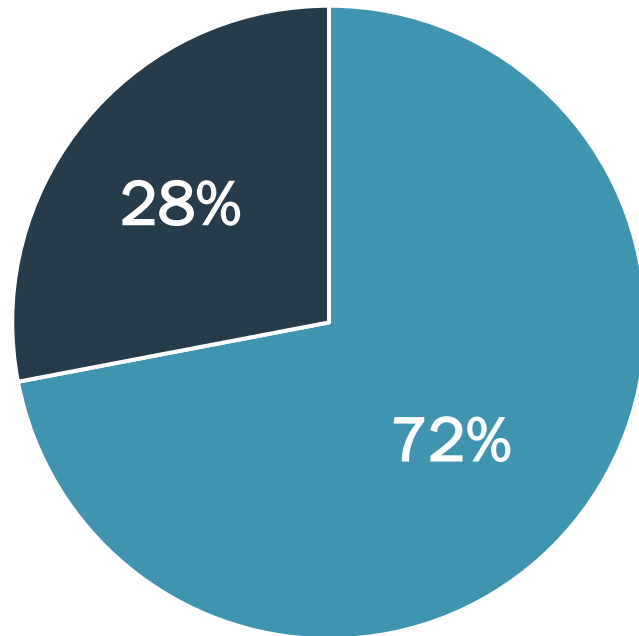
Total **cost of reincarcerating people** who were released from state prison in 2022

*Based on Bureau of Justice Statistics analysis of recidivism in 34 states.

E. Ann Carson, *Prisoners in 2022* (Washington, DC: U.S. Department of Justice, 2023); Lucius Couloute, *Nowhere to Go: Homelessness among formerly incarcerated people* (Northampton, MA: Prison Policy Initiative, 2018), <https://www.prisonpolicy.org/reports/housing.html>; Matthew R. Durose and Leonardo Antenangel, PhD, *Recidivism of Prisoners Released in 34 States in 2012* (Washington, DC: U.S. Department of Justice, 2021), <https://bjs.ojp.gov/library/publications/recidivism-prisoners-released-34-states-2012-5-year-follow-period-2012-2017>; The Council of State Governments Justice Center, *50 States, 1 Goal: Examining State-Level Recidivism Trends in the Second Chance Act Era* (New York: The Council of State Governments Justice Center, 2024) https://csjusticecenter.org/wp-content/uploads/2024/04/50-States-1-Goal_For-PDF_with508report.pdf.

Over 70 percent of collateral consequences create employment barriers even for people with strong support and motivation.

Collateral consequences, employment and non-employment related



- Employment-related
- Not employment-related

Within the 72% of employment-related collateral consequences:

- 45% are imposed automatically
- 80% last indefinitely
- 50% are triggered by a felony conviction
- 25% are triggered by a misdemeanor or felony conviction

The Solution



Reentry 2030 is a **national initiative** to improve reentry success for people exiting prison and those under supervision.

Reentry 2030 has a bold goal to improve reentry success by **30 percent** by the end of this decade.



What does improving reentry success by 30 percent mean?

- **600,000 fewer people** admitted to prison from supervision each year until 2030.
- Use **data-driven** solutions to identify and remedy reentry gaps.
- More people in safe and stable **housing**, finding and sustaining **employment**, and accessing **behavioral health treatment**.

We are committed to a future of reentry that is:



human-centered

Incorporates the perspectives of people who have gone through the reentry process.



coordinated

Fully engages federal, state, and local leaders across service systems.



transparent

Establishes public goals with definable metrics.



data-driven

Use data to understand and address gaps in access to services, quality of services, and outcomes.

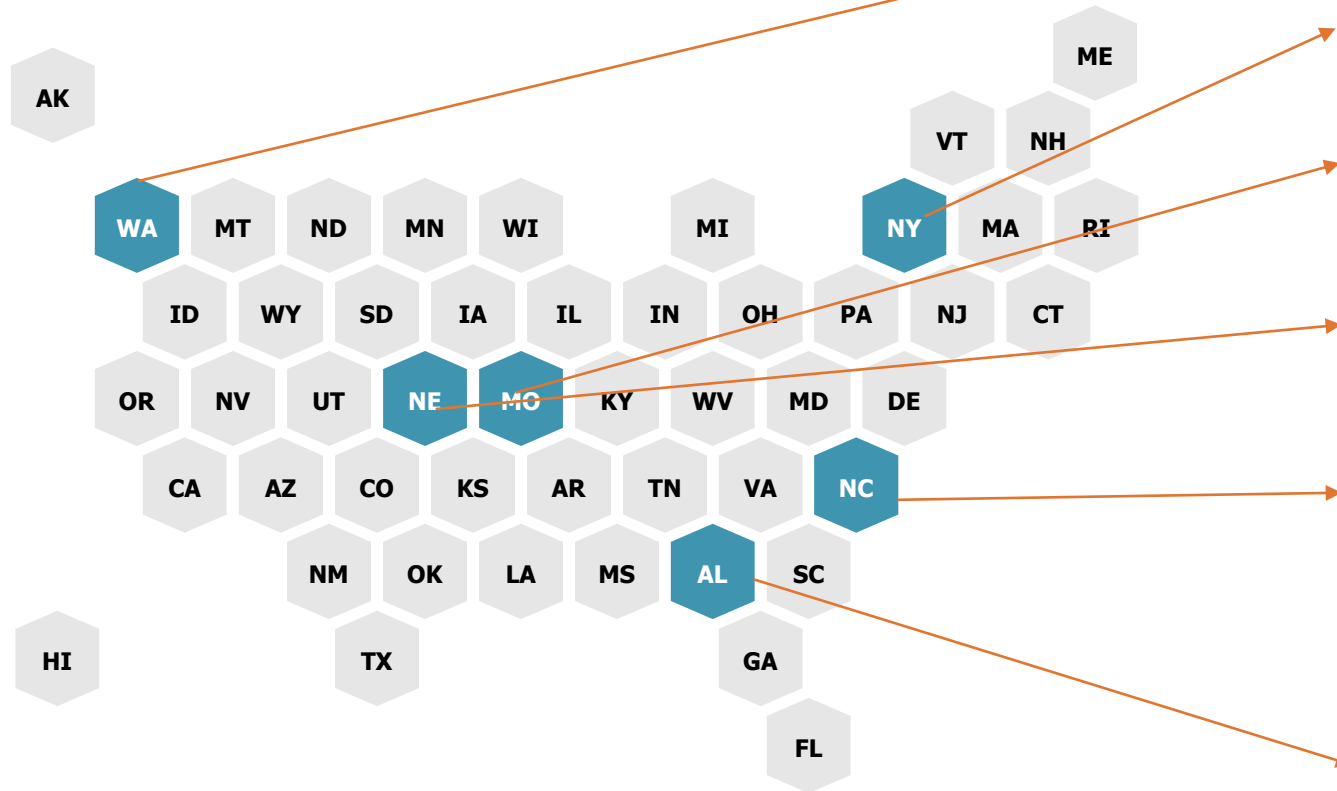
What is the **Reentry 2030** strategy?

Scale up what works, including access to education, skills training, behavioral health treatment, and stable housing for people with criminal records.

Clear away barriers to opportunity that are unnecessary for public safety.

Use data to understand and address access to services, quality of services, and outcomes.

Current Reentry 2030 States and Goals



WA: Expand pathways to state-recognized apprenticeships upon reentry.

NY: More than **double** the rate of incarcerated people participating in college.

MO: Ensure **80%** of formerly incarcerated people maintain employment for at least nine months after release.

NE: Expand program participation by increasing utilization of tablet programming by **50%**.

NC: Increase the number of high school diplomas, high school equivalencies, and industry-valued continuing education credentials earned by eligible incarcerated people by **75%**.

AL: Increase participation in post-release employment services by **50%**.

Reentry 2030 convenes state leaders across systems to tackle bold reentry goals **together**.

Corrections

Health

Human Services

Education

Housing

State and Local
Elected Officials

Workforce

Behavioral
Health

Barriers to work for reentering North Carolina workers

Structural barriers to work in North Carolina - "Formal" collateral consequences



■ EMPLOYMENT-RELATED 74%
■ OTHER 26%

More than **850** provisions of NC law restrict rights, benefits, and opportunities based on a prior criminal conviction

Over 70% of those collateral consequences limit access to work for people with certain criminal histories.

“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

Types of employment-related collateral consequences

Formal collateral consequences can limit access to work in 3 ways:

- Limiting the ability of **employers to hire workers** with convictions
- Restricting access to essential **occupational and professional licenses**
- Restricting access to **licenses needed to start a business**

Number of North Carolina employment consequences by type:

380 OCCUPATIONAL LICENSING

201 EMPLOYMENT (DIRECT)

156 BUSINESS LICENSING

“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

Consequences limit access to work in a broad range of fields & industries

Number of North Carolina employment consequences by field and industry:

160	HEALTH CARE
61	PUBLIC EMPLOYMENT
56	EDUCATION & SCHOOLS
36	TRANSPORTATION & COMMERCIAL MOTOR VEHICLES
35	INSURANCE SALES & SERVICE
30	CONSTRUCTION, ETC.*
29	REAL ESTATE & PROPERTY
23	BANKING, LENDING, SECURITIES & FINANCE
23	PRIVATE SECURITY, INVESTIGATION & LOCKSMITHS
22	ADULT CARE, NURSING HOMES & RES. CARE FACILITIES

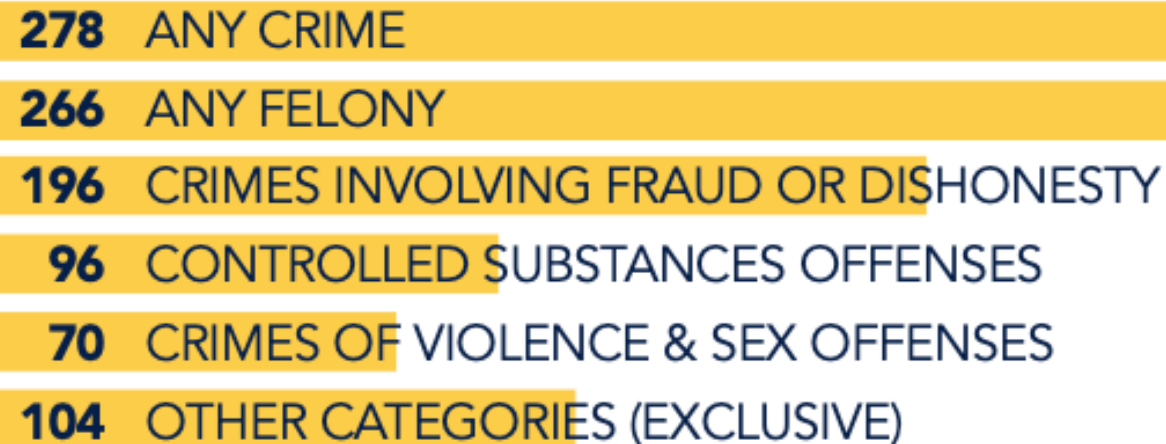
**Includes construction, improvement & repair, engineering, plumbing, HVAC, surveying, design & architecture*

“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

Employment consequences can be triggered by a broad range of offenses

- In North Carolina, over 250 consequences can be triggered by ANY felony
- Over 275 consequences can be triggered by ANY CRIME AT ALL

Number of North Carolina employment consequences by triggering offense:



“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

Many consequences are imposed automatically and most persist indefinitely

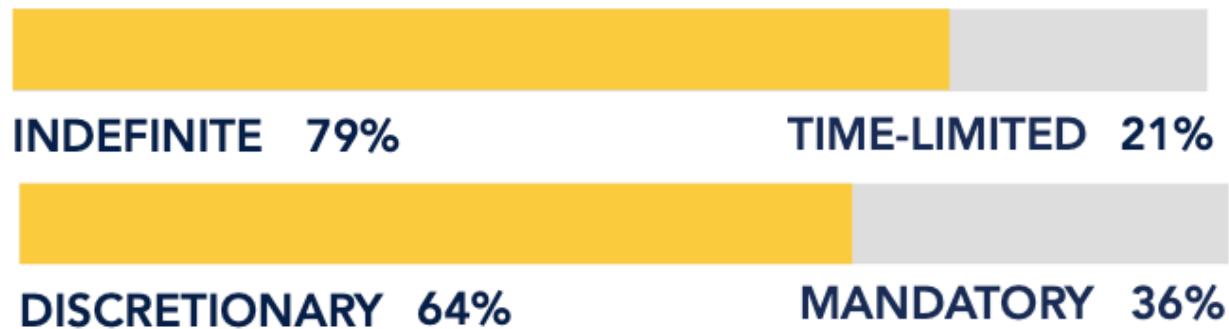
Duration

- *Indefinite* consequences remain in effect for the duration of a person's life (absent relief).
- *Time-limited* consequences generally expire after a certain number of years.

Discretion

- *Mandatory* consequences must be imposed if a person has a disqualifying conviction
- *Discretionary* consequences authorize, but do not require, disqualification, subject to the discretion of an employer, state agency, or other decision-maker

Break-down of North Carolina employment consequences by duration and discretion



“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

Identifying employment-related collateral consequences in North Carolina

National Inventory of Collateral Consequences of Conviction

<https://niccc.nationalreentryresourcecenter.org/>

- Searchable online database of all state laws and regulations that impose barriers conviction-based barriers to rights, benefits, and opportunities
- Includes barriers to employment and licensure
- Includes barriers imposed by federal law
- Keyword system allows searching by job/industry

Matched 517 entries with 606 consequences

Title	Jurisdiction	Consequences	Keywords	Offense Type	Discretion	Duration
N.C. Gen. Stat. § 18C-114 Background check to serve as director of North Carolina State Lottery Commission	North Carolina	Employment & volunteering	Gaming, lottery & racing	N/A (background check, general relief)	Background Check	N/A (background check, general relief)
15A N.C.A.C. 2T.0120 Ineligible for environmental management permit	North Carolina	Employment & volunteering	Conservation, environmental sciences & water	Other	Mandatory/Automatic	Indefinite
N.C. Gen. Stat. § 160A-164.2 Background check for city employment	North Carolina	Employment & volunteering	Public employment	N/A (background check, general relief)	Background Check	N/A (background check, general relief)
N.C. Gen. Stat. § 95-47.9 Deny/suspend/revoke private personnel service license	North Carolina	Employment & volunteering Business licensure & participation		Other	Discretionary	Indefinite
N.C. Gen. Stat. § 74C-11 Background check to be security guard for private protective company	North Carolina	Employment & volunteering	Private security, investigation & locksmiths	N/A (background check, general relief)	Background Check	N/A (background check, general relief)
N.C. Gen. Stat. § 18C-120 Background check to serve as employee of North Carolina State Lottery Commission	North Carolina	Employment & volunteering	Gaming, lottery & racing	N/A (background check, general relief)	Background Check	N/A (background check, general relief)
21 N.C.A.C. 34C.0103 Background check for crematory license (conviction of applicant/manager)	North Carolina	Employment & volunteering	Funeral services	N/A (background check, general relief)	Background Check	N/A (background check, general relief)

“The National Inventory of Collateral Consequences of Conviction,” The Council of State Governments Justice Center and National Reentry Resource Center, accessed March 1, 2025, niccc.nationalreentryresourcecenter.org.

“Informal” non-legal barriers to work stem from permissive bias and procedural deprivation

- Employer/landlord stigma & discrimination
- Lack of personal infrastructure & supports for reentering citizens:
 - Vital records and documentation
 - Transportation & driver’s licenses
 - Health-care access
 - Housing
 - Credit
 - *etc.*

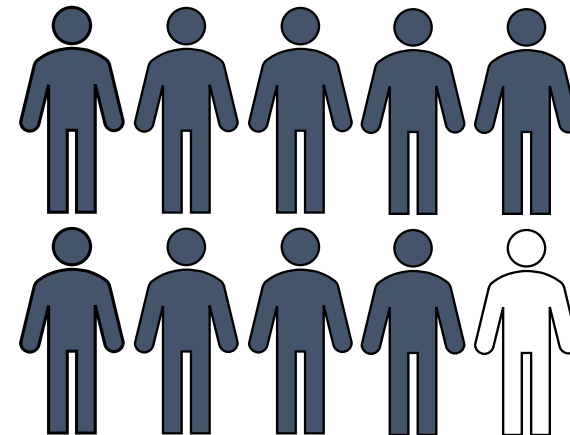


Employer perspectives



89% to 95%

of employers are personally willing to hire workers with records according to a 2021 survey



Source: Society of Human Resource Management, SHRM Foundation, and Charles Koch Institute, 2021 Getting Talent Back to Work Report (Alexandria, VA: SHRM Foundation, 2021), https://www.gettingtalentbacktowork.org/wp-content/uploads/2021/05/2021-GTBTW_Report.pdf.

Obstacles to fair chance hiring

However, the 2021 SHRM survey found that **employers face serious concerns & outside factors that can make hiring difficult** despite employer willingness.

TOP 5 CONCERNS ABOUT HIRING WORKERS WITH CRIMINAL RECORDS

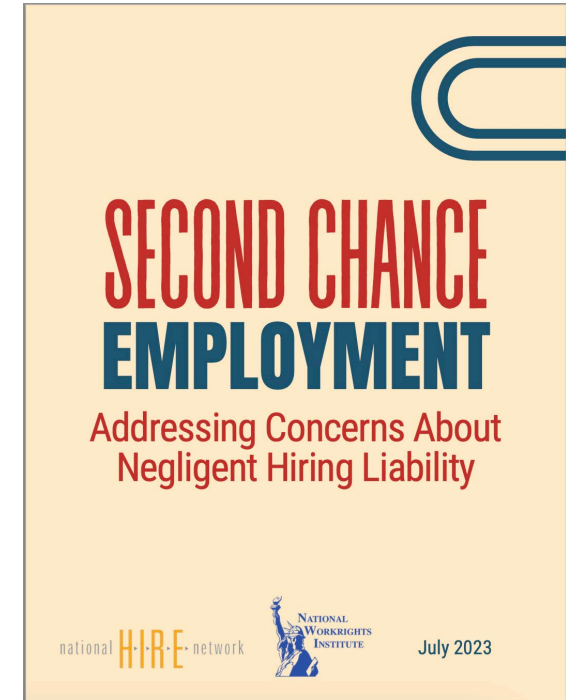
1. Legal liability
2. How customers would react
3. Government regulations that prevent hiring
4. How employees would react
5. Behavior by employees with records

Source: Society of Human Resource Management, SHRM Foundation, and Charles Koch Institute, 2021 Getting Talent Back to Work Report (Alexandria, VA: SHRM Foundation, 2021), https://www.gettingtalentbacktowork.org/wp-content/uploads/2021/05/2021-GTBTW_Report.pdf.

Successful negligent hiring lawsuits based on employee criminal history are relatively rare

A 2023 study of negligent hiring lawsuits across the nation found:

- Over the past 48 years, only 435 trial courts found employers liable for negligent hiring due to the employee's conviction record.
 - Compare to 10,000 EEOC complaints against employers per year in the same 48-year period.
- There were almost no findings of liability for negligent hiring for most job-types (including office and factory jobs).



Source: National Hire Network, *Second Chance Employment: Addressing Concerns About Negligent Hiring Liability* (July 2023), <https://www.lac.org/resource/second-chance-employment-report>

Relief from the impact of barriers to work

States across the country have implemented a range of legislative policies aimed at mitigating the impact of both legal and informal barriers to work:

- Fair chance hiring
- Fair chance licensing
- Record clearance
- Certificates of relief
- Negligent hiring reform



Hiring policies across the country

Ban the box	Direct relationship requirement	Direct relationship + EEOC standards
<p><i>Prohibit criminal history inquiries until after a job applicant's qualifications have been assessed</i></p> <p><u>State adoption:</u></p> <p>Public sector: 37 states</p> <p>Public & private sector: 15 states</p>	<p><i>Prohibit denial of employment absent a finding that a person's conviction(s) is directly related to the job.</i></p> <p><u>State adoption:</u></p> <p>Public sector: 21 states</p> <p>Public & private sector: 8 states</p>	<p><i>Additionally require employers conduct an individualized assessment of applicant criminal history that examines factors including time since conviction & evidence of rehabilitation.</i></p> <p><u>State adoption:</u></p> <p>Public sector: 12 states</p> <p>Public & private sector: 5 states</p>

Hiring policies in North Carolina

Ban the box	Direct relationship requirement	Direct relationship + EEOC standards
<p>Public sector (executive branch employment):</p> <p>Executive Order 158 (2016) prohibits background checks & inquiries about criminal history until after an initial job interview is conducted.</p> <p>NO PRIVATE SECTOR COVERAGE</p>	<p>Public sector (executive branch employment):</p> <p>EO 156 also prohibits consideration of:</p> <ul style="list-style-type: none"> • <i>Expunged & pardoned convictions</i> • <i>Convictions that do not relate to the job</i> • <i>Arrests not resulting in conviction</i> • <i>Criminal history “ not demonstrably job-related & consistent with business necessity”</i> <p>NO PRIVATE SECTOR COVERAGE</p>	<p>No binding statutory or executive authority</p>

Occupational licensing in North Carolina

NCGS § 93B-8.1

- State law prohibits the denial of occupational licensure absent a **direct relationship** between the conviction and licensed activity, as determined by a consistent multi-factor analysis. Factors to be considered include:
 - Seriousness of the crime
 - Time since conviction
 - Age when the crime occurred
 - Evidence of rehabilitation
- **Prequalification:** Prospective licensees may seek a determination about whether their criminal history is disqualifying **before** investing in education and training.

North Carolina General Statutes § 93B-8.1

Expunction of conviction records in North Carolina (NCGS §§ 15A-145, et seq.)

Effect

- Renders criminal record inaccessible to the public, including employers
- Provides total relief from most collateral consequences imposed by law
- Right to deny the existence of the conviction for most purposes

Eligibility

- Generally available for most misdemeanors and low-level non-violent felonies
- Waiting period of 5 to 20 years, depending on the class and number of offenses

Process

- Must file petition with the court
- Expungement of felonies is *discretionary* and may be denied even when objective eligibility requirements are met
- Court fees can be prohibitive at \$175 but may be waived for indigency

North Carolina General Statutes §§ 15A-145, et seq.

Certificates of relief (NCGS §§ 15A-173.1, et seq.)

- **Court order** that mitigates the impact of mandatory barriers to work imposed by state law. Allows an agency to grant licensure or employment despite the existence of an absolute conviction-based disqualification.
- Incentivizes hiring by protecting employers from negligent hiring/retention liability due to an employee's criminal record
- Available for misdemeanors and class H/I felonies 1 year after completion of sentence
- Petition must be filed with the court, which has discretion to grant or deny a certificate. A hearing may be required
- In **10 states**, corrections agencies are authorized to issue a similar credential that provides more limited relief. These administrative certificates often limit liability for employers, but do not generally limit the impact of legal barriers to work.

North Carolina General Statutes §§ 15A-173.1, et seq.

Federal programs grant employers additional incentives to hire

Despite the absence of state policies that actively encourage the hiring of workers with convictions, there are several federal incentives that are available to North Carolina employers, including:

Work Opportunity Tax Credit (WOTC)

Provides tax credits for employers hiring workers with felony convictions. Any employer who pays wages to a new hire with a felony is eligible.

Federal Bonding Program

No-cost federal bonds available to any employer hiring a justice-involved worker that covers loss to the company resulting from fraudulent or dishonest acts of the employee. Capped at \$5,000.

WIOA On-the-Job Training Subsidies

Temporarily subsidizes the wages employers pay to eligible employees (including those with convictions) on a case-by-case basis.

R REENTRY 2030 

REENTRY 2030

Overarching goal: Improve economic mobility of formerly incarcerated people by increasing the number of local reentry councils and providing access to educational, technical training, registered apprenticeship, work-based learning and employment opportunities pre- and post-release.





- Strategy 1.1 - DAC will identify internal reoccurring funding for LRCs.
 - 31 LRCs covering 53 counties
- Strategy 2.6 - DAC will create a publicly available, searchable database of all coursework and registered apprenticeships.
 - Programs and Services Catalog



REENTRY 2030



Strategy 5.1 - DAC and DOC will implement career services in every DAC- designated reentry facility and increase the number of incarcerated people receiving virtual career services through NCWorks Online.

- DAC and DOC launched NC JET (Jobs, Employment Transition) system in February 2025. Secure NCWORKS available in facilities for incarcerated individuals to begin resume building and searching for jobs.



REENTRY 2030



Expand the number of incarcerated people participating in work release by 50% by 2030.

- Work Release study
 - 2018-19 cohort
 - Higher employment
 - Higher wages
 - Lower reincarceration rate
- State Identification Cards
 - Driver's License Restoration Clinics
 - State Id Automation Project



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