

Memorandum



DATE April 10, 2017

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, B. Adam McGough

SUBJECT Fair Chance Hiring Briefing

On Monday, April 17, 2017, the Economic Development Committee will receive a briefing on Fair Chance Hiring by Beverly Davis, Assistant Director of Fair Housing and Human Rights.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3309.



Theresa O'Donnell
Interim Chief of Economic Development & Neighborhood Services

c: The Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Alan E. Sims, Interim Chief of Community Services
Directors and Assistant Directors

Fair Chance Hiring

**Economic Development
Committee, April 17, 2017**

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



City of Dallas

Background

- Dallas City Council was briefed on Ban The Box and Fair Chance Hiring by Human Resources on June 2, 2016
- 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

Background

- The City still has criminal history questions on employment applications for sworn positions
- May 2015-City Council approved 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

Purpose

- To present options for implementation of a Fair Chance Hiring ordinance within the City of Dallas with the goal of reducing 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 until later in the hiring process

- Fair Chance Hiring

- Incorporates EEOC's arrest and conviction records guidelines that requires employers to consider:
 - Job relatedness of a conviction
 - Time passed since the conviction, and
 - Mitigating circumstances or evidence of rehabilitation

- Goal of Fair Chance Hiring is to increase employment opportunity and reduce recidivism

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 adopted the policies:
 - 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

Rationale For Policy Development

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

Economic Growth

- Removing job barriers boost the economy
 - Economist 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 \$78 to \$87 billion

Public Safety

- Employing the formerly incarcerated 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 additional illegal activities and arrests 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

Options for Consideration

- Resolution of support for Fair Chance Hiring
- Ordinance covering contractors, vendors and suppliers who do business with the City of Dallas
- Comprehensive ordinance covering most employers within the City of Dallas

Resolution of Support

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

Ordinance For Vendors, Contractors and Suppliers

- Require Fair Chance Hiring as a condition of contracting with the City of Dallas
- Incorporate requests for bids and proposals
- Incorporate final contract language as a standard part of contract language with vendors, contractors, and suppliers
- Require annual certification that Fair Chance Hiring guidelines are being followed

Consideration for Citywide Ordinance

- Scope of Ordinance
 - Should identify who is covered
 - Should identify what is covered
 - Exemptions
 - Enforcement provisions and resources
 - Education and outreach
- Overview of Fair Chance Hiring Laws in Texas
- Pending Legislative Action

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 in April 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 is liable for a civil penalty of up to \$500.00
- For the first violation, employer may elect to take training and receive a warning
- Complaint must be filed within 90 days of Adverse Action
- Ordinance Effective April, 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
- Marketing campaign for outreach and education- \$75,000
- The City of Austin has only received 4 complaints since the passing of the Ordinance

City of San Antonio

- On December 7, 2016, the San Antonio City Council Governance Committee passed a recommendation to remove all questions about criminal history from the civilian job application
- After receiving background check results, human resources staff will 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 (Administrative policy applies to county) :
 - Incorporates EEOC criteria in individualized assessment
 - Right to appeal denial of employment

Pending Legislative Action in State Legislature

- Two Bills are pending in Committee that would limit City Council's ability to establish policy
 - HB 577 (Workman) – prohibits political subdivisions of the state from adopting or enforcing local regulation that would limit or otherwise regulate a private employers ability to use criminal history in employment actions.
 - HB 548 (Deshotel) – prohibits an employer from including a question regarding an application's criminal history record information on an initial employment application form.

Recommendation

- Monitor pending legislation in Austin
- Develop an ordinance for Committee Consideration that requires contractors, vendors and suppliers who do business with the City to adopt Fair Chance Hiring guidelines
- Explore operating procedures, staffing, and resources necessary to implement a Fair Chance Hiring program
- Identify potential partners and stakeholders, such as Business Groups and Non-Profits to promote Fair Chance Hiring

Next Steps

- Receive feedback and direction from the Committee.

Fair Chance Hiring

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