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STATEMENT OF RAY MARSHALL
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON CRIME OF THE COMMITTEE ON THE JUDICIARY
U.S. HOUSE OF REPRESENTATIVES

ACQUISITIONS

April 5, 1978

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before the Subcommittee on Crime's hearings on the relationship between unemployment and crime to review the Department of Labor's programs for offenders.

The issues of what causes crime and recidivism are complex ones, reflecting many interrelated variables. Although it can be said that employment rates are associated with crime rates, the exact nature of the relationship of crime and unemployment is unknown currently. This fact has been attested to by a number of the witnesses who have appeared before the Subcommittee; notably, Dr. Eli Ginzberg.

Although studies of the relationship between crime and unemployment have been inconclusive, studies of the effects of manpower programs on employability and recidivism, while also not conclusive, have led the Department to believe that employment and training programs have the potential for reducing ex-offender unemployment and recidivism and that manpower programs should play an integral part in a comprehensive system of services for offenders. Through its continuing efforts in manpower projects for offenders,

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the Department has attempted to play a leadership role in the development and dissemination of new techniques for dealing with offenders.

These efforts can be traced back to the Manpower Development and Training Act of 1962. Although offenders were not mentioned in the Act, under the experimentation, demonstration and research provisions of it, the Department began in 1964 to accumulate a broad base of experience focused on criminal offenders as a legitimate disadvantaged clientele group meriting employment and training services. In the course of conducting research and developing model projects and programs, virtually every phase of the offender's involvement with the criminal justice system has come under scrutiny, from arrest through trial and probation or incarceration and release to the post-release period.

A 1966 amendment to the MDTA provided for a large-scale pilot program for offenders, which was to operate in a variety of settings. The program included different kinds of prison populations utilizing a wide variety of training services. The main focus of the program (which was conducted in cooperation with the Bureau of Prisons, the U.S. Office of Education, the public employment services, and State and local correctional agencies) was on the inmate's isolation and estrangement from the community and on the preparation for his or her re-entry into that community.

The earlier projects and programs dealing with offenders and ex-offenders placed emphasis on helping the incarcerated offenders to enter or reenter the labor market. The projects established conclusively the need of most offenders for skill training and the remedial education necessary to take it, if they were to be job ready. They demonstrated further that this training could be given effectively.

In later years the focal point was broadened to include intervention at various points within the criminal justice system and to provide more than just job readiness. Special placement and other support services were essential to employment.

Pre-Trial Intervention Projects. These projects give selected arrested persons the opportunity to improve their job prospects and avoid a criminal record. Eligible defendants who want to take part are allowed continuance of their trials for 90 to 180 days while they get counseling, education, information on jobs and training, and supportive services. Those placed in jobs receive help and evaluation after they start work. At the end of this period, the court may dismiss all charges, extend the continuance, or return a defendant without prejudice for court proceedings--depending on the person's performance. Over 100 communities have programs modeled on or similar to demonstration projects funded by the Department beginning in 1968.

Federal Bonding Program. This program opens up jobs for offenders and others by providing the fidelity bonding they cannot get from commercial services. Although begun as an experimental and demonstration project in 1965, since 1971 the program has operated through the Employment Service system, with offices in every State. The program is available to every jobseeker whose only barrier to getting a particular job is being unable to obtain commercial bonding. In over 10 years of operation through Fiscal Year 1976, the program had placed over 9,000 people in jobs they could not obtain without bonding. There is also evidence that a much larger number have been placed, without use of the bond, but on knowledge by employers of its availability. That is, it has removed an "excuse" for not hiring. During the same 10 year period, the program had a default rate of less than two percent.

Also relevant to removing offender employment barriers, the Georgetown Law Institute examined statutory and regulatory barriers, such as licensing criteria, to offender employment in all 50 States. A followup project carried out by the American Bar Association achieved legislative modification of these barriers in 21 States.

Special Target Group Models. These model projects were designed to address the needs of specific groups of offenders selected for special consideration within the context of the criminal justice system -- specifically, older releases, drug addicts, and Spanish speaking, female and juvenile

offenders. Although no longer funded nationally, several of the projects have been continued using local resources.

Model Ex-Offender Programs. These programs are designed to provide ex-offenders with comprehensive services from the employment service and other units specifically designed to serve them. Specialized counselors, job developers and community aides work with men and women both before they leave prison and after release, to develop jobs for them, place them, and provide needed support, including help in adjusting to work. Originally funded through national office grants, a number of the programs have continued utilizing other funding sources.

Mutual Agreement Programming (Contract Parole). This experimental/demonstration project was funded with the American Correctional Association to test a method whereby an inmate, correctional officials and paroling authorities agree in advance to the conditions of an inmate's release from incarceration. A definitive parole date is established contingent upon the inmate's successful achievement of specifically defined and mutually agreed upon objectives.

The program is operating in 8 States and the District of Columbia.

It is especially significant that these projects produced a series of reports, monographs, handbooks and guides

which continue to have a basic usefulness in improving efforts by many persons both within and without the criminal justice system to restore offenders to society.

Offender Programs Under the Comprehensive Employment
and Training Act

Mr. Chairman, the enactment of CETA in 1973 generated fundamental changes in the administration of employment and training programs. The bulk of the resources and decision-making responsibility shifted from the national and regional offices of the Department to prime sponsors, generally States and units of local government. With this shift, it became the responsibility of prime sponsors to determine the employment and training needs of their jurisdictions and to allocate resources from their CETA entitlement grants to meet those needs. CETA provided prime sponsors with the opportunity to sponsor programs for offenders, as well as for other target groups, to meet the needs of their specific jurisdictions, and to establish their own priorities and determine the design and mix of employment and training services to be provided. This is particularly significant when viewed in light of the sizeable proportion of the population now being served under Title I, the comprehensive manpower services component of CETA, that could be classified as offenders. This figure could be as high

as 30-40 percent, although no accurate figures are available, since many CETA clients do not identify themselves as offenders--that is having been arrested, out on parole, probation, etc.

In addition, Title III of CETA authorizes the Secretary of Labor to provide additional employment and training services to offenders (and to other special groups such as older workers, youth and persons of limited English-speaking ability). Also, under Title III, which contains the basic authority for manpower research and demonstration projects, the Department has continued to fund projects relating to the offender population. The demonstration projects are designed primarily to test program models which prime sponsors could subsequently incorporate into State and local manpower systems.

National Programs and Research and Demonstration Projects

An example of such a national program is the Comprehensive Offender Program Effort (COPE), funded in three States by the Department of Labor and the Law Enforcement Assistance Administration. This \$6 million project is designed to improve the effectiveness of services provided to offenders through comprehensive planning and coordination of their manpower and correctional resources.

Another demonstration project is the National Supported Work Demonstration Project, which is funded through a consortium of Federal agencies and the Ford Foundation. The

Department of Labor is the lead agency for this multi-year program, begun in 1974, which will cost \$38 million. The demonstration, through fourteen local operating sites, employs four target populations, three of which have a significant involvement with the criminal justice system: ex-offenders (out of correctional facilities not more than six months), former addicts (77 percent of whom have criminal convictions), and youth who are high school drop-outs (45 percent of whom have have been involved in the criminal justice system). The remaining target group consists of chronic, long-term recipients of aid to families with dependent children. Under the supported work program these hard-to-employ participants are placed in transitional jobs in controlled low-stress working environments until they are ready to enter the regular labor force.

In order to test the effectiveness of supported work, a centralized research and evaluation component has been built into the program design. The research is being conducted by Mathematica Policy Research, Inc., and the Institute for Research on Poverty at the University of Wisconsin. Through the analysis of data obtained from 9,200 program participants and counterparts in a control group (including 2,500 ex-offenders) the research will attempt to determine whether supported work produces measurable improvements in the lives of program participants in terms

of long-term employment and income and reduction of drug use and criminal activity. Although final research results will not be available until late 1980, some preliminary and tentative findings appear encouraging, particularly in the areas of increased employment and earnings for program participants and a decrease of approximately 25 percent in the recidivism rate for ex-offenders.

Project ADVoCATE is an American Bar Association program, funded by the Department of Labor, to involve the organized bar and individual bar members in assisting CETA prime sponsors by providing civil law aid to offenders. Past experience has shown that legal problems can often cause intense disruption in the lives of people receiving assistance under CETA. The harrassment of unresolved legal problems can seriously reduce the positive effect of training and employment assistance.

Project ADVoCATE was funded by the Department to set up six local demonstration programs. At present, the project has received commitments to set up projects in Dade County (Miami) Florida, Kansas City, Missouri and the States of Connecticut and Indiana. Other areas where the Boards of Governors are expect to endorse the project are Minnesota, Philadelphia, and the District of Columbia. In these jurisdictions the bars have appointed committees to review ADVoCATE and report on how it can be implemented.

The national project is funded only for the purposes of interesting the organized bar at the State and local level in the problems of offenders. Local project funding is being sought from CETA prime sponsors in Miami and Connecticut, where planning is furthest advanced.

Through Project ADVoCATE we hope not only to increase the availability of legal services in support of our employment and training efforts, but also to increase communication between CETA prime sponsors, the bar and correctional agencies.

A recent experimental and demonstration project funded by the Department is the "Employment and Crime Project" being conducted by the Institute for Advanced Studies in Justice at American University in Washington, D.C. Project staff, mainly graduate law students, work with individual workers to help them retain their jobs where they have been threatened with loss soon after arrest. The project has also compiled a comprehensive bibliography on crime and unemployment and related issues, which I would like at this time to make available to the subcommittee. The bibliography lists books, reports, public documents, newspaper and magazine articles, and professional papers on the subject of crime and employment opportunities. The document provides a ready reference by title, author and subject area, and covers most of the major work done in this field of legal research.

During the period 1971-1974, the Department conducted a pilot research experiment in Baltimore, Maryland called the "LIFE" or Living Insurance for Ex-Offenders project to examine whether short-term financial aid to released offenders would have an impact on their re-arrest rates and their re-entry into the labor force. The results were encouraging: those who received financial assistance (the experimental group) had significantly fewer (27 percent) new arrests and a higher (15 percent) employment rate than the control group which did not receive financial aid. The amount of assistance approximated the average weekly amount of compensation (\$60) received by UI recipients in Maryland and was given for 13 weeks.

After reviewing the results of the LIFE Project in February 1975, a group of specialists in corrections, penology, research design and labor market analysis concluded that the experiment held potentially significant and far-reaching implications for our country's judicial, correctional and offender assistance programs. These experts recommended a larger experiment of income and job placement assistance to ex-prisoners in order to further test the validity and reliability of the Baltimore findings. On the basis of this recommendation, the Department solicited proposals from States interested in conducting such a project. A panel composed of governmental and non-governmental members selected Georgia and Texas to undertake the study.

The resultant study is known as the Transitional Aid Research Project (TARP). It is being jointly funded by the Department of Labor, the Law Enforcement Assistance Administration, and the States of Georgia and Texas. The American Bar Association is coordinating the efforts of the two States and is providing overall administration of the project.

TARP involves about 4,000 randomly selected ex-inmates released from State prisons in Georgia and Texas between January and July of 1976. The post-release experience and behavior of project participants is now being carefully monitored. The study is scheduled to be completed at the end of 1978.

During Fiscal Year 1977 the Department operated the National Program for Selected Population Segments (NPSPS). Under this program, 83 grants were awarded to CETA prime sponsors on a competitive basis. These grants were designed to serve segments of the population which have particular disadvantages in the labor market. A total of seven projects for ex-offenders were funded through this effort. When completed, nearly 700 ex-offenders will have received services through this program. Most of the projects emphasize improving the offender's educational and training status. The overall program is designed to give prime sponsors the

opportunity to test the feasibility of new program designs and services not previously provided to the particular segment of the population. It is anticipated that the program will result in the identification of successful new program models which can be replicated by other prime sponsors with their regular CETA allocations.

Two other national program efforts partially funded under Title III of CETA which serve the offender population are conducted by the National Alliance of Businessmen (NAB) and the Human Resources Development Institute of the AFL-CIO. Since it became operational in 1973, the NAB Ex-Offender Program has assisted approximately 49,000 ex-offenders in obtaining jobs in the private sector with firms such as AT&T, Polaroid, General Electric, and Sears Roebuck. The program aims to educate and alert the business community to the needs and problems of ex-offenders through a series of seminars, conferences and prison tours. One major tool utilized by NAB in the program is to hold Governors Conferences which bring together top business leaders throughout the State to meet with State corrections officials as a forum for educating the business community on the problems of ex-offenders and their need for jobs. Since 1973 some 6,600 business firms have participated in 22 conferences responding to personal invitations from the Governor of the State.

The Human Resources Development Institute (HRDI), the manpower arm of the AFL-CIO, offers a wide range of employment assistance programs to ex-offenders, including job development and placement for ex-offenders, counseling for offenders, referral services for newly released inmates, technical aid for unions and employers in designing programs aimed at the specific employment problems of ex-offenders, assistance to criminal justice agencies, and assistance to corrections agencies in developing in-prison and community-based training programs relevant to current skill shortages. Over the past five years an average of over 1,000 ex-offenders have been placed annually through the efforts of HRDI, primarily in companies with collective bargaining agreements.

Technical Assistance Emphasis Under CETA Title I

Beginning in Fiscal Year 1976, a major effort was initiated to encourage CETA prime sponsors to use their entitlement grants to serve offenders and to provide prime sponsors with the necessary training and technical assistance to implement offender programs of their own design. This continues to be a major program emphasis for offenders under CETA. As a part of this effort, a technical assistance guide for offender programs was completed last summer.

It is designed to be used by CETA prime sponsors and others who are interested in developing employment and training programs for offenders. I would be happy to provide a copy of the guide to the Subcommittee.

In addition, under contract with the Department of Labor, the American Bar Association has developed an Offender Program Information Clearinghouse, including a computerized compilation of information about employment and training programs for offenders throughout the United States. Prime sponsors have access to the clearinghouse through the National Governor's Association.

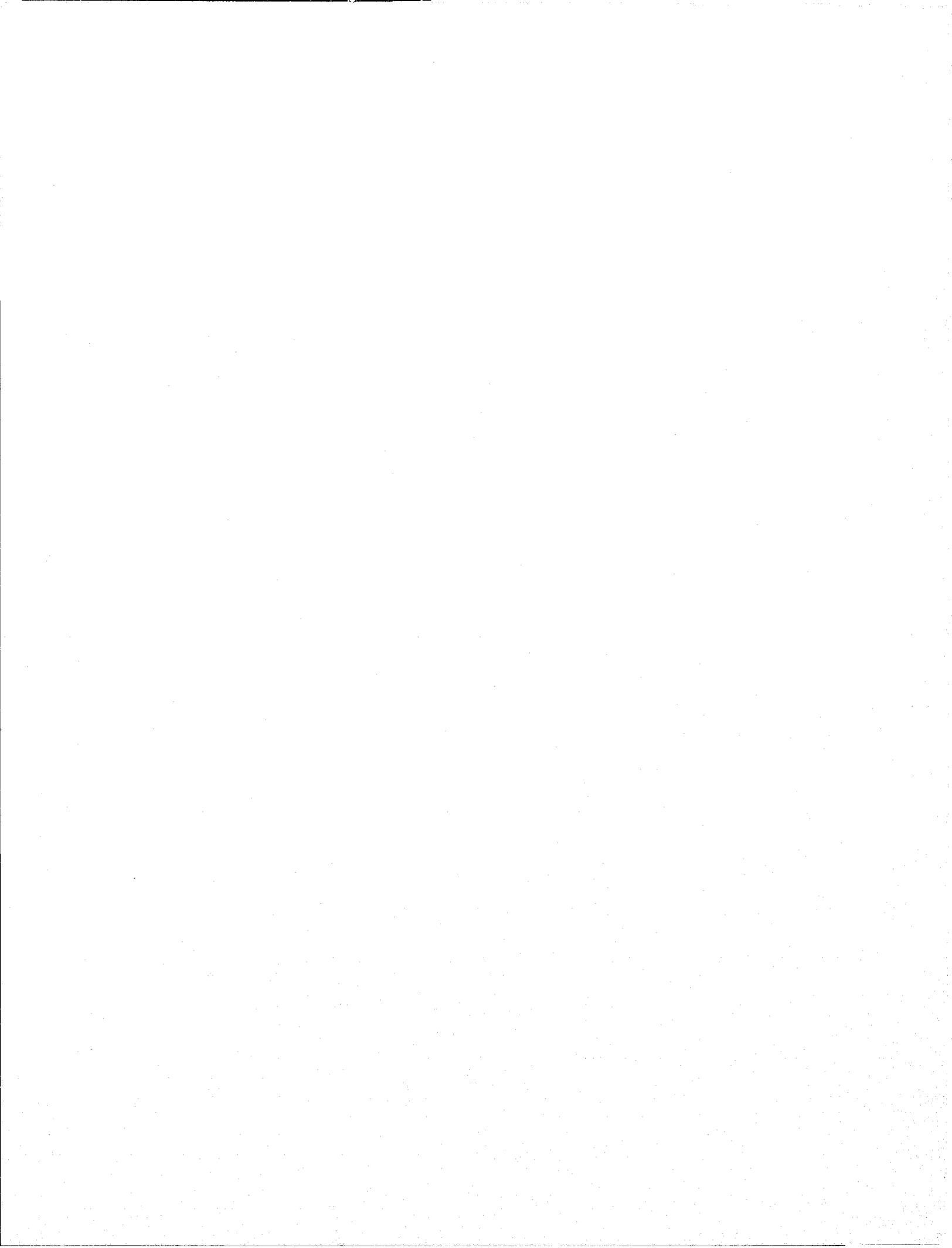
Mr. Chairman, this concludes my review of efforts of the Department of Labor to assist offenders to return to or obtain gainful employment. For many of the projects and programs I have mentioned, program assessments and evaluations have been completed. For others, such reviews have not been completed. I would be happy to make our staff who are responsible for these projects available to you, other Subcommittee members, and your staff, to review the results of the projects and to provide you with any other assistance you may desire.

We cannot quarrel with the right of society to exact a penalty for crime. But neither can society turn its back on one who has paid that penalty. Sadly, experience tells us that a person convicted of crime often bears a stigma

that bars him from full participation in the life of the community, including the opportunity to work in a job for which he is trained. In many cases, transition from felon to working citizen can be the step leading to permanent rehabilitation and full return to society.

As a final note, I would like to say that we have learned that to successfully deal with the unemployment problems of ex-offenders, we need to involve the private sector. For this reason, it is important to note that the Administration's CETA reauthorization proposal (introduced in the House as H.R. 11086 by Congressman Hawkins) contains a major new private sector initiative as a proposed new title VII of CETA. This \$400 million program is intended to involve local industry with prime sponsors in creating effective linkages between CETA and the private sector. This new involvement will be through local private industry councils in which industry, business and labor can discuss methods and programs to increase private sector participation. Prime sponsors will be encouraged to utilize more on-the-job training in industry and to train CETA program participants for industries where private job opportunities are expanding. Through these means, we anticipate being able to make many more permanent placements of members of particularly disadvantaged groups such as offenders in private sector jobs.

That concludes my statement and I shall be happy to respond to questions.



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