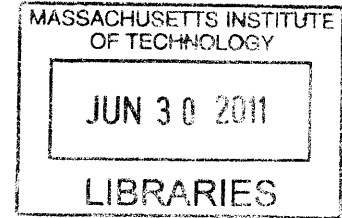


**To Cities, With Nothing:  
Prisoner Resettlement in Newark, NJ**

by

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Submitted to the Department of Urban Studies and Planning  
in partial fulfillment of the requirements for the degree of

Master in City Planning

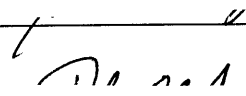
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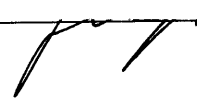
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Abstract:

This thesis considers how cities can improve employment outcomes of recently released, formerly incarcerated people. The Newark Prisoner Reentry Initiative (NPRI) is a unique case where the city directly managed six resettlement providers. The city also pledged to use its influence to support the goals of NPRI by encouraging employers to hire NPRI participants. I use interviews and performance data to understand two questions: (1) To what extent did the city, as a policy-maker and a grant manager, help organizations meet their benchmarks and change the hiring behavior of employers? (2) What are the prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and are these characteristics bound to a certain scale?

On the whole, NPRI participants fared much better than the typical person leaving New Jersey state prisons, though program performance was negatively correlated with size of enrollment. The city, for its part, demonstrated competence in holding organizations accountable to performance goals, but failed to influence employer behavior. To strengthen and scale the initiative, I recommend first, that the city set specific hiring goals for local employers and engage its resettlement providers to enforce these goals. Secondly, the city should fund program directors and additional case managers, so programs retain their capacity to relate to stakeholders as they grow. A cost-neutral agreement with the state could provide the necessary funds to continue the initiative.

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# Executive Summary

## Introduction

Over the last several decades, the incarceration rate in the United States, now the highest in the world, has grown by a factor of eight.<sup>1</sup> Today, there are more people in prison or jail (2.3 million<sup>2</sup>) than there are residents of public housing (2 million<sup>3</sup>) or families receiving Temporary Assistance for Needy Families (1.9 million<sup>4</sup>). State spending on corrections—\$52 billion annually—has outpaced all government programs except for Medicaid.<sup>5</sup>

Despite their growth, prisons remain highly selective. Black men are seven times more likely than white men to go to prison.<sup>6</sup> Among black men, high school dropouts are ten times more likely to go to prison than those who have attended some college.<sup>7</sup> Most prisoners return to cities, and within these cities, they concentrate in a relatively small number of neighborhoods, which already suffer from high rates of joblessness.<sup>8</sup> It comes as little surprise that approximately half of formerly incarcerated people remain unemployed a year after their release.<sup>9</sup>

This thesis examines how cities, partnering with community-based organizations, can improve the employment outcomes of formerly incarcerated people through programs offering direct aid and policies aimed at changing the hiring behavior of employers. I call this a “back-end” approach to prison reform. While front-end reforms focus on reducing the

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<sup>1</sup> Western and Petit 2010, 8.

<sup>2</sup> Pew Charitable Trusts 2010, 3.

<sup>3</sup> US Department of Housing and Urban Development 2010.

<sup>4</sup> US Department of Health and Human Services 2010.

<sup>5</sup> Pew Center on the States 2009a, 11.

<sup>6</sup> Western and Petit 2010, 9.

<sup>7</sup> Ibid., 11.

<sup>8</sup> Lynch and Sabol 2001, 15.

<sup>9</sup> Petersilia 2000, 3.

likelihood that individuals will ever be sent to prison, back-end reforms seek to ensure those who leave the system do not return.

Dealing with the consequences, rather than the causes, of incarceration, back-end reforms serve an inherently limited, but essential role: they help more than 650,000 formerly incarcerated people resettle in their communities and regain access to basic social and civic rights. People returning from correctional facilities face challenges on top of the social circumstances they dealt with prior to incarceration. Back-end reforms aim to address these specific challenges. In addition, they ensure that when broader social reforms do arrive, formerly incarcerated people will be in a position to benefit.

For people returning from prison, having a job is often a condition of remaining free on parole, as well as a precondition for securing long-term housing, yet a variety of factors make finding and holding a job difficult. There are two basic ways to expand job access for people recently released from prison: programs, which connect specific individuals to employment, and policies, which govern how employers consider criminal history in their hiring decisions.

Since the 1970s, federal and private funders have directed much of their attention toward community-based, as opposed to corrections-based programs, due in part to the poor outcomes of early, in-prison experiments. Community-based resettlement programs generally offer recently released clients a combination of case management and job placement services. The pressures that recently released individuals face to find work quickly have resulted in few programs providing any job training beyond basic life skills. Direct placement matches individuals with private employers after one- to-three weeks of pre-employment workshops. Transitional work extends pre-employment training over a subsidized work experience of

eight weeks or more, where clients receive additional support and supervision prior to direct placement. Both models are associated with modest, temporary gains in employment and mixed impacts on recidivism. They also tend to be relatively small in scale, with the typical program serving a couple hundred clients per year.

One reason that resettlement programs fail to deliver stronger outcomes is that they have difficulty convincing all but a small subset of employers to hire their clients. The paradox of resettlement programs is that by challenging them to exclusively find employment for formerly incarcerated people, we increase the likelihood that programs will push for changes in employer hiring guidelines, but also make it difficult for programs to be viewed as relevant by employers. Acting independently, programs have little leverage over employers to alter their behavior. More ambitious policy, however, could place greater pressure on employers to cooperate with resettlement programs.

In general, government policies in this area can either restrict the use of criminal history in hiring decisions (i.e., anti-discrimination statutes) or offer incentives to employers who hire formerly incarcerated people. These two policy domains adopt almost contradictory strategies and impact certain groups of formerly incarcerated people differently. Incentives reward employers for knowingly hiring formerly incarcerated people, whereas anti-discrimination laws exclude or delay consideration of a candidate's criminal history. Given their lack of recent work history, it is difficult for recently released people to conceal their criminal backgrounds, whether or not an employer conducts a formal background check. While it certainly would not hurt to delay criminal history questions until later in the application process, recently released people will likely require additional support to convince prospective employers to take a chance. This is where hiring incentives and other proactive

policies can play a role.

Despite the rapid growth in our prison population, federal policies regarding the hiring of formerly incarcerated people are weak, narrow and often contradictory. Cities, where most people leaving prison return, have recently become more aggressive in pushing employers to hire formerly incarcerated people. Over twenty cities have modeled fair hiring standards themselves and have used their power to call on local employers to do the same.<sup>10</sup> Others have introduced employer incentives comparably larger than those offered by the federal government. The city of Philadelphia, for example, instituted a business tax credit of up to \$10,000 for each formerly incarcerated person hired.<sup>11</sup>

Many of these city-led efforts are nascent and outcomes to date have been weaker than anticipated. As with first source hiring agreements or similar city ordinances, enforcement capacity is often lacking. Employers have also hesitated to accept voluntary incentives. In the first two years after Philadelphia introduced the tax credit above, no employers actually participated.<sup>12</sup>

Just as programs can benefit from stronger policies, I argue that policies, too, depend on programmatic support. Anti-discrimination statutes are only as strong as the city's capacity to enforce them. With hiring incentives, there is a need for intermediaries to deal with the paperwork, match employers interested in subsidies to qualified candidates and provide follow-up support to employers and employees. Most city initiatives, to date, have yet to align their resettlement programs and policies in a systematic way. One city that has attempted to do so, Memphis, has focused on tying a set of tax incentives to its own resettlement program,

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<sup>10</sup> National League of Cities 2010, 5.

<sup>11</sup> *Ibid.*, 10.

<sup>12</sup> Associated Press 2010.

which is too small to serve a substantial share of people returning home from prison.<sup>13</sup>

A recent initiative in the city of Newark, launched in 2009, is the largest, city-led effort to align resettlement programs with policy. To reach scale, the city partnered with a set of six community-based organizations, which together served over 1,300 Newark residents—roughly half the population returning home from state prison—over an 18-month period. Organizations operated programs similar to those described above and were required by the terms of their contract to meet certain placement and retention goals. The city also pledged to use its influence to support the goals of NPRI by encouraging employers to hire NPRI graduates and by implementing policies that better include formerly incarcerated people in the social fabric of the city.<sup>14</sup> <sup>15</sup> Because of its partnership with six resettlement programs, the city was uniquely positioned to push employers to change their hiring standards.

### Research Questions

Through an analysis of the Newark Prisoner Reentry Initiative, my thesis aims to answer two related questions:

- To what extent did the city, as a grant manager, help organizations meet their benchmarks and as a policymaker, change the hiring behavior of employers?
- What are the prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and are these characteristics bound to a certain scale?

According to the NPRI implementation plan, the initiative had two goals: improve employment and recidivism outcomes of participating clients and lift systemic barriers to successful resettlement. Whether the initiative meets its goals depends on the performance of each contracting organization as well as the city. As performance manager, the Office of

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<sup>13</sup> City of Memphis Second Chance Program 2009.

<sup>14</sup> United States Department of Labor and City of Newark 2009, 3.

<sup>15</sup> Shingledecker. Phone interview by author.

Reentry was responsible for tracking performance of organizations, encouraging collaboration and working with a subcontractor to provide technical assistance. In addition, the city was to play a supportive role in connecting organizations to employers and expanding access to city services that benefit the client base of the six organizations.

While the city offered support, the contracting six organizations were ultimately responsible for helping clients find and retain employment. Organizations that are able to build trust among clients and employers are likely to deliver the strongest employment outcomes. Certain organizations, certain program models and even certain program staff may be more adept at building trust—among either clients or employers—than others. This thesis aims to identify the specific qualities of organizations, programs and staff that make this so. Regardless of their ability to connect with stakeholders, capacity places limits on the number of clients any organizations can serve effectively. I therefore consider prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and the extent to which these characteristics are bound to a certain scale.

### Methodology

To assess the initiative's impact on clients and employers, and the city's particular role in shaping it, I compared aggregate performance data obtained from the Department of Labor to the outcomes of a comparable group of recently released formerly incarcerated people. I also conducted interviews with the director of the city's Office of Reentry, Public/Private Ventures (PPV, the technical assistance provider), and program staff at the six NPRI organizations to capture outcomes beyond the benchmarks, particularly changes in employer attitudes toward formerly incarcerated people. (I did not speak directly to employers about their experience.) I asked the Office of Reentry and contracting organizations to explain what



role the city played in supporting the organizations to meet the goals of the initiative, and what they would change about the initiative in hindsight.

To understand what allowed individual organizations to perform better than others, I compare differences in program inputs (human, financial and social resources) and throughputs (the way the program is designed and implemented, and its organizational context) to program outputs.<sup>16</sup> My understanding of how organizations differed in each of these categories is informed by visits to program sites, publicly reported financial data, contract language, information gathered from the organizations' websites, and finally, the reflections of fifteen program and executive staff at the six contracting organizations. I conducted hour-long, semi-structured interviews with at least one program staff person and one executive staff person at each organization, with the exception of America Works, where only the national executive director agreed to be interviewed.

Though the city's MIS captures outcomes by organization, the city was unwilling to share data for individual programs. Instead, I made use of self-reported placement data to gauge performance. Placements serve as a useful, albeit limited proxy for overall performance. As surveys of employers show, employers are more likely to be swayed by work experience than any other factor in their decision to hire a formerly incarcerated individual.<sup>17</sup> Programs that offer clients their first unsubsidized work experience are providing a foot in the door with subsequent employers. It is also likely that the placement benchmark witnessed the widest distribution in outcomes. It was their failure to meet the placement benchmark, in particular, that led the city to reduce the contract of one of the organizations—

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<sup>16</sup> Framework adapted from Packard 2010, 976.

<sup>17</sup> New Jersey Department of Labor and Workforce Development 2008, 22.

the only time it did so.<sup>18</sup> This suggests low performers in other categories fell closer to the mark than the lowest performer in the placement category.

Because job placements do not capture performance against all the city's benchmarks—including retention, earnings and recidivism—I used several other indicators for understanding which organizations performed well. I asked organizations whose work they respected the most among the other participating organizations. I documented rewards and sanctions the city handed these organizations during and after NPRI. I looked at which organizations were choosing to partner with each other after NPRI. Finally, I considered how organizations that performed well with placements fared in other categories by reviewing ranking data provided by the city.

### Initiative Design

When Mayor Cory Booker was elected to office in 2006, he held a series of town hall meetings with residents. Not surprisingly, the issue of prisoner resettlement came up again and again.<sup>19</sup> One in ten Newark adult men are under some form of correctional supervision at any given time. Seventeen hundred prisoners—13% of all state prison releases—return to Newark annually, and another 1,400 return from the county jail every month.<sup>20</sup> In response to public pressure, Mayor Booker included prisoner resettlement as one of a dozen priority issues to tackle in his first “100 days” in office.<sup>21</sup>

The Mayor initially faltered in his attempts to improve employment and reduce recidivism of formerly incarcerated residents. A breakthrough came in 2008 when the city received a large grant from the Department of Labor to launch the Newark Prisoner Reentry

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<sup>18</sup> Johnson 2010. Phone interview by author.

<sup>19</sup> Booker 2011.

<sup>20</sup> Newark Office of Reentry 2011, 1.

<sup>21</sup> Booker 2006, 18.

Initiative. The city was to play two key roles in the initiative: one, coordinating providers and tracking performance and two, using its influence to lift barriers to successful resettlement.

When Newark received \$4.1 million in federal and private funding for NPRI, it formed an Office of Reentry under the Department of Economic and Housing Development to manage the initiative. The Office was staffed by a director—a lawyer “on loan” to the city—and an office manager. The Office has since added a data analyst and another lawyer.<sup>22</sup> NPRI grant funding was conditioned on the city meeting a set of performance benchmarks. The Office of Reentry assumed direct responsibility for applying these benchmarks to the six organizations it selected to provide resettlement services.

The Office of Reentry contracted with Public/Private Ventures (PPV) to design the RFP process and provide ongoing technical assistance. Under NPRI, six organizations were selected to serve, over two years, 1,360 recently released formerly incarcerated individuals—roughly half of the population that would be returning home from state prison, assuming most were exiting the state system.<sup>23</sup> (Federal prisoners, jail inmates convicted of felonies, as well as state prisoners still residing in halfway houses, were also eligible.) Four local organizations received contracts to serve people with non-violent presenting offenses—a condition of the federal grant—while two nationally known organizations (America Works and Goodwill) received private “match” dollars to serve people convicted of violent offenses. Each organization was responsible for the recruitment and enrollment, case management, job development, and finally, mentoring of a specified number of clients. The Office of Reentry, which received walk-in clients at City Hall, played a secondary recruitment role. These clients

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<sup>22</sup> Johnson 2010. Phone interview by author.

<sup>23</sup> 1,700 people return to Newark from state prison. NPRI enrollment occurred over 18 months. See Newark Office of Reentry 2011, 1.

were referred to one of six organizations, based largely on capacity.<sup>24</sup>

The city conditioned 20% of grant funds on performance; the remaining funds were treated as a cost reimbursement.<sup>25</sup> To receive funds for performance, organizations had to meet enrollment targets and ensure that (1) 70 percent of clients participated in mentoring, (2) 60 percent secured employment with an hourly wage above \$9 per hour, (3) 70 percent of those placed retained employment for six months, (4) average wages over six months exceeded \$9,360, and (5) less than 22 percent of all clients were reconvicted or returned to prison within a year.<sup>26</sup> Organizations were to input enrollment and outcomes into a Management Information System designed by the US Department of Labor. Those who failed to meet benchmarks were not only at risk of losing their performance bonus; they risked having their contract revoked or enrollment reduced.

NPRI marked a new approach by the city that attempted to unite providers around a common set of performance goals. The city held monthly “ReentryStat” meetings with the organizations to review aggregate performance and troubleshoot common problems.<sup>27</sup> The city reserved follow-up phone conversations for discussing why an individual organization was lagging.<sup>28</sup> As TA provider, PPV worked with the city to offer what were essentially professional development sessions. These included initial trainings on how to use the Management Information System, as well as working sessions for job developers and case managers to compare their approaches and share resources—including job leads. Meanwhile, a city-led Reentry Council aimed to open lines of communication between the city, community-based providers and other resettlement stakeholders, such as Parole and Newark’s

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<sup>24</sup> Johnson 2010. Phone interview by author.

<sup>25</sup> Hodne 2011. Phone interview by author.

<sup>26</sup> City of Newark and La Casa de Don Pedro 2009, 6-7.

<sup>27</sup> Greenwald and Hussock 2009, 3.

<sup>28</sup> Johnson 2010. Phone interview by author.

police department.<sup>29</sup>

In contrast to this structured approach for managing NPRI organizations, the city's plan for changing employer behavior was far more open-ended. The city chose not to pursue a "Ban-the-Box" policy to remove criminal history questions on initial applications for employment with the city or its vendors. Since 2008, the city of Newark has been subject to a state-mandated hiring freeze.<sup>30</sup> With the city unable to model hiring guidelines itself, a law that requires private employers to change their practices did not seem politically viable.

Instead, the city devised a softer approach for encouraging employer participation. Since 2000, the city has upheld a "first source" hiring ordinance requiring construction contractors and all firms receiving tax breaks or doing business with the city to hire Newark residents.<sup>31</sup> Like many first source agreements, the ordinance is loosely enforced,<sup>32</sup> and businesses are expected to make "best efforts" to follow it.<sup>33</sup> Though the ordinance does not specifically mention formerly incarcerated people, the Office of Reentry relied on the ordinance to encourage employers to participate in NPRI. The director of reentry joined the director of the Workforce Investment Board in meetings with employers to educate employers about NPRI as one means of sourcing local candidates.<sup>34</sup> Mayor Booker, several newspaper articles suggested, also made calls to local employers asking them to hire NPRI participants.<sup>35</sup> The Mayor's influence is not to be underestimated. He was able to leverage millions of dollars from the business community to install security cameras to prevent crime, for

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<sup>29</sup> US Department of Labor and City of Newark 2009, 30.

<sup>30</sup> Johnson 2010. Phone interview by author.

<sup>31</sup> City of Newark 2003, 257.

<sup>32</sup> Johnson 2010. Phone interview by author.

<sup>33</sup> City of Newark 2003, 258.

<sup>34</sup> Alternative Staffing Alliance 2010, 18.

<sup>35</sup> Jacobs 2008.

example.<sup>36</sup>

### The Organizations

Six organizations served as NPRI contractors: Offender Aid and Restoration of Essex County (OAR), Renaissance Community Development Center (RCDC), New Jersey Institute of Social Justice (NJISJ), La Casa de Don Pedro (La Casa), Goodwill of New York and Northern New Jersey (Goodwill) and America Works. Contracts awarded were equivalent on a per capita basis—about \$2,000 per client enrolled—with the exception of one organization, which received additional funding to offer transitional jobs prior to placement. Organizations varied substantially along several key dimensions: resources; size, structure and geography; and finally, specialization and experience in serving formerly incarcerated people. NPRI organizations also had different enrollment targets, which is to say, they varied not only in organizational capacity in the absolute sense, but in their capacity relative to their specific enrollment target. Table A, below, compares the six organizations across these dimensions.

Limited city funding and pressure to place people quickly resulted in similar program models, though programs differed in the length of pre-employment training and caseload size. Clients generally received one to three weeks of pre-employment training followed by one-on-one preparation with a job developer, who worked to match clients with direct placements. NJISJ clients received pre-employment training through an eight-week transitional job prior to direct placement. Across all organizations, case managers resolved client issues beyond employment mostly by referral, although La Casa was able to connect clients to GED courses offered in house, as was RCDC, which also provided substance abuse treatment.

NPRI organizations ranged in size, from a staff of 8 to a staff of 173, and from an

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<sup>36</sup> Richard 2010.

annual budget of a quarter million dollars to a budget of \$100 million. Larger organizations naturally commanded more financial resources, while social and human resources were less correlated with organizational size. Two of the organizations, OAR and RCDC, were substantially smaller, yet came to the grant with some of the strongest social resources. Small organizations also tended to have a narrower structure, which allowed managerial staff to be involved in the daily operations of their NPRI programs. Larger organizations exhibited a wider structure, in other words, more divisions within the organization.

Two of the organizations are nationally known and the rest were local community organizations. The national organizations, America Works and GNYNJ, were the only organizations whose dominant area of service was workforce development. Perhaps as a result, they espoused a unique strategic orientation that considered employers, in addition to their clients, as customers. America Works and GNYNJ were also the only organizations to offer performance incentives to their job developers. (America Works' incentives were notably larger than GNYNJ's.)

All the organizations were at least a decade old, but varied in their experience and specialization in serving formerly incarcerated people. Three organizations (OAR, NJISJ, and America Works) counted formerly incarcerated people as their primary client base; only two of these, OAR and America Works, could claim that serving formerly incarcerated people is one of the dominant program activities of their organization. These two organizations also had the most experience serving this population. OAR has offered resettlement services since it was founded, in 1984. America Works began working with the formerly incarcerated in 2001, at least five years prior to the remaining organizations.

Table A - NPRI Organizations

Name	Resources	Size, structure, geography	Specialized in reentry?	Placement model, caseload size	Enrollment
OAR	Weak financial, strong social	Small, Narrow, Local	Yes	Direct placement, low caseload	138
RCDC	Weak financial, strong social	Small, Narrow, Local	No	Direct placement, low caseload	138
NJISJ	Strong financial, average/ strong social	Medium, Wider, Local	No	Transitional jobs, high caseload	205 (256)
La Casa	Strong financial, average/ strong social	Large, Wide, Local	No	Direct placement, high caseload	207 (138)
Goodwill	Strong financial, average/ strong social	Large, Wide, National	No	Direct placement, high caseload	620
America Works	Strong financial, strong social	Large (small local office), Unknown structure, National	Yes	Direct placement, low caseload	69

Parentheses refer to the number of clients the organization was originally contracted to serve, prior to adjustments by the city.

### NPRI Implementation

Over the course of implementation, the city took proactive steps to manage the performance of contracting organizations against outcomes benchmarks. After one organization repeatedly failed to its meet benchmarks, the city transferred responsibility for its remaining clients to another organization.<sup>37</sup> While the Office of Reentry may have been

<sup>37</sup> Johnson 2010. Phone interview by author.



slower to act than the technical assistance provider, PPV, would have preferred,<sup>38</sup> the office helped ensure NPRI organizations collectively met all of their benchmarks, except for 6-month post-placement earnings.<sup>39</sup>

Beyond managing individual performance, the city worked hard to encourage collaboration. All organizations agreed that Newark is a territorial city, and at least two organizations credit the city with bringing together stakeholders—parole, the corrections department, and NPRI organizations—who were not even talking to each other before the initiative began.<sup>40</sup> That being said, competition places real limits on the extent to which organizations collaborate. For example, the city organized meetings for job developers to share job leads, yet the jobs people put on the table “were very obscure,” in the words of one job developer.<sup>41</sup>

Experience implementing NPRI suggests that a loosely enforced first source agreement without any specific language requiring employers to hire the formerly incarcerated is insufficient to change employer behavior. Program staff from NPRI organizations had expected that the city would use its influence to connect them to employers, but this did not happen. The city says it helped broker “less than ten percent” of placements;<sup>42</sup> conversations with NPRI organizations suggest the figure is well below that. The responsibility for identifying employers thus fell on individual organizations, and within organizations, on job developers. Without more aggressive support from the city, individual NPRI organizations lacked the capacity and the clout to shape employer hiring behavior.

Over the course of NPRI, different organizations faced different challenges. These

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<sup>38</sup> Shingledecker 2011. Phone interview by author.

<sup>39</sup> US Department of Labor 2011.

<sup>40</sup> Thompson 2011b. Phone interview by author.

<sup>41</sup> Thompson 2011b. Phone interview by author.

<sup>42</sup> Johnson 2010. Phone interview by author.

included a lack of staff experience managing data and unanticipated adjustments to program models. Goodwill and NJISJ, the two organizations contracted to serve the largest number of clients, cited the pressure to meet enrollment targets as an implementation challenge. Staff at NJISJ, in particular, felt overwhelmed by the number of clients they had been contracted to serve.<sup>43</sup>

### NPRI Outcomes

On the whole, NPRI participants fared much better than the typical person leaving New Jersey state prisons. The placement rate of NPRI participants is nearly double the percentage of all New Jersey prisoners released in 2005 who ever found employment over two years, while the recidivism rate of NPRI participants is about a third of the New Jersey average, assuming half of reconvictions occurred in the first of three years.<sup>44</sup> Of course, there are problems with comparing statewide data from 2005 to outcomes of NPRI participants returning home to Newark. Nevertheless, there is reason to be optimistic that NPRI improves job placement, recidivism and possibly earnings outcomes among people returning home from prison—at least in the short term.

Placements for all the organizations were in the industries we would expect them to be: warehouse, food service, construction and waste management.<sup>45</sup> These are the same industries where most New Jersey prisoners find work upon their release, whether they participate in a program or not.<sup>46</sup> NPRI organizations may have been successful at converting individual employers, but they did not open up new industries to formerly incarcerated

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<sup>43</sup> Williams 2011. Interview by author.

<sup>44</sup> I define recidivism here, and throughout the thesis, as the rate of reconviction. Sentencing Project 2010, 6. New Jersey reports that half of *arrests* occurred in the first year; there is no corresponding figure for reconvictions.

<sup>45</sup> Johnson 2010. Phone interview by author.

<sup>46</sup> New Jersey Department of Labor and Workforce Development 2008, 14.

people.

Considering that for most participants NPRI consisted of several weeks of job search assistance and pre-employment workshops, the idea that simply completing the NPRI program could lead to long-term, sustained gains in employment or earnings is far-fetched. Leaving aside the question of long-term effects, NPRI appears to provide a valuable immediate benefit: it helps people adjust to their first year home. To the extent that NPRI provides work experience and referrals to address substance abuse and mental health issues, NPRI helps stabilize people's lives, putting them in a better position, at least, to benefit from social programs targeted toward low-income people more generally.

#### Individual Program Outcomes

Going by placements, city rewards, and peer perceptions, and anonymous ranking data, three tiers of performance emerge among the organizations: high performing organizations (America Works and OAR, the only two organizations to receive contracts from the city since NPRI, with placement rates of 100% and 75% respectively), average performing organizations (La Casa de Don Pedro, RCDC and Goodwill, who each met or came close to meeting their benchmarks), and poor performing organizations (NJISJ, which repeatedly failed to meet its benchmarks to the point that the city cancelled its funding). Stronger performance correlates with low caseloads (an easy correction), experience serving formerly incarcerated people (acquired over time), and (of most concern) low enrollment.

Client characteristics, the use of transitional jobs, and style of case management could all explain the poor performance of NJISJ. The explanation with the deepest structural implications for scaling NPRI is that high enrollment hurt NJISJ's performance. NJISJ had originally contracted to serve 256 clients, the most of any local organization. Staff reported

feeling overwhelmed by the number of clients they had been asked to serve,<sup>47</sup> yet NJISJ's staffing ratios were comparable to other organizations that met their benchmarks. To say that size of enrollment explains NJISJ's weak performance is to suggest that a mid-sized *organization* like NJISJ (total staff of 16, budget of \$2.3 million<sup>48</sup>) does not have the capacity to run a program serving more than 200 clients a year.

Here it is useful to consider the performance of the two smallest organizations, OAR and RCDC. Though they were contracted to serve among the fewest clients (138), reports from staff suggest they served additional clients informally.<sup>49</sup> OAR and RCDC performed as well or better than the largest organizations with the most financial resources. They accomplished this by directing a greater share of their organizational resources toward their NPRI programs. These small organizations exhibited less horizontal differentiation, meaning there are fewer divisions within the organization. This allowed their NPRI programs greater access to discretionary organizational resources, such as the social networks of the executive director or the board. In other words, organizational capacity determines program capacity not just in the absolute sense, but relative to the share of organizational resources available to a particular program.

City funding only covered the salaries of program staff, so involvement of program and division directors was decided by the individual organization. For OAR and RCDC, NPRI marked a significant share of each organization's total revenue; all levels of leadership, therefore, were focused on NPRI outcomes. In contrast to large organizations, program managers at the two smallest organizations were directly involved in daily program operations; they case managed and outreached to employers. These two organizations, in

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<sup>47</sup> Williams 2011. Interview by author.

<sup>48</sup> Guidestar.com 2008b.

<sup>49</sup> Reddick 2011 and Brown 2011.

other words, were able to leverage a different caliber of staff to drive program operations. Had the city funded additional managers at larger organizations, these organizations, even NJISJ, may have been capable of serving additional clients while maintaining strong outcomes.

To be effective, resettlement programs require administrative (or operational) capacity, but also the ability relate to stakeholders. It is possible that simply by growing, programs inherently become less capable of building trust among clients. The experience of La Casa de Don Pedro suggests otherwise. La Casa served as many clients as NJISJ, was the largest of all participating organizations, yet was still effective at connecting with clients. La Casa did so by hiring program staff who had direct experience with the criminal justice system and emphasizing informal relationship-building in addition to service delivery.<sup>50</sup> Client trust appears to be most strongly correlated with staff, rather than organizational attributes.

### Recommendations

Participants in Newark’s Prisoner Reentry Initiative appear to achieve better outcomes than New Jersey’s resettlement population as a whole. This said, NPRI was ultimately uncommitted to policy change and resulted in very little impact on the hiring behavior of employers—leaving the long-term effects of NPRI in greater question. NPRI may also be difficult to sustain or grow. The initiative was funded by a one-time federal grant, while individual programs delivered poorer outcomes the more clients they were contracted to serve. My responses to each of these concerns are presented below as recommendations for (1) strengthening, (2) sustaining and (3) scaling the Newark Prisoner Reentry Initiative.

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<sup>50</sup> Rivera 2011. Interview by author.

*Strengthening NPRI.* Though a responsible grant manager, the city failed to change employer behavior during the implementation of NPRI. Of course, Newark's outreach to employers could have been better orchestrated. The initiative is still in its start-up phase, after all. I remain convinced that the soft approach endorsed by Newark's Office of Reentry will not work for the majority of employers. The city needs to set standards, and enforce those standards. Just as the city set clear expectations and aggressively monitored its six resettlement programs, the city should do the same to its anchor employers by requiring all employers who benefit from tax subsidies or city contracts to hire a certain number of NPRI participants, current or former, within a period of two years. The city should engage its resettlement providers in tracking and enforcing these goals, and referring appropriate candidates to employers.

*Sustaining NPRI.* Federal funding for NPRI ends this summer (June 2010). The likelihood of Newark receiving another large federal grant is low. If we assume that Newark's resettlement programs do improve employment and recidivism outcomes, they are delivering major cost savings, even new tax revenue to the state. The city should negotiate a performance-based, cost-neutral agreement with the state to serve former state prisoners returning to Newark. If the state is unwilling to fund Newark's programs directly, it could still pressure the agencies it funds currently, including parole and halfway houses, to subcontract with Newark for employment and case management services. Barring cooperation from the state, Newark might still uphold the structure of NPRI by paying 15-percent performance bonuses to organizations that continue to report outcomes, while identifying other grant sources to cover direct costs.

*Scaling NPRI.* If NPRI is to serve all people returning home from prison, or if NPRI is

to be replicated in, say, Los Angeles, contracting organizations will need to serve far more clients than they do currently. For every organization, there is likely an enrollment “bar” beyond which additional enrollment is either unrealistic or against their strategic interests. Up to this bar, the city can help programs scale without sacrificing quality by: (1) funding additional case managers; (2) funding the involvement of managerial staff in daily program operations; and (3) requiring large organizations, in particular, to put related organizational resources to use in resettlement efforts. Programs can help ensure they remain relevant to clients as they grow by hiring program staff who have direct experience with the criminal justice system who focus on informal relationships with clients in addition to service delivery.

Finally, given that programs have different strengths and limited capacity, the city might explore contracting with organizations to provide the specific services they are strongest at providing. This approach would also allow the city to partner targeted case management with a broad-based job training or educational provider, for example. Further research is required to understand what efficiencies are gained or lost by subcontracting services in this manner, as well as what combinations of targeted and universal providers make the most sense.

## Introduction

As an intern with the Massachusetts Department of Parole, I presented on the resettlement process to those who were due to be released from prison in the next 90 days. I still recall what one man said during the first session I attended, that he was leaving prison “with nothing, to nothing.”

The statement is at least partly true. If they are lucky, incarcerated people will leave prison with temporary identification, a bus pass and whatever remains of their commissary account.<sup>51</sup> Forty percent do not have a high school diploma or equivalency at the time of their release.<sup>52</sup>

All formerly incarcerated people, however, return somewhere, and the majority return to cities.<sup>53</sup> It comes as no surprise, then, that of all levels of government, cities have taken the lead in building communities that are more inclusive of formerly incarcerated people, ensuring they return not only somewhere but to *something*—to a job, to housing, to a support network.

The barriers to successful resettlement are great,<sup>54</sup> and city responses are still nascent. Using Newark, NJ, as a case study, this thesis asks how cities can improve the employment outcomes of recently released, formerly incarcerated people. I argue that broadening employment opportunities will require a combination of programs—coordinated, direct support of formerly incarcerated people—and policies that remove systemic barriers to resettlement and pressure key stakeholders, including employers, to support programmatic efforts.

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<sup>51</sup> Rukus 2009, 158.

<sup>52</sup> Erisman and Contardo 2005, 4.

<sup>53</sup> Lynch and Sabol 2001, 15.

<sup>54</sup> Legal Action Center 2004.



If cities are to take programmatic efforts to scale, they will require partners. I focus on community-based organizations (CBOs), because CBOs, unlike corrections agencies, have a history of working in cooperation with cities. I argue that CBOs that are able to build trust among clients and employers deliver the strongest employment outcomes. Over 650,000 people return home from prison every year; in Newark, a tenth of the population is cycling in and out of the correctional system annually.<sup>55</sup> Regardless of a CBO's ability to connect with employers or clients, capacity places limits on the number of clients any CBO can serve effectively. I therefore consider prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and the extent to which these characteristics are bound to a certain scale.

Newark's Prisoner Reentry Initiative, funded by a \$2 million Department of Labor demonstration grant—the only of its kind—and matching private dollars, is one of the largest programmatic efforts by a city to address the employment issues of this population. The city awarded funds to six organizations in a competitive process, and starting in the fall of 2009, held monthly meetings to review their performance against placement and retention goals.

The city had also pledged to use its influence to support the goals of NPRI by encouraging employers to hire NPRI graduates and by implementing policies that better include formerly incarcerated people in the social fabric of the city.<sup>56,57</sup> Because of its partnership with six resettlement programs, the city was uniquely positioned to push employers to change their hiring standards. Given the size of NPRI, there are likely few cities in the country with a recently released population as prepared for work as Newark's. In addition to comparing program outcomes, my thesis assesses to what extent the city, as a

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<sup>55</sup> Newark Office of Reentry 2011, 3.

<sup>56</sup> United States Department of Labor and City of Newark 2009, 3.

<sup>57</sup> Shingledecker. Phone interview by author.

policy-maker and a grant manager, helped the organizations meet their goals, and whether NPRI was able to change the hiring behavior of employers.

On the whole, Newark's programs, particularly those run by organizations that specialize in serving this population, are effective at connecting formerly incarcerated people to employment, though program performance was negatively correlated with size of enrollment. The city, for its part, demonstrated competence in holding organizations accountable to performance goals.

On the other hand, neither Newark's programs nor the city managed to change employer behavior in any systematic way. The initiative was funded by a one-time federal grant, and yet at least half of those who return to Newark from state prison do not receive NPRI services. To strengthen, sustain and scale Newark's initiative, I recommend (1) setting hiring goals for anchor employers and engaging resettlement providers in enforcement, (2) funding NPRI through state criminal justice cost savings, and (3) adding funds for program directors and additional case managers, so programs retain their capacity to build trust among clients and employers as they scale.

The thesis will carry forth as follows. After my first chapter hones in on what we should reasonably expect of prisoner resettlement policies and programs, Chapter Two presents a framework for evaluating the Newark Prisoner Reentry Initiative. I consider the outcomes of NPRI to be a function of the aggregate performance of participating organizations as well as the "value added" that the city brings as grant manager and policymaker. To explain why certain organizations perform better than others, I consider differences in resources, organizational context, and program design. The city's roles and responsibilities are described in Chapter Three, while Chapter Four compares the attributes of

participating NPRI organizations. Chapter Five analyzes the implementation of NPRI in order to explain outcomes. Here, I assert that the initiative, overall, was reasonably effective in serving clients—if not changing employer behavior—and explain why certain organizations performed better than others. I conclude, in Chapter Six, with recommendations directed toward the city of Newark and other cities interested in replicating Newark’s initiative.

## Chapter One – Policy Context

### I. Back-end and Front-end Reforms

Over the last several decades, the incarceration rate in the United States, now the highest in the world, has grown by a factor of eight.<sup>58</sup> Today, there are more people in prison or jail (2.3 million<sup>59</sup>) than there are residents of public housing (2 million<sup>60</sup>) or families receiving Temporary Assistance for Needy Families (1.9 million<sup>61</sup>). State spending on corrections—\$52 billion annually—has outpaced all government programs except for Medicaid.<sup>62</sup>

Despite its scale, incarceration remains highly selective. Black men are seven times more likely than white men to go to prison.<sup>63</sup> Among black men, high school dropouts are ten times more likely to go to prison than those who have attended some college.<sup>64</sup> These disparities extend to families and communities. A third of all children of non-college African American parents will have their father imprisoned by the age of 14.<sup>65</sup> Meanwhile, most prisoners return to cities, and within these cities, they concentrate in a relatively small number of urban neighborhoods, which already suffer from high rates of joblessness.<sup>66</sup> It comes as little surprise that approximately half of formerly incarcerated people remain unemployed a

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<sup>58</sup> Western and Petit 2010, 8.

<sup>59</sup> Pew Charitable Trusts 2010, 3.

<sup>60</sup> US Department of Housing and Urban Development 2010.

<sup>61</sup> US Department of Health and Human Services 2010.

<sup>62</sup> Pew Center on the States 2009a, 11.

<sup>63</sup> Western and Petit 2010, 9.

<sup>64</sup> *Ibid.*, 11.

<sup>65</sup> Pew Charitable Trusts 2010, 19.

<sup>66</sup> Lynch and Sabol 2001, 15.

year after their release.<sup>67</sup>

This thesis focuses on the consequences of incarceration, and in particular, how cities, partnering with community-based organizations, can improve the employment outcomes of formerly incarcerated people through programs providing direct aid and policies aimed at changing the hiring behavior of employers. I call this a “back-end” approach to prison reform. While front-end strategies focus on reducing the likelihood that individuals will ever be sent to prison, back-end strategies seek to ensure those who leave the system do not return.

Before I review ways to address employment outcomes of formerly incarcerated people, I should clarify what we can expect back-end reforms to accomplish. Dealing largely with the consequences, rather than the causes, of incarceration, back-end reforms are inherently more limited than front-end reforms. The first part of this chapter elaborates on the differences between front-end and back-end reforms, and the roles of each in a comprehensive strategy for reform. The subsequent section will pose a series of research questions drawn from a review of what we know about improving the employment outcomes of formerly incarcerated people.

In my descriptions of front-end and back-end strategies, I make the distinction first between “programs,” which serve particular individuals at risk of incarceration, and “policies,” which are broad-based, often legal standards. Secondly, I distinguish between “pull” and “push” reforms. Incarceration is a function of social conditions that “push” people into the justice system, which exerts its own “pull” by way of the scope enforcement and the severity of punishment. “Pull” reforms deal with the administration of justice, while “push” reforms are aimed at the social and economic conditions that drive people into the system.

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<sup>67</sup> Petersilia 2000, 3.

## Front-end Reforms

The most direct way to reduce how many people enter prison on the front end is to reform sentencing policy. Serious crime has not tracked the rise of incarceration. The crime rate today is about what it was when the prison boom began. Clear and Austin's "iron law of prison populations" states that the size of our prison population is "purely and simply" a function of how many people are admitted to prison and how long they stay.<sup>68</sup> If we reform the laws that made the system overly punitive and decriminalize behaviors that result from addiction or mental health issues, our prison population will decrease. The programmatic corollaries to these sentencing reforms are various forms of alternative, community-based supervision, as well as policing initiatives that treat jail as a last resort.

Though important, "pull" reforms are only half the battle. We should not ignore the social forces that push people into the prison system, firstly, because many individuals (27%) are admitted to prison for violent crimes and will not be eligible for prison alternatives.<sup>69</sup> Secondly, the prison system is not just a mechanism for administering justice. It is also one of this country's largest institutional responses to poverty (as the figures that introduced this chapter attest). While alternatives to incarceration or shorter sentences may be better ways of holding individuals accountable for their crimes, these advancements are not much better at responding to poverty than prisons are. If we are being honest about the social role that prisons serve, any proposed alternative to incarceration needs to include an alternative state response to poverty. In my view, this means moving away from state responses that seek to manage the poor (i.e., prisons) toward interventions that expand the structure of opportunity in low-income communities (in terms of housing, jobs, education and asset-building). A

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<sup>68</sup> Clear and Austin 2009, 311.

<sup>69</sup> West, Sabol and Greenman 2010, 3.

complete discussion of alternative responses to poverty is beyond the scope of this paper. Suffice it to say, front-end reforms involve less punitive state responses to crime and disorder (pull reforms) as well as more proactive solutions to poverty (push reforms).

*Table 1 - Front-End Reforms*

	Programs	Policies
Pull	Drug treatment Mental health services Day/evening reporting centers Diversion Community policing	Shorten sentences Decriminalize minor offenses
Push	ADDRESS POVERTY	

Back-end Reforms

Back-end reforms (see Table 2) work to prevent individuals who have been through the criminal justice system from returning. As with front-end reforms, back-end reforms are concerned with both the administration of justice as well as the social and economic factors that lead people to commit new crimes. Almost all of the above front-end reforms would help reduce the likelihood that formerly incarcerated individuals return to prison, as well as the length of time served for those who do return. Back-end reforms operate on the understanding that there are unique “push” and “pull” factors contributing to recidivism among formerly incarcerated people, which must also be addressed.

On the back end, formerly incarcerated people are frequently returned to prison for technical violations of parole, such as failing a drug test. They are also subject to harsh “three strikes” laws that enhance penalties for those who commit new crimes. Back-end “pull”

reforms propose intermediate sanctions, for example, residential drug treatment programs, in response to technical violations, as well as the repeal of sentence enhancements for new crimes, particularly if the crime is non-violent. Finally, the longer an individual stays in prison, the harder it will be to adjust to life outside. Therefore, pull reforms promote “early release” policies that shorten the time people must wait for release on parole.

Over 650,000 people return from prison annually, and if “pull” strategies are implemented, that number will initially grow. “Push” strategies aim to better support people as they return from prison in order to prevent recidivism. They differ from front-end push reforms in that they focus on the specific barriers faced by formerly incarcerated people, rather than broader set of social and economic conditions that lead to crime. Programs include drug treatment and transitional housing to help people stabilize their lives after prison. Policies tend to focus on eliminating legal barriers that prevent formerly incarcerated people from accessing basic services and exercising civic rights. This thesis is specifically concerned with one dimension of back-end “push” reforms, and that is job access. For formerly incarcerated people, securing work is often a condition of remaining free on parole, as well as a precondition for securing housing, yet a variety of factors make finding and holding a job difficult. The subsequent section of this chapter will review programs aimed at preparing formerly incarcerated people for work and policies aimed at encouraging firms to hire them. First, I will clarify what we can reasonably expect of back-end reforms more broadly.



Table 2 - Back End Reforms

	Programs	Policy
Pull	“Halfway back”	Eliminate “three strikes” laws Reduce revocations for technical violations of parole Early release
Push	Case management Drug treatment Transitional housing ID restoration Education / GED	Restore rights to voting, benefits, financial aid Require transition planning End discrimination in housing Regulate criminal records databases
<i>Jobs for Formerly incarcerated people</i>	Job training and placement Transitional jobs	Anti-discrimination laws Hiring incentives Insurance

Academics who write about prison reform frequently use the figure that half of formerly incarcerated people are reconvicted within three years of their release, as prelude to the standard back-end proposals outlined above.<sup>70</sup> The statistic is startling, but we must also ask, are the chances that a typical former prisoner avoids prison worse than his peers who have yet to go to prison? Western and Petit find that 68 percent of black male high school dropouts and 21 percent of black males with a diploma or a GED will go to prison by the time they reach the age of 34.<sup>71</sup> Granted, formerly incarcerated people are included in these figures, and many formerly incarcerated people leave the system after the age of 34. But the basic point remains, if I am a black male high school dropout and I had a 68 percent chance of going to prison before I went, and now I have a 47 percent chance of going back, did prison radically reshape my opportunity structure, or just leave me in about the same place I started?

<sup>70</sup> Langan and Levin 2002, 1.

<sup>71</sup> Western and Petit 2010, 11.

Evidence suggests prison does leave a mark. Formerly incarcerated people earn between forty and fifty percent less after their release from prison than prior to their admission.<sup>72</sup> Between 1986 to 2006, two-thirds of all men and one third of high school dropouts managed to exit the lowest quintile of the earnings distribution, yet only a quarter of formerly incarcerated people did the same.<sup>73</sup> The experience of incarceration itself, which exposes prisoners to violence, solitary confinement and other forms of abuse, could explain poorer outcomes. In a testimony before his state legislators, one former prisoner likened prison to a war zone: “They throw me out, and all of a sudden now, they are telling me to be a father, be man. But they didn’t teach me that. They just taught me violence... When you come home from war, they deprogram you. They don’t just send you back out there like that. They never deprogrammed us, and we are coming out with the same attitudes.”<sup>74</sup>

Employer discrimination also closes doors for formerly incarcerated people long after they return home. In Milwaukee, trained graduate students posing as job applicants submitted resumes to 365 employers. The resumes were identical other than the fact that two of the testers, one black and one white, would each indicate that he had a criminal record. White applicants without a record received callbacks 34 percent of the time, versus 17 percent with a record. For black applicants, 14 percent without a record and 5 percent with a record received callbacks.<sup>75</sup> The penalty associated with a criminal record, in other words, is experienced *in addition* to racial bias.

Indeed, people returning from correctional facilities face challenges on top of social circumstances they dealt with prior to incarceration. This justifies the need for back-end

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<sup>72</sup> Pew Charitable Trusts 2010, 16.

<sup>73</sup> Ibid.

<sup>74</sup> Echols 2008.

<sup>75</sup> Pager 2007, 91.

reforms. It also raises the question of what we should reasonably expect of back-end reforms. To put it cynically, for most formerly incarcerated people successful resettlement means restoration of access to the very limited set of opportunities they began with. Back-end reforms may aim to expand opportunities for formerly incarcerated people, individually or at large, but they are not the place to radically shift the structure of opportunity for poor urban residents. That is what front-end reforms are for. Back-end reforms, in a sense, are meant to put formerly incarcerated people in a position to benefit from front-end reforms, be they major investments in workforce training, unionization of low-wage workers, or expansions of the social safety net. Their impact is inherently limited, absent a more comprehensive response to poverty on the front end of the system.

The earlier discussion of front-end reforms suggested that in a given, high-incarceration community, it is unlikely that we would see a major and lasting reduction in serious crime without commensurate changes in the opportunity structure for residents. Back-end reforms, on the other hand, are predicated on the assumption that limited changes in the opportunity structure for formerly incarcerated people will reduce their likelihood to recidivate. This assumption carries some validity. Shadd Maruna compared the self-narratives of 30 formerly incarcerated people who were desisting from crime with 20 formerly incarcerated people who continued to commit crime. Those who were desisting did not in most cases experience major changes in the opportunities available to them. Rather, they tended to look at a similar set of limited opportunities through new eyes. Where active formerly incarcerated people held rather dismal, yet accurate assessments of their chances of success and their position in society, desisting people constructed unusually optimistic

redemption narratives through a process Maruna describes as “willful, cognitive distortion.”<sup>76</sup> Desisting people treated their past as a “necessary prelude some newfound calling.”<sup>77</sup> This vocation may be a better paying, or more fulfilling job, but it could just as easily be a renewed commitment to one’s family or community. The point is, every day, formerly incarcerated people are able to avoid going back to prison, and they very often do so by finding new meaning in bleak circumstances. By clearing access to basic needs like housing, substance abuse treatment and a source of income, back-end reforms can create the basic conditions for recently released formerly incarcerated people to rebuild their lives and avoid re-incarceration.

Although back-end reforms may reduce recidivism among formerly incarcerated people, they will not lead to a permanent, comparable reduction in crime in high-incarceration communities if the opportunity structure at large does not change, for the same reason that incarcerating criminals for longer does not lead to a commensurate reduction in crime. As long as legitimate, living wage jobs remain scarce, there will be crime. Formerly incarcerated people desisting from crime and contributing to their communities will have a positive effect, but they cannot solve the problem alone. In short, back-end reforms are not a replacement for front-end solutions to crime or poverty, nor should we expect them to be. Instead, back-end reforms perform a limited but essential function: they help more than 650,000 formerly incarcerated people resettle in their communities and regain access to basic social and civic rights. In addition, they ensure that when broad-based social reforms do arrive, formerly incarcerated people will be in a position to benefit.

## II. Resettlement in Focus: Jobs for Formerly Incarcerated People

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<sup>76</sup> Maruna 2001, 9.

<sup>77</sup> Ibid.

As I review what is known about improving employment outcomes of formerly incarcerated people, it is important to keep in mind the broader reform framework introduced in the previous section. Employment outcomes of formerly incarcerated people are highly dependent on the entire package of back-end reforms described above—as anyone who has tried to find a job while lacking housing or struggling with substance abuse will tell you—not to mention dynamics of poverty that pushed people into the system in the first place. In this section, I continue to distinguish between programs aimed at connecting specific formerly incarcerated people to employment, and policies, which influence the inclusion of formerly incarcerated people more broadly. Experience shows that programs can deliver immediate, if short-term impacts on the outcomes of those served, but have difficulty changing employer hiring behavior without the support of strong policies. In the following chapters, my case study of Newark, NJ, will examine how programs and policies, working in tandem, can expand job access for formerly incarcerated people.

### Programs

For most of US history, labor inside prisons has either been treated as a form of punishment or as a profit-making venture. The concept of vocational training for prisoners and ex-prisoners was not institutionalized until the 1930s.<sup>78</sup> When the Manpower Development and Training Act passed in 1962, it originally excluded prisoners from funding. Amendments to MDTA allowed for a large increase in vocational training for prisoners.<sup>79</sup> MDTA funded about 50 demonstration programs over the next decade, followed by a series of public-private partnerships in the 1970s. While workforce programs for formerly incarcerated people had receded by the 1980s with the end of the Comprehensive Employment Training

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<sup>78</sup> Albright and Denq 1996, 120.

<sup>79</sup> US Department of Labor 1973, 63.

Act,<sup>80</sup> the last decade has seen a renewed interest in employment programs for people in and leaving prison.

A number of strategic decisions have shaped the direction of workforce programs for prisoners and former prisoners. One is program setting: where, when and under whose authority programs are delivered has shifted over time. The second is program model. The evolving answers to these questions track larger debates in workforce development, but also respond to concerns unique to serving prisoners and ex-prisoners, in particular, the role of prisons themselves in the resettlement process.

#### Program Setting: Corrections versus Community

The belief that corrections agencies should take the lead in preparing prisoners for the workplace, central to the rehabilitative model of the 1950s and 1960s, was abandoned as prisons took a punitive turn. In fact, it was Robert Martinson's famous "nothing works"<sup>81</sup> critique of prison programs that galvanized conservative politicians to eliminate judicial discretion and impose harsh mandatory minimum sentences.<sup>82</sup> Many of today's proponents of sentencing reform advocate to also restore the rehabilitative model, which of course includes in-prison workforce programs. While the punitive logic underlying the elimination of in-prison programs was wrongheaded, it is not at all clear that prisons are an appropriate setting for workforce programs, or that corrections officers should be running these programs.

In spite popular interpretations of his findings, Martinson's central argument was not that prisoners are incapable of reform; it was that prisons were an inappropriate system for delivering reform. According to Martinson, the mere fact that prisons cause "life cycle"

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<sup>80</sup> Finn 1998, 90.

<sup>81</sup> Martinson 1974.

<sup>82</sup> Petersilia 2003, 63.

damage by removing individuals from society means that any rehabilitative program delivered inside of prison is essentially swimming upstream. Moreover, it is inherently problematic for corrections officers to give proper aid to prisoners they are also responsible for punishing. Martinson asked whether it would not make more sense for “genuine help” and “deterrence” to be “completely separated” functions.<sup>83</sup> Peter Bacchus, who spent 17 and a half years going in and out of the prison system, made the argument for community control of resettlement programs to his legislators this way: “If you want to help me, put the money in the hands of the people that know me and are going to spend it on what I need. Take it out of the prison systems and put it in the streets, put it in the hands of the people who know what to do with it.”<sup>84</sup> Community, as opposed to in-prison programs may be more likely to achieve their goals, in other words, because they are better positioned to build trust among clients.

When the Manpower Administration first authorized workforce funding for prisoners, MDTA projects were located inside prisons and focused on strictly vocational training in a limited set of occupations (welding, auto repair and barbering).<sup>85</sup> Corrections officers were uncooperative, the training did not match employer demand, and many employers did not trust certifications issued by prisons. The almost uniformly poor outcomes of in-prison programs caused the MDTA to shift focus to community-based programs, run by staff unaffiliated with correctional institutions.<sup>86</sup> With some exceptions, federal and foundation funders today continue to emphasize workforce programs for former prisoners that are operated outside the justice system. The successes are modest, but programs are able to offer job matching that is place-specific without, again, running into the contradictions of

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<sup>83</sup> Martinson 1972, 317-318.

<sup>84</sup> Bacchus 2008.

<sup>85</sup> US Department of Labor 1973, 55.

<sup>86</sup> Ibid.

attempting to punish and aid formerly incarcerated people at the same time.

Of course, there are arguments to be made for locating more services inside of prison. For one, prison time is idle time, whereas the time after release from prison can be chaotic, as work, family and other responsibilities pile up. Pre-release preparation—locating temporary identification, securing housing and other referrals—is essential to a smooth transition home. The prison system also has scale. Fully implemented, educational and vocational programs in California, for example, could reach 160,000 prisoners and even more people under community supervision, a number that would take thousands of community-based programs to match. On the other hand, as the MDTA experience shows, inertia within the system—particularly among frontline staff—poses a challenge to large-scale reform. Ultimately, helping formerly incarcerated people resettle requires support in-prison and out of prison by corrections staff and community-based providers. The challenge is expanding services within prison and on parole without increasing the “pull” of the system, as Martinson warned, to hold more people for longer periods of time.

For cities deciding how to structure their resettlement services, community-based programs are often the only reasonable option. Cities generally have little control or leverage over the justice system, beyond their own police department. Counties operate the courts, jails and probation, the state oversees state prisons, parole and appellate courts, and the federal government has jurisdiction over federal courts, prisons, probation and halfway houses. Cities can recommend reforms, but they do not have the authority to see them through. On the other hand, cities regularly partner with community-based organizations to address a number of issues facing residents, from housing to youth development. CBOs are dependent on the city for funding, and demonstrate flexibility in structuring programs to meet city objectives.



While today federal and private funding for resettlement programs is targeted toward faith- and community-based organizations for these very reasons, there has been little research as to which types of community-based organizations are best suited to serve formerly incarcerated people. Naturally, there is a great deal of variation within the category of faith- and community-based organizations. A small, faith-based provider differs from a large, national workforce provider, such as Goodwill, not only in terms of financial resources, but also in terms of social networks, structure and organizational culture. These factors, I argue, help determine which organizations are effective at building trust with clients and employers and achieving a certain scale.

#### Program Models: Direct Placement and Transitional Work

Among community-based providers of all types, two program models emerging out of experiments in the 1960s and 1970s remain dominant today. One approach, job placement, promotes rapid attachment to work in the private labor market. As MDTA program settings shifted from prison to community, a job placement model was introduced, partly in response to the pressure formerly incarcerated people face to find employment quickly. The second, costlier model, transitional work, places formerly incarcerated people in subsidized, temporary assignments, where they receive additional support and supervision prior to direct placement. Transitional work came into vogue during the National Supported Work Demonstration of the 1970s, which targeted several groups of disadvantaged workers, including formerly incarcerated people. Proponents of transitional jobs argue that teaching people work habits in a sheltered setting will lead to improved employment outcomes in the long run. A summary of the outcomes of these earlier efforts can be found in Appendix A.

Over the last decade, federal and private funders have essentially reconfigured the job

placement and transitional work models of the 1970s, while attempting to be more responsive to the specific needs of formerly incarcerated people beyond employment. Today's job placement programs are more intentionally paired with case management and mentoring. In addition to job placement, they offer employment readiness workshops and referrals to housing, substance abuse, education and family counseling services. Transitional work programs offer a similar set of services and, unlike the Supported Work Demonstration, they serve formerly incarcerated people exclusively. While both approaches today have generated initially positive effects on employment, wages and recidivism, these impacts have proven difficult to sustain over time.

The case management and job placement approach was implemented nationally in 2003 with Ready4Work, an initiative of US Department of Labor (DOL) and Public/Private Ventures (P/PV). Eleven faith-based organizations received funds to provide job placement, service referrals and mentoring to a total of 4,500 people returning from prison.<sup>87</sup> The larger Prisoner Reentry Initiative (PRI), launched in 2006, was structured much the same way as Ready4Work, though the cost per participant was lower (\$2,495 versus \$4,500), due to a shorter average period of active enrollment. An experimental evaluation of PRI is still underway. Reported outcomes suggest effects will be modest: While recidivism appears to compare favorably with national averages, fourth quarter employment mirrors estimates of the national employment rate of formerly incarcerated people one year after release (40%).<sup>88</sup>

MDRC recently conducted two experimental evaluations of transitional jobs, one of the Center for Employment Opportunities (CEO) in New York City,<sup>89</sup> the gold standard for this approach, and the second of a four-city Transitional Jobs Reentry Demonstration (TJRD)

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<sup>87</sup> Bauldry and McClanahan 2008, 26.

<sup>88</sup> Holl and Kolovich 2009, xviii.

<sup>89</sup> Redcross et al. 2009, 47.

funded by the Joyce Foundation.<sup>90</sup> Results of both evaluations are similar. Though transitional jobs create an initial boost in employment, differences disappear between program and experimental groups by the end of the first year (after most have exited their transitional assignments). The CEO study did find a small, lasting impact on recidivism;<sup>91</sup> the TJRD study, still awaiting a second year of follow-up, has not.

It is not entirely clear why job placement and transitional jobs approaches have failed to deliver a sustained impact on employment. Quality of jobs may be a factor.<sup>92</sup> Job placements from the direct model fall in a limited set of low-wage sectors. Meanwhile, transitional jobs offered are by and large low-skill positions that do not readily translate into employment opportunities, low-wage or not, after the job is complete.<sup>93</sup> Employers might not trust transitional jobs as a legitimate work experience, while clients might question whether staying in a transitional job will actually benefit them in the long run.

There is also the possibility that evaluations above understate program effects. National or state estimates of employment and recidivism, the best benchmark available for judging the Ready4Work and PRI programs, average the outcomes of formerly incarcerated people who might not be facing the same issues as program participants. Both transitional jobs experiments, meanwhile, saw a substantial drop off in participation within the first few weeks of transitional work, yet these participants were still treated as members of the experimental group. In addition, the experiments compared the impact of transitional jobs not to no services whatsoever, but to a more limited set of supports. A detailed review of these evaluations can be found in Appendix A.

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<sup>90</sup> Redcross et al. 2010, 67.

<sup>91</sup> Zweig, Yahner and Redcross 2010, 10.

<sup>92</sup> Uggen 1999, 142.

<sup>93</sup> Redcross et al. 2010, 132.

Again, it is important to return to our expectations of resettlement programs. With or without a criminal record, low-wage workers face a limited set of opportunities. We cannot expect a resettlement program, funded by a per capita investment of several thousand dollars, to change the broader opportunity structure of low-wage workers. The fact that resettlement programs only temporarily boost employment among formerly incarcerated people says as much about the lack of subsequent opportunities as it does about the programs themselves. While unsubsidized earnings were equivalent, program participants in TJRD took in an additional \$2,044 in subsidized earnings.<sup>94</sup> In the short term, the difference could be life changing for an individual facing court fees and unstable housing. The boost was not sustained, but what if in these same cities we had witnessed growth in good paying jobs or apprenticeship programs for non-college applicants who met a basic work readiness threshold? Temporary employment gains from back-end reforms will be difficult to sustain without front-end reforms that address demand and employment standards for non-college labor in general.

#### Can Programs Change Employer Behavior?

The evaluations above only measure the effects of programs on participants. As noted previously, one of the reasons formerly incarcerated people experience an earnings drop after incarceration is employer discrimination. Do resettlement programs change employer attitudes? It seems plausible that having job developers advocate on behalf of formerly incarcerated people impacts hiring behavior of employers. There is also a chance that job developers preach to the choir and focus their attention on employers who are already willing to hire formerly incarcerated people. To the extent that job developers “convert” employers

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<sup>94</sup> Ibid., 70.

previously unwilling to hire formerly incarcerated people, the benefits accrue even to formerly incarcerated people who are not part of the program.

Many of the most effective and well-regarded workforce programs today are distinguished by their “dual customer approach,” or a balanced attention to the needs of employers and jobseekers.<sup>95</sup> These “workforce intermediaries” are able to encourage employers to create career pathways for low-income workers by, for example, training workers in skills demanded by the employer and supporting business growth by organizing government and community partners. It has been difficult for resettlement programs to establish or even communicate a genuine dual customer orientation. One program piloted by MDTA in 1969, Operation Pathfinder, placed juvenile formerly incarcerated people in factory jobs and trained their supervisors in “social reinforcement” techniques. Despite positive participant outcomes, the program never went to scale due to lack of employer interest. While the experiment showed improvements in job productivity and attendance of participants relative to other parolees, the effect on firm productivity was never measured.<sup>96</sup>

In general, resettlement programs have failed to make a credible argument for why hiring formerly incarcerated people benefits employers. Job developers may follow up with the employer, or visit a worksite to provide extra support to a candidate, but these services are largely framed as guarantees that hiring formerly incarcerated people will not hurt firm performance. The contradiction of resettlement programs is that by challenging them to exclusively find employment for formerly incarcerated people, we increase the likelihood that programs will push for changes in employer hiring guidelines, but also make it difficult for programs to be viewed as relevant by employers.

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<sup>95</sup> Giloth 2004, 7.

<sup>96</sup> Cook 1974, 84.

A few workforce intermediaries serve a substantial number of formerly incarcerated people. While these intermediaries do not replace the need for resettlement programming, they provide an example of dual customer services that are inclusive of formerly incarcerated people. Construction careers consortia, which bring together unions, construction firms and community groups to train and place low-income people of color in the building trades, serve a large share of participants with criminal records, anywhere from 12 to 50 percent in some cases.<sup>97</sup> About 40 percent of participants in the well-regarded Wisconsin Regional Training Partnership are formerly incarcerated (PPV).<sup>98</sup> An association of employers and unions, WRTP trains workers to meet the needs of specific employers in the construction, manufacturing and health care industries. Since these programs were designed in part to improve the employment outcomes of low-wage people of color, it is not surprising that a large number of participants have criminal records. It is also likely that far fewer participants are recently released, since these programs do not offer deep support services equivalent to resettlement programs. A discussion with the director of one of the construction careers consortia confirms this assumption.<sup>99</sup> Nevertheless, many of these programs deliver long-term employment benefits that resettlement programs have failed to achieve, and they have done so by meeting the needs of employers while also being inclusive of formerly incarcerated people.

How have these workforce intermediaries managed to be responsive to employers and also inclusive of formerly incarcerated people? Firstly, employers feel a pressure to hire—either a market pressure (a shortage of skilled workers) or an institutional pressure (a legal agreement to hire locally). Secondly, employers are concentrated in sectors that are typically friendly toward criminal records: manufacturing and construction. WRTP's health care focus

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<sup>97</sup> Chimienti 2010, 72.

<sup>98</sup> Maguire et al. 2010, 57.

<sup>99</sup> Brooks 2011. Interview with the author.

is an exception, but Wisconsin has the strongest law in the country preventing discrimination against formerly incarcerated people.<sup>100</sup> In other words, participating employers are open to the idea of hiring formerly incarcerated people. Thirdly, employers and unions are the decision makers. They are working with community groups to set the terms of the training, and while there may be an agreement in effect to hire locally, in none of these cases is there an express obligation on the part of employers to hire formerly incarcerated people. Employers do not feel backed into a corner, and the fact that the population is mixed means employers can select a candidate without a record if none of the candidates with a criminal record fits their criteria.

Resettlement programs—the subject of this thesis—have different priorities than workforce intermediaries. They are in less of a position to cream, they are dealing almost uniformly with candidates who have not worked in the last several years, they are under pressure to place people quickly, and they have a social mission to change employer attitudes toward a sensitive hiring policy that employers feel neither a market pressure nor an institutional pressure to change. More ambitious policy, as I discuss below, could place greater pressure on employers to cooperate with resettlement programs. Nevertheless, it is conceivable that, absent these pressures, resettlement programs could still adopt more of an intermediary relationship with employers who are comfortable hiring formerly incarcerated people, by, for example, training candidates in skills demanded by the employer. Christopher Uggen has shown that job quality is one of the best ways to reduce recidivism.<sup>101</sup> To the extent that resettlement programs can work with employers to improve job quality for their candidates, everyone benefits.

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<sup>100</sup> Pager 2007, 120.

<sup>101</sup> Uggen 1999, 142.

## Policies

Policies aimed at improving employment outcomes of formerly incarcerated people take two forms: employer incentives and anti-discrimination laws. Employer incentives subsidize the wages of formerly incarcerated people, reduce the risks involved in hiring formerly incarcerated people or condition other firm benefits on hiring formerly incarcerated people. Anti-discrimination laws seek to limit the use of criminal background checks in hiring decisions, or conceal them altogether.

These two policy domains adopt almost contradictory strategies and impact certain groups of formerly incarcerated people differently. Incentives reward employers for knowingly hiring formerly incarcerated people, whereas anti-discrimination laws limit consideration of a candidate's criminal history. Incentives, therefore, are more likely to benefit formerly incarcerated people recently released from prison without a strong work history. These individuals would probably struggle to conceal their criminal record even if the employer was barred from running a background check. Their lack of recent work history would raise other red flags for the employer, which incentives could counteract.

Formerly incarcerated people who have been released for a longer time and have more work experience stand to gain the most from anti-discrimination laws. These are candidates whose criminal history would easily remain a secret if it did not show up in a background check. A trained medical technician with a ten-year-old drug conviction does not need a tax credit to convince a hospital to hire him; he needs his record sealed. Of course, recently released formerly incarcerated people would also benefit from anti-discrimination laws that delay criminal history questions until later in the application process, for example, but these candidates might also require additional support to convince prospective employers to take a



chance. Programs described in the previous section play a role; more proactive policies are also needed.

In general, federal policies are not sufficient to protect formerly incarcerated people, particularly recently released formerly incarcerated people, against employment discrimination or encourage employers to consider hiring formerly incarcerated people. The largest incentive program, a tax credit, impacts less than 7% of the more than 650,000 formerly incarcerated people released from prison annually.<sup>102</sup> In other cases, federal policy actually hurts the employment chances of formerly incarcerated people returning home, such as laws barring employment of formerly incarcerated people at America's ports. Meanwhile, federal employment discrimination statutes are too narrow to protect most formerly incarcerated people from being denied employment due to their criminal conviction. To fill the gap left by federal policies, cities have recently taken the lead in promoting the hiring of formerly incarcerated people. Their efforts will be summarized shortly.

### Federal Policy

Federal incentives aimed at employers who hire formerly incarcerated people have not changed since they were originated in the 1960s and 1970s, when the nation's incarceration rate was *one-eighth* of what it is today. The federal bonding program provides fidelity bonding of job candidates to supplement blanket insurance policies that often exclude formerly incarcerated people from coverage. MDTA funded the demonstration, which was adopted as a national program in 1971. Today, coverage levels remain about what they were when the program began (\$25,000 annual maximum), and are limited to instances of

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<sup>102</sup> US Department of Labor 2011a.

employee dishonesty.<sup>103</sup> Default rates are low—less than two percent.<sup>104</sup> Though the bonding program is open to all formerly incarcerated people regardless of when they were released from prison, only 1,000 job candidates are bonded annually. The second incentive offered by the federal government is the Work Opportunity Tax Credit (WOTC). The WOTC, implemented in 1996, is a modified version of the Targeted Jobs Tax Credit that began in the 1970s. To qualify, formerly incarcerated people must be released from prison not more than a year for a felony offense. The value of the credit for each employee is calculated according to hours worked and hourly wage and is capped at \$2,400.<sup>105</sup> Around 40,000 formerly incarcerated people are certified for the WOTC in any given year (see Table 3, below). Fewer may actually remain employed long enough for the credit to apply, and fewer still would not otherwise have found employment.

*Table 3 - WOTC Certifications of Formerly Incarcerated Hires*

2008	43,444
2009	43,703
2010	36,817

Source: US Department of Labor 2011a

One issue with wage subsidies is that they discount the value of people's labor. Subsidies reify the false impression that the average former prisoner's hourly productivity falls below the minimum wage. They also potentially depress the wages of workers who are ineligible for the subsidy. As most subsidies grow the longer the candidate stays with the company, firms are oddly rewarded for hiring dependable employees. Surveys of employers in New Jersey and Massachusetts show that their unwillingness to hire formerly incarcerated

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<sup>103</sup> McLaughlin Company 2008.

<sup>104</sup> Miller 1976, 347.

<sup>105</sup> National Hire Network 2007.

people is due to the perceived risk of workplace violence and theft, as well as concerns with poor work attitude or unreliability.<sup>106 107</sup> Unreliability and poor work attitude are issues likely to present themselves in the first few weeks of employment. It might more appropriate, then, to compensate employers for early turnover costs than to expect a tax subsidy will convince an employer to retain an unreliable worker. While no insurance policy can fully compensate for worst-case scenarios, the federal bonding program, as currently structured, provides limited protection to employers, beyond covering losses that are the result of theft.

Naturally, some perceived risks are overstated or unwarranted, and candidates themselves can often alleviate employer concerns by performing well in an interview. Anti-discrimination laws help guard against an employer's knee-jerk reaction to an applicant's criminal history, and allow formerly incarcerated people the opportunity to explain the circumstances of their offense or conceal their offense altogether.

Title VII of the Civil Rights Act of 1964, which protects against hiring practices that disproportionately exclude candidates of a particular racial group, is the most prominent federal policy governing employers' use of criminal history information. The other major federal policy in this area, the Fair Credit Reporting Act of 1994, places limits on the use of arrest records and protects against inaccuracies, but does not regulate the use of criminal convictions in hiring decisions.<sup>108</sup> In the 1970s, legal advocates successfully argued that blanket exclusions of formerly incarcerated people by employers violate Title VII, due to racial differences in incarceration rates.<sup>109</sup> While Title VII helps avoid extreme cases of discrimination, most formerly incarcerated people, particularly those who are recently

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<sup>106</sup> Fahey, Roberts and Engel 2006, 15.

<sup>107</sup> New Jersey Department of Labor and Workforce Development 2008, 23.

<sup>108</sup> Jacobs and Crepet 2008, 186.

<sup>109</sup> Community Legal Services Inc., 19.

released from prison, will not find much protection in Title VII as long as the employer can make a plausible case for why their criminal history poses undue risk. Employers are free to use a criminal conviction to disqualify a candidate based on an assessment of the “time” and “gravity” of the offense in relation to “the nature of the job held or sought.”<sup>110</sup> Employers have a good degree of leeway in how they interpret these guidelines. Work that is unsupervised and involves handling money or merchandise, for example, has withstood legal challenge as sufficient cause for denying employment to individuals recently convicted of drug charges.<sup>111</sup>

Since September 11, the federal government has disqualified people convicted of a variety of felonies, including drug offenses, from working at America’s ports and airports. The only option for appeal is through a cumbersome waiver process that lasts seven months.<sup>112</sup> Background checks are required for those who work on federally funded construction projects.<sup>113</sup> The federal government lacks uniform guidelines for how criminal records should be considered in internal hiring. With the exception of a few progressive divisions (like the postal service), internal hiring policies are often unfriendly toward formerly incarcerated people.<sup>114</sup>

## Local Policy

In the face of policy inertia or even hostility at the federal level, cities have become quite innovative in their approach to resettlement issues, often in response to political pressure from grassroots organizations led by formerly incarcerated people. Examples of city policies

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<sup>110</sup> Equal Employment Opportunity Commission 1987.

<sup>111</sup> Zapata 2010, 14.

<sup>112</sup> Emsellem et al. 2009, 5.

<sup>113</sup> Homeland Security Presidential Directive 2004.

<sup>114</sup> Emsellem 2010, 5.

are summarized in Table 4, below. Embracing their role as large employers, cities have modeled the gold standard for inclusive hiring. Since 2004, 22 cities have “banned the box” on public employment applications, delaying questions about criminal history until after a conditional offer of employment is made.<sup>115</sup> Some have used their leverage over city vendors to require similar or even more proactive hiring practices. Jacksonville, for example, awards city contracts over \$200,000 only to firms that agree to identify job opportunities for formerly incarcerated people and report employment outcomes to the city.<sup>116</sup>

*Table 4 - City Policies Promoting Employment of Formerly Incarcerated People*

Policy	Examples
Ban the Box, removes criminal history questions from job applications.	Twenty-two cities in total have adopted “Ban the Box.” Boston – ordinance applies to city as well as its 8,000 vendors.
Project Labor Agreements	Los Angeles – 10% of hours worked have to be performed by “disadvantaged workers,” including formerly incarcerated people.
Bid Incentives	Jacksonville – Requires bidders to identify employment opportunities for formerly incarcerated people. Indianapolis – Gives preference to bidders who provide training or employment to formerly incarcerated people.
Tax Credits	Philadelphia – Reduces business privilege tax by up to \$10,000 annually for three years for each formerly incarcerated person hired.
Payment-in-Lieu of Taxes (PILOT) Extension	Memphis – Businesses that agree to hire a certain number of candidates from city and county reentry programs will have their PILOT lease term extended.
Wage Subsidies	Chicago – Covers half of wages for the first 12 weeks of employment, up to \$3,500.

<sup>115</sup> National League of Cities 2010, 5.

<sup>116</sup> National League of Cities 2010, 10.

Fidelity Bonding	San Francisco – Offers fidelity bonds of up to \$25,000, secured through the federal program.
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Source: National League of Cities 2010; Memphis and Shelby County Industrial Development Board 2010.

Few cities have reported outcomes of their nascent policies. Anecdotal evidence suggests some of these policies will require adjustments. In particular, the capacity to actually enforce laws applying to vendors appears to be lacking. In six years, none of Boston’s 7,000 vendors have been penalized for failure to comply with the city’s Ban the Box ordinance.<sup>117</sup> Philadelphia’s tax credit program was already rehashed last summer, when two years had passed without any businesses actually participating.<sup>118</sup>

One clearly positive outcome of city policy innovation is the trend of policies rising to the state level. In four of five states where Ban the Box laws have passed since cities first brought attention to the issue, at least one city had passed a similar ordinance first.<sup>119</sup> In Massachusetts, where comprehensive criminal record reform was passed in 2010, the two grassroots organizations that led the statewide campaign had both previously organized Ban the Box campaigns in their respective cities.<sup>120</sup>

### Conclusion and Research Questions

This thesis asks how cities, partnering with community-based organizations, can improve the employment outcomes of formerly incarcerated people. As the chapter has shown, employment is one in a series of social rights that are necessary for resettlement. Taken together, they constitute the “back end” of a prison reform strategy that proposes

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<sup>117</sup> Williams 2010.

<sup>118</sup> Associated Press 2010.

<sup>119</sup> National Employment Law Project 2011, 1.

<sup>120</sup> Tanaka 2010.

alternative ways not only of punishment, but of addressing poverty. Recognition that resettlement support is an element of—not a replacement for—comprehensive reform should temper our expectations of what it can accomplish alone. Consequently, I argue that the goal of prisoner resettlement is to put formerly incarcerated people in a position to benefit from broad-based social reforms aimed at changing the structure of opportunity in low-income communities. Fulfilling this goal requires both effective programs that provide direct aid to formerly incarcerated people and policies that remove systemic barriers facing the resettlement population.

The impacts of programs aimed at improving the employment outcomes formerly incarcerated people have been modest and are rarely sustained. Even if benefits are not sustained, these programs perform an important function by helping people stabilize their lives and develop a work history. Several studies have evaluated two dominant program models of community-based employment programs serving formerly incarcerated people: transitional jobs and direct placement. Methodological problems leave some uncertainty over their effects. Assuming that both employment models deliver some improvement, even in the short term, over no services whatsoever, we still do not know a basic question: which model appears to be working better? We know just as little about what *organizational* characteristics of community-based programs are correlated with positive outcomes.

Employer hiring practices help explain poor employment outcomes among formerly incarcerated people—controlling for the characteristics of job seekers. Ideally, programs do more than connect individuals with employment; they alter employer behavior. One workforce program type—the workforce intermediary—has successfully changed employer behavior with respect to local hiring, for example, by positioning itself as a service to

employers in addition to jobseekers. It is difficult for resettlement programs, which serve a more targeted population, to adopt the same orientation, without greater pressure on employers to hire formerly incarcerated people. However, the experience of workforce intermediaries suggests that programs that find ways to meet genuine needs of employers will be in a better position to change employer behavior, leading to improved outcomes for their clients.

Government has more leverage than a community-based program to change employer hiring behavior. Unfortunately, federal policies regarding the hiring of formerly incarcerated people are weak, narrow and often contradictory. Cities have started to become more proactive in pushing employers to hire formerly incarcerated people. In addition to expanding some of the incentives offered by the federal government, cities have modeled fair hiring standards themselves and have used their power to call on local employers to do the same. That being said, many of these city-led efforts are nascent, and capacity to enforce standards is often lacking.

My review of programs and policies that promote the hiring of formerly incarcerated people provokes two related research questions:

- What effect can city policy have on the employment outcomes of formerly incarcerated people and the hiring behavior of employers?
- Are there prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and are these characteristics bound to a certain scale?

This thesis considers these questions through an analysis of a resettlement initiative in Newark, NJ, a city deeply impacted by the problem of incarceration, as Chapter 3 will



describe in detail. In 2008, Newark received a \$2 million demonstration grant from the Department of Labor and matching private funds to improve the employment and recidivism outcomes of recently released, formerly incarcerated people. The city subcontracted with six organizations to serve over 1,300 Newark residents through programs similar to the transitional work and direct placement models described in this chapter. Managed by Newark's Office of Reentry, the Newark Prisoner Reentry Initiative (NPRI) is part and parcel of the city's broader effort to remove systemic barriers to successful resettlement. Prisoner resettlement was one of a dozen priorities listed in Mayor Booker's "100 Day Plan" after his election.<sup>121</sup> The city has drafted a strategic plan<sup>122</sup> that includes the use of "first source" hiring agreements to encourage employers to hire formerly incarcerated people.<sup>123</sup>

This chapter has argued that we need both policies and programs to prevent people from cycling in and out of prison. While other cities have coupled resettlement policy with resettlement programming, Newark is among the first cities to coordinate a group of community-based resettlement providers and hold them to common benchmarks.<sup>124</sup>

Subcontracting allows the city of Newark to reach a larger scale than Memphis, for example, where a city-run job placement service<sup>125</sup> has taken seven years to place as many people as Newark placed in 18 months (despite being almost three times as large as Newark). Having a large pool of formerly incarcerated people who are trained, screened and supported by NPRI organizations clearly opens up opportunities for the city to push employers to be more proactive in their hiring. My thesis will evaluate to what extent the city, as a policy-maker and a grant manager, helped the organizations meet their goals, and whether NPRI as a whole was

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<sup>121</sup> Booker 2006, 18.

<sup>122</sup> City of Newark 2011, 9.

<sup>123</sup> Alternative Staffing Alliance 2010, 18.

<sup>124</sup> Greenwald and Hussock 2009, 3.

<sup>125</sup> City of Memphis Second Chance Program 2009.

able to change the hiring behavior of employers.

Finally, the structure of Newark's Prisoner Reentry Initiative allows for rich comparisons among resettlement programs. NPRI organizations vary in terms of organizational structure, size, culture, resources, as well as program design, yet are held to the same performance benchmarks (placement rate, retention rate, recidivism rate, average wages and earnings). Though several external factors are also present (as the following chapter will acknowledge), NPRI offers a nearly natural experiment in how organizational context and resources, as well as program design, explain performance variation among resettlement programs.

## Chapter Two – Evaluation Framework

This thesis asks,

- What effect can city policy have on the employment outcomes of formerly incarcerated people and the hiring behavior of employers?
- Are there prerequisite organizational characteristics, including resources, structure and strategy, for successful programs, and are these characteristics bound to a certain scale?

I consider these questions by evaluating the Newark Prisoner Reentry Initiative, a four million dollar, two-year partnership between the city and six organizations contracted to provide job placement and case management services to 1,360 recently released formerly incarcerated people. I will assess performance of the initiative as a whole and explain differences in performance across participating organizations. The initiative sets benchmarks for rates of employment, retention, wages and recidivism among participants. The initiative is also interested in institutional change, and carries the goal of improving opportunities for all formerly incarcerated people returning home, not only those who receive services under the initiative. My thesis uses client outcomes and reported changes in hiring behavior of employers as indicators of performance.

Whether the initiative meets its goals is dependent on the performance each contracting organization—shaped, in turn, by a series of unique organizational factors I will describe in a moment—as well as the city. The city’s Office of Reentry was responsible for enforcing performance benchmarks, coordinating technical assistance and referring candidates to the organizations. In addition, the city had the potential to play a supportive role, either by

using its power to connect organizations to employers, or by expanding access to city services that benefit the client base of the six organizations (housing or drug treatment, for example).

Whether the city is actually able to bolster the outcomes of the six organizations, their clients and formerly incarcerated people generally is a function both of city capacity and city priorities. When Mayor Cory Booker took office in 2006, he listed prisoner resettlement as one of a dozen priorities for his first 100 days.<sup>126</sup> Naturally, the city has to balance its commitment to aiding formerly incarcerated people with other obligations and allocate a limited set of resources—political and financial—to each. City capacity and priorities must also contend with the broader social, economic and legal context. For example, the city may choose to invest resources in expanding opportunities for formerly incarcerated people to work at Newark’s port; however, federal law barring formerly incarcerated people from working at ports might supersede whatever influence the city musters. The following chapter, Chapter Three, will review the context of prisoner resettlement in New Jersey, and the policies and programs that Newark has designed to support formerly incarcerated people returning home.

### Evaluating Initiative Outcomes

The framework below (Table 5) conceptualizes the respective roles of the federal government, the city and the contracting organizations in producing the outcomes of the initiative. The US Department of Labor funded the Newark Prisoner Reentry Initiative, with a private match. The federal government set targets for enrollment and performance, determined the total program budget and the city’s responsibilities for managing NPRI organizations. The federal government also supplied the city with a sophisticated management

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<sup>126</sup> Booker 2006, 18.

information system (MIS) for tracking performance.<sup>127</sup>

The city shaped NPRI outcomes in two ways. Under the Office of Reentry, it made some strategic decisions about how it selected and contracted with NPRI organizations, and later, how it managed them. It had far more discretion, meanwhile, in how it would use its influence to improve opportunities for formerly incarcerated people in Newark more broadly. The social context, the city's total financial and political capacity and its commitment to the inclusion of formerly incarcerated people together determine the scope of the city's efforts to support the inclusion of formerly incarcerated people, beyond activities required by the federal government.

The city's efforts in turn affect performance of organizations selected to implement NPRI. These organizations also vary substantially in terms of resources ("inputs"), structure and program design ("throughputs"), and consequently, performance ("outputs"). The aggregation of their clients' outcomes, together with changes in employer behavior, represent the collective impact of the initiative.

To assess the initiative's impact on clients and employers, and the city's particular role in shaping it, I compare aggregate performance data obtained from the Department of Labor to performance benchmarks and the outcomes of a comparable group of recently released formerly incarcerated people. I also conducted interviews with the director of the city's Office of Reentry, Public/Private Ventures (PPV, the technical assistance provider), and program staff at the six NPRI organizations to capture outcomes beyond the benchmarks, particularly changes in employer attitudes toward formerly incarcerated people. I asked the Office of Reentry and contracting organizations to explain what role the city played in supporting the

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<sup>127</sup> Johnson 2010. Phone interview by the author.

organizations to meet the goals of the initiative, and what they would change about the initiative in hindsight. Due to a lack of time, I did not speak directly to employers about their experience. This is an admitted gap in my research, which future studies, hopefully, can fill.

*Table 5 - Model of Initiative Performance*

<b>Federal</b>	<b>Newark Prisoner Reentry Initiative (US Department of Labor)</b> Benchmarks Budget MIS
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<b>City</b>	<b>City Capacity, Priorities and Context</b> City's political agenda The city's capacity (financial and leadership) to implement agenda Economic, legal and social context
	<b>Office of Reentry</b> Management of NPRI Additional policies and programs that support formerly incarcerated people

<b>Grantees</b>	1	2	3	4	5	6
	<i>Inputs</i>	<i>Inputs</i>	<i>Inputs</i>	<i>Inputs</i>	<i>Inputs</i>	<i>Inputs</i>
	<i>Throughputs</i>	<i>Throughputs</i>	<i>Throughputs</i>	<i>Throughputs</i>	<i>Throughputs</i>	<i>Throughputs</i>
	<i>Outputs</i>	<i>Outputs</i>	<i>Outputs</i>	<i>Outputs</i>	<i>Outputs</i>	<i>Outputs</i>

<b>NPRI Outputs</b> Aggregate performance against benchmarks Changes in institutional and employer behavior
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Comparing Program Performance

To understand what makes individual organizations perform better than others, I rely on a framework (see Table 6) adapted from a model put forward by Packard, which conceives of performance in social service organizations as the outputs of a system of inputs (human, financial and social resources) and throughputs (the way the program is designed and

implemented).<sup>128</sup> The framework recognizes that each organization came to NPRI with very different sets of resources and chose to organize these resources in different ways to meet the goals of NPRI.

One of the most critical questions in designing programs for formerly incarcerated people is how to build trust. Henry Condit, who runs a mentoring program in Trenton, New Jersey, captures a sentiment shared by many formerly incarcerated people: “You know why re-entry doesn’t work? Because a lot of people that come out, they don’t trust those that sit in the positions that are governing over their lives.”<sup>129</sup> Formerly incarcerated people have been processed through many systems, and they have been failed by many systems. Resettlement programs will not work without the commitment of clients. Likewise, employment programs for formerly incarcerated people will not work unless programs and their clients can gain the confidence of employers. Certain organizations, certain program models and even certain program staff may be more adept at building trust—among either clients or employers—than others. This thesis aims to identify the specific qualities of organizations, programs and staff that make this so.

Another aim of this thesis is to understand how to replicate or grow initiatives like Newark’s in other cities. Understanding what organizational resources are required to serve a particular number of clients reveals the feasibility of scaling NPRI. The six organizations differ substantially in terms of experience, financial and social resources, the competencies of program staff and to some extent, the clients they attract. While the organizations all operate in the context of the initiative above, the particular resources available to each organization help determine its capacity to meet the expectations of the grant, adapt to change and to

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<sup>128</sup> Packard 2010, 976.

<sup>129</sup> Condit 2008.

innovate.<sup>130</sup>

Simply because resources are available does not mean the organization directs them toward its resettlement program or that program staff find ways to put resources to practical use. My framework for comparing programs therefore considers the role of organizational context (the strategy, structure and culture of the larger organization) and program design (the service delivery model implemented by program staff) in shaping performance. Owing perhaps to the directive design of NPRI, which set specific rules for the services organizations offer, organizations differed substantially in their overall structure and culture and exhibited subtler differences in program designs, which largely follow the models introduced in the previous chapter. I review these differences, along with differences in resources, in Chapter 4. My observations are based on interviews with program staff, visits to program sites, publicly reported financial data, contract language, and information gathered from the organizations' websites.

Finally, my framework analyzes program implementation to better understand the relationship of inputs and throughputs to performance outputs. Program implementation is the stage when resources are put to use in a given organizational context. A dynamic factor of its own, requiring improvisational responses to unexpected challenges, program implementation is also the space where resources, program design and organizational context are tested. Whether a particular model is viewed as effective depends on whether implementation produces desired outcomes, in this case, meeting the city's performance benchmarks, expanding other opportunities for clients and affecting changes in access to employment and services more broadly.

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<sup>130</sup> Bourgeois 1981, 34.



Though contracting organizations inputted client outcomes into an MIS, the city is unwilling to share data for individual programs. Instead, I make use of self-reported placement data, peer perceptions of performance, and information about which organizations were rewarded or sanctioned by the city to gauge performance. To help explain performance variation, I rely on the reflections of fifteen program and executive staff at the six contracting organizations about their respective programs: how the programs were designed, whether implementation went as planned, and what they would change about their programs and the initiative as a whole if NPRI received additional funding. I conducted hour-long interviews with at least one program staff person and one executive staff person at each organization, with the exception of America Works, where only the national executive director agreed to be interviewed.

*Table 6 - Model of Organizational Performance*

← Inputs	<p><b>RESOURCES</b></p>	<p><b>Organization</b>          Financial resources (“slack”)          Social resources (“networks”)          Experience          Facilities and location</p> <p><b>Staff</b>          Demographics, experience, commitment, values and personality of program staff          Leadership style, competencies of board and administrators</p> <p><b>Client</b>          Demographics, competencies, support networks</p>
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← Throughputs	<b>ORGANIZATIONAL CONTEXT</b>	<p>Size</p> <p>Corporate Status</p> <p>Geographic dispersion</p> <p>Organizational structure</p> <p>Specialization</p> <p>Culture and values</p>
	<b>PROGRAM DESIGN</b>	<p>Staffing</p> <p>Program Budget</p> <p>Enrollment</p> <p>Program model:</p> <ul style="list-style-type: none"> <li>• referral source</li> <li>• procedures</li> <li>• strategic orientation</li> </ul>
	<b>PROGRAM IMPLEMENTATION</b>	<p>The actual use of resources</p> <p>Adherence to program model</p> <p>Unexpected challenges</p> <p>Interactions between clients, program staff, and employers</p>
Outputs =	<b>PERFORMANCE</b>	<p><b>City Benchmarks</b></p> <p>Clients served</p> <p>Placement rate</p> <p>Retention (6 months)</p> <p>Wage rate</p> <p>Average earnings (6 months)</p> <p>Recidivism</p> <p><b>Other Individual Outcomes</b></p> <p>Job quality</p> <p>Client empowerment</p> <p>Connections to housing, education, etc.</p> <p><b>Institutional Outcomes</b></p> <p>Changes in firm hiring practices</p> <p>Changes in access to services broadly</p>

## Chapter Three – Newark Prisoner Reentry Initiative In Context

### New Jersey In Transition

Until a decade ago, the size of New Jersey’s prison population followed the same upward trend as the rest of the country. “Mandatory minimum” sentencing in 1979 required judges to sentence individuals convicted of certain crimes to a minimum prison term without possibility of parole.<sup>131</sup> The list of eligible crimes grew to the point where today, seventy percent of New Jersey prisoners are sentenced with a mandatory minimum term.<sup>132</sup> The state’s Comprehensive Drug Reform Act of 1986 raised the stakes for drug offenses, at the same time that the arrest rate for drug crimes was rapidly increasing. The result: the per capita rate of imprisonment grew by a factor of more than four over two decades.<sup>133</sup>

Since 1999, however, New Jersey has diverged from national trends and reduced its prison population by 20 percent, thanks to a series of “pull” reforms (see Chapter 1), beginning on the back end. A 2000 lawsuit over a huge backlog in cases awaiting parole hearings led the state parole board to streamline its release process. Next came the expansion of intermediate sanctions for those who violated their parole conditions.<sup>134</sup> Meanwhile, communities of color and their allies began to mobilize around deeper reforms.

Advocates worked with state legislators to appoint a sentencing commission to review New Jersey’s notorious “drug-free school zone” law, which mandated a minimum three-year sentence for a range of drug offenses within 1,000 feet of a school. Three-quarters of the city

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<sup>131</sup> Travis, Keegan and Cadora 2003, 13.

<sup>132</sup> New Jersey Department of Corrections 2011a.

<sup>133</sup> Travis, Keegan and Cadora 2003, 4.

<sup>134</sup> Porter 2011, 42.

of Newark's surface area fell within a drug-free school zone, compared to six percent of low-density townships. The urban bias resulted in a racial bias: Ninety-six percent of those sentenced under the school zone law were African American or Latino.<sup>135</sup> As the sentencing commission finalized its recommendations, the state Attorney General's office cooperated with the courts to allow people convicted of lower-level drug offenses to accept drug treatment instead of prison time. In 2010, the sentencing commission's recommendations were finally codified in a law that affords judges greater discretion in applying school zone penalties.<sup>136</sup>

Advocates found their champion of the "school zone" law and a host of other reforms in Bonnie Watson Coleman, a New Jersey assemblywoman who served as majority leader until Democrats lost control of the state assembly last year. Two of Watson Coleman's sons were imprisoned on charges of armed robbery. Visiting them every week, she saw the justice system through new eyes.<sup>137</sup> Watson Coleman partnered with the grassroots, Second Chance Campaign of New Jersey to organize ten statewide "listening sessions" to address sentencing, conditions of confinement and resettlement. Fifteen hundred people—advocates, corrections officials, community members and formerly incarcerated people—attended the hearings, and more than 400 provided testimony on what is wrong with the justice system, and what can be done about it.<sup>138</sup> The fifty hours of testimony that emerged from the forums constitute perhaps the most moving and comprehensive public document of the impacts of incarceration in America.<sup>139</sup> For Watson Coleman and the Second Chance Campaign, the hearings were an opportunity to mobilize support for a series of reform bills that responded directly to concerns

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<sup>135</sup> New Jersey Commission to Review Sentencing 2005, 14.

<sup>136</sup> Porter 2011, 42.

<sup>137</sup> Rivera 2011. Interview by author.

<sup>138</sup> Ross 2010, 5.

<sup>139</sup> Hearing recordings can be accessed by visiting <http://www.jointfx.com/prisonradio.htm>.

raised during the hearings. Along with the “school zone” law, three other bills passed and were signed into law: one allowing formerly incarcerated people to be eligible for TANF and food stamps; one ensuring people in prison receive certain records and information at the time of their release; and finally, one requiring all people in prison earn a high school diploma or its equivalency, to be phased in over the next several years.<sup>140</sup>

One of Watson Coleman’s bills that failed to pass dealt with employment. The bill would have lifted statewide bans against employment in certain occupations based on a criminal conviction.<sup>141</sup> It would have created a “restricted use license” to drive to and from a place of work for those whose license had been suspended as a result of a conviction or failure to pay fines. Finally, the bill proposed new anti-discrimination standards. It would have “banned the box” on initial public employment applications (state, county, municipal) and prohibited employers and licensing agencies from discriminating against formerly incarcerated people except in cases where there is a “direct relationship” between a person’s offense and the specific job sought, or where hiring the individual would pose “unreasonable risk.” With this bill still sitting in committee, New Jersey’s recent wave of reforms has yet to address employment barriers.

#### Employment after Prison in New Jersey

Last year, the Center for Behavioral Health Services & Criminal Justice Research at Rutgers University surveyed a random sample of 4,000 New Jersey state prisoners with an expected release date of two years or less. From survey responses, one might anticipate decent post-release employment outcomes. The majority are convicted of non-violent drug crimes, possess at least a GED, have previously retained a job for a year and expect to rely on family

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<sup>140</sup> Ross 2010, 24.

<sup>141</sup> 2009 NJ Assembly Bill A4198, [http://www.njleg.state.nj.us/2008/Bills/A4500/4198\\_I1.PDF](http://www.njleg.state.nj.us/2008/Bills/A4500/4198_I1.PDF)

during the resettlement process. Most are parents of minor children, and may feel particularly motivated to find work. More than half report that the last job they held prior to incarceration was legitimate, and about two-thirds of them had earned enough to pay their bills.<sup>142</sup> On the other hand, if history is our guide, very few of these prisoners will secure employment when they are released. In fact, they are about as likely to return to prison as they are to become employed.

Among formerly incarcerated people released from New Jersey Department of Corrections in 2005, just 36% percent ever held a UI-covered job over a two-year tracking period. Meanwhile, 55% of prisoners are rearrested, 43% are reconvicted, and 31% are re-incarcerated over three years. Average quarterly income among those employed ranged from three to four thousand dollars. The most common employment sector—“administrative, support and waste management”—also afforded formerly incarcerated people the least stability and the lowest wages.<sup>143</sup>

Why are employment outcomes weak? Naturally, New Jersey prisoners confront many of the same issues as formerly incarcerated people across the country, not to mention all low-wage workers. While most surveyed above (80%) have an in-prison job, the share who participated in vocational and pre-release resettlement programming is low (25%). Popular training in construction, barbering and basic computing is likely too limited to make an impression on employers. Post-prison supports are also lacking. Roughly half of those surveyed above report that no one was helping them locate a job on the outside. Finally, a sizable percentage were leaving prison with medical and mental health issues that could get in the way of employment: half were overweight, a quarter were taking medication, an equal

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<sup>142</sup> Wolff 2010, 4-6.

<sup>143</sup> New Jersey Department of Labor and Workforce Development 2008, 10.

number reported needing substance abuse treatment, and close to a fifth said they needed mental health services.<sup>144</sup>

### Supervision and Support

Incarcerated people return to their communities under different forms of supervision that vary in intensity and in types of support offered. While Chapter 1 made the case that community-based organizations are a better venue than corrections for delivering resettlement services, it is important to review the differences in modes of correctional supervision for two reasons. Firstly, subsequent chapters compare performance outcomes of six organizations in Newark. It is unfortunate but likely that the proportion of clients who fall under each mode of supervision varied across the organizations. Secondly, as was just demonstrated above, formerly incarcerated people on the whole experience very poor employment outcomes in New Jersey, yet all modes of community corrections are expected to provide employment services to their clients. To the extent that Newark's organizations improve the employment outcomes of people under some form of correctional supervision, they are essentially doing the work of a state entity or contractor. A case could be made, which I will revisit in the conclusion, to require community corrections entities to subcontract with NPRI organizations to deliver employment services.

Approximately 13,000 people exit New Jersey prisons annually. Over sixty percent go before the parole board and are released to the community, where they complete their sentence under parole supervision. The remainder "max out," which is to say, they complete their full sentence in prison and are not supervised in the community. Forty percent of "max outs" voluntarily forego their parole hearings, while the other sixty percent were denied

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<sup>144</sup> Wolff 2010, 4-10.

parole release and held in prison until the end of their sentence.<sup>145</sup> People convicted of serious violent or sexual offenses have a mandatory, sometimes lifelong period of parole supervision, regardless of how much of their sentence they serve in prison.

People who max out—voluntary or not—have a higher recidivism rate than those released on parole.<sup>146</sup> This is partly attributable to the characteristics of max outs, but may also demonstrate a positive effect of parole. Parole offers some employment and counseling services and purchases drug treatment services, including residential programming, from local providers. However, many have noted that the role of parole has increasingly focused on surveillance.<sup>147</sup> High caseloads (45:1) limit the help officers can provide, while most of their time is spent ensuring clients meet conditions of parole.<sup>148</sup> Parolees are most likely to be sent back to prison for failing a drug test, losing contact with their parole officer or terminating a mandated program.<sup>149</sup> Over the last several years, the state has funded a “halfway back” program that places some parole violators in residential treatment programs in lieu of prison.

One alternative parole program, Intensive Supervision Program (ISP), allows people who have served four months in prison for a nonviolent crime to apply to be re-sentenced to this 18-month community-based program. ISP participants are responsible for making their own housing arrangements and are required to remain drug-free, obtain a full time job, keep a curfew, perform community service, attend counseling sessions and pay a supervision fee between \$1,000 and \$9,000. Caseloads for ISP are about half the typical officer’s caseload. Half of ISP participants are sent back to prison for failure to meet stringent requirements. Those who remain have a high employment rate (92%), presumably because it is a

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<sup>145</sup> Ostermann 2009, 12.

<sup>146</sup> Ibid., 133.

<sup>147</sup> Simon 1993, 203.

<sup>148</sup> Travis, Keegan and Cadora 2003, 36.

<sup>149</sup> Wolff 2010, 6.



requirement, and a lower-than-usual recidivism rate.<sup>150</sup>

In addition to parole release, over 2,800 prisoners, at any given time, serve out part of their sentence in a halfway house.<sup>151</sup> Twenty halfway houses are run by non-profits throughout the state, including eight in Newark. (Though still under correctional confinement, those assigned to halfway houses in Newark were allowed to participate in the Newark Prisoner Reentry Initiative.) Prisoners within 18- to 24-months of their scheduled release may be transferred to a halfway house. They generally go through an initial phase of drug treatment and counseling prior to qualifying for work release. Those who secure employment must pay 17% of their wages toward court fees and another 30% of their wages toward a maintenance fee, child support, and state and federal taxes.<sup>152</sup> Halfway house residents are obligated keep in close contact with halfway house staff and in general are only permitted to leave the halfway house to go to work or take weekly shopping trips with the other residents. This can be a humiliating experience, as residents must wear badges that identify their status, sometimes attracting public mockery.<sup>153</sup>

Most returning federal prisoners are also sent to halfway houses near the end of their term—one of which is located in Newark. Requirements are similar to state halfway houses: residents may leave the facility only for work and must pay 25 percent of their income to cover the costs of supervision.<sup>154</sup> They are also expected to pay their own medical costs. In the state of New Jersey, there are 2,500 people serving out federal parole or probation terms, and an equal number currently in prison.<sup>155</sup> The fraction who served out their sentences in the

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<sup>150</sup> Administrative Office of the Courts 2010.

<sup>151</sup> New Jersey Department of Corrections 2011b.

<sup>152</sup> [http://www.nj.gov/corrections/SubSites/OCP/OCP\\_Inmate\\_Responsibilities.html](http://www.nj.gov/corrections/SubSites/OCP/OCP_Inmate_Responsibilities.html)

<sup>153</sup> Based on anecdotes from a case manager.

<sup>154</sup> <http://www.bop.gov/locations/cc/index.jsp>

<sup>155</sup> Pew Center on the States 2009b.

community of Newark were allowed to participate in the Newark Prisoner Reentry Initiative.

### The Initiative

When Mayor Cory Booker was elected office in 2006, he held a series of town hall meetings with residents. Not surprisingly, the issue of prisoner resettlement came up again and again.<sup>156</sup> One in ten Newark adult men are under some form of correctional supervision at any given time. Seventeen hundred prisoners—13% of all state prison releases—return to Newark annually, and another 1,400 return from the county jail every month.<sup>157</sup> In response to public pressure, Mayor Booker included prisoner resettlement as one of a dozen priority issues to tackle in his first “100 days” in office.<sup>158</sup>

The Mayor initially faltered in his attempts to improve employment and reduce recidivism of formerly incarcerated residents. He launched, in partnership with a local foundation, a “one stop” center for formerly incarcerated people, discussed below, that has not been especially effective. He went through three directors of prisoner reentry in two years. One former director complained that the resources allocated were insufficient to make an impact.<sup>159</sup> A breakthrough came in 2008 when the city received a large grant from the Department of Labor to launch the Newark Prisoner Reentry Initiative. The city was to play two key roles in the initiative, which I shall detail below: one, coordinating providers and tracking performance and two, using its influence to lift barriers to successful resettlement.

Resettlement providers in Newark, as in most of the country, are fragmented, even oppositional. Department of Corrections halfway houses, the Parole Board and Probation offer similar services, yet are each managed by separate entities that rarely communicate with

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<sup>156</sup> Booker 2011.

<sup>157</sup> Newark Office of Reentry 2011, 1.

<sup>158</sup> Booker 2006, 18.

<sup>159</sup> Mays 2008.

one another. The same is true of community-based organizations and other social service agencies, such as the county welfare office, that formerly incarcerated people may rely on. In the words of one local caseworker, “There are plenty of programs out there, but everybody is on a separate page.”<sup>160</sup>

The city’s efforts to “defragment” prisoner resettlement began in 2006 with a one-stop shop for formerly incarcerated people called Opportunity Reconnect. Funded by New Jersey’s Nicholson Foundation, Opportunity Reconnect is located at Essex County Community College and originally included offices for Parole, County Probation, two community-based job placement agencies (Goodwill and America Works), legal services, the county welfare office, and Newark Works, the local one stop career center.<sup>161</sup> Opportunity Reconnect emerged from the idea that co-locating services would lead to better service integration.<sup>162</sup> Unfortunately, Opportunity Reconnect has not succeeded. As of this year, Goodwill and Legal Services are the only consistent providers on-site, while county welfare performs intakes once a week, and the remaining agencies visit rarely or never.<sup>163</sup>

Opportunity Reconnect likely failed because it focuses on co-location rather than coordination. All of the providers besides Goodwill already had offices in Newark’s Central Ward. The problem was never that formerly incarcerated people had to travel four blocks to go from the county welfare board to the career center; it was that none of these agencies were sharing information or reporting to a common authority.

The Newark Prisoner Reentry Initiative, the subject of this thesis, focuses on the governance rather than the location of resettlement services. Under this initiative, the city

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<sup>160</sup> Crossley 2008.

<sup>161</sup> Greenwald and Hussock 2009, 3.

<sup>162</sup> Lockhart, Ullman and Chant 2008, 7.

<sup>163</sup> Giardi 2011. Phone interview by author.

acted as the *manager* of programs, not simply the convener of programs. When Newark received \$4.1 million in federal and private funding for NPRI, it formed an Office of Reentry under the Department of Economic and Housing Development to manage the initiative. The Office was staffed by a director—a lawyer “on loan” to the city—and an office manager. The Office has since added a data analyst and another lawyer.<sup>164</sup> NPRI grant funding was conditioned on the city meeting a set of performance benchmarks. In contrast to Opportunity Reconnect, the Office of Reentry assumed direct responsibility for applying these benchmarks to the six organizations it selected to provide resettlement services.

The Office of Reentry contracted with Public/Private Ventures (PPV) to design the RFP process and provide ongoing technical assistance to the subcontracting organizations. PPV had experience managing a similar initiative for the US Department of Labor, called Ready4Work (see Chapter 1 and Appendix A). Under NPRI, six organizations were selected to serve, over two years, 1,360 recently released formerly incarcerated individuals—roughly half of the population that would be returning home from state prison, assuming most were exiting the state system.<sup>165</sup> (Federal prisoners, jail inmates convicted of felonies, as well as state prisoners still residing in halfway houses, were also eligible.) Four local organizations received contracts to serve people with non-violent presenting offenses—a condition of the federal grant—while two nationally renowned organizations received private “match” dollars to serve people convicted of violent offenses. Each organization was responsible for the recruitment and enrollment, case management, job development, and finally, mentoring of a specified number of clients. The Office of Reentry, which received walk-in clients at City Hall, played a secondary recruitment role. These clients were referred to one of six

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<sup>164</sup> Johnson 2010. Phone interview by author.

<sup>165</sup> 1,700 people return to Newark from state prison. NPRI enrollment occurred over 18 months. See Newark Office of Reentry 2011, 1.

organizations, based largely on capacity.<sup>166</sup>

The city originally intended to make contracts with the organizations 100% performance-based, but due to pushback from the organizations, the city agreed to condition only 20% of funds on performance.<sup>167</sup> Organizations were reimbursed for their costs on a monthly basis, and received funds for meeting performance benchmarks on a quarterly basis, with the exception of recidivism, which was to be assessed yearly. To receive funds for performance, organizations had to meet enrollment targets and ensure that (1) 70 percent of clients participated in mentoring, (2) 60 percent secured employment with an hourly wage above \$9 per hour, (3) 70 percent of those placed retained employment for six months, (4) average wages over six months exceeded \$9,360, and (5) less than 22 percent of all clients were reconvicted or returned to prison within a year.<sup>168</sup> Organizations were to input enrollment and outcomes into a Management Information System designed by the US Department of Labor. Those who failed to meet benchmarks were not only at risk of losing their performance bonus; they risked having their contract revoked or enrollment reduced.

The city held monthly “ReentryStat” meetings with the organizations to review performance and troubleshoot common problems.<sup>169</sup> The name references a data-driven management approach used by city police departments, including Newark’s. These reentry sessions were run quite differently from typical CompStat meetings, however. Where CompStat holds precinct commanders publicly accountable for crime statistics in their assigned area, the Office of Reentry did not share individual performance data with the group. Each organization would receive a print out of their individual performance for the month, but

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<sup>166</sup> Johnson 2010. Phone interview by author.

<sup>167</sup> Hodne 2011. Phone interview by author.

<sup>168</sup> City of Newark and La Casa de Don Pedro 2009, 6-7.

<sup>169</sup> Greenwald and Hussock 2009, 3.

the benchmarks displayed to the group were all collective.<sup>170</sup> The city used “ReentryStat” meetings to review aggregate performance goals, whereas the city reserved follow-up phone conversations for discussing why an individual organization was lagging.<sup>171</sup> Even so, the city was highly protective of the privacy of “ReentryStat” meetings and while other stakeholders, such as Parole or the local Workforce Investment Board, might be invited to discuss an issue of relevance to NPRI organizations, they were not included in discussions of NPRI performance.

As TA provider, PPV worked with the city to offer what were essentially professional development sessions for the grantees. These included initial trainings on how to use the Management Information System, as well as working sessions for job developers and case managers to discuss common problems and compare their approaches. Much like “ReentryStat” meetings, these group sessions were designed to build trust and encourage collaboration among providers.

In short, NPRI marked a new approach that attempted to unite providers, not under one roof, but around a common set of performance goals. For the first time in Newark’s history, the city took on the role of managing resettlement providers. “ReentryStat” meetings were meant to reinforce the idea that aggregate performance mattered, while the city’s private conversations with individual organizations ensured everybody was pulling their weight. Technical meetings, again, attempted to build a community of providers who learn from each other’s approaches and share resources, such as job leads. Meanwhile, a city-led Reentry Council aimed to open lines of communication between the city, community-based providers

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<sup>170</sup> Case manager A 2011. Interview by author.

<sup>171</sup> Johnson 2010. Phone interview by author.

and other resettlement stakeholders, such as Parole and Newark's police department.<sup>172</sup>

The city's three core responsibilities, according to the NPRI implementation plan, were as follows: (1) "develop, deliver and coordinate quality and comprehensive services" (2) "collect, track and evaluate data related to both the ex-offender population and quality and quantity of services"; (3) "identify and effect systemic approaches to facilitate former offenders' efforts to rejoin their families and communities [...] through law, public policy and public education."<sup>173</sup>

I argued in the previous chapter that the city's capacity, its commitment to prisoner resettlement relative to a broader political agenda, and the social context help define the scope of the city's support for prisoner resettlement. How the city manages and tracks the performance of NPRI grantees, as a strictly programmatic effort, is somewhat immune to these considerations. The money from the federal government obligated the city to serve a certain number of clients, and while the city made a few strategic decisions regarding how the Reentry office would be staffed and how participating organizations would be managed, the scope of NPRI, as a program, was more or less set in stone by the conditions of the federal grant. Naturally, the city had no power to redirect a portion of NPRI funds to, say, develop a new parking lot next to the Prudential Center.

Where the city's resources and priorities come into play is the "value added" that the city brings to the initiative: the extent to which the city uses its influence to substantially improve *opportunities* for formerly incarcerated people—beyond managing performance of a program. Because it has greater influence and deeper resources, a city is in a better position than community-based organizations to incentivize employers to hire formerly incarcerated

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<sup>172</sup> US Department of Labor and City of Newark 2009, 30.

<sup>173</sup> *Ibid.*, 3.

people. Context, capacity and commitment determine the extent to which the city is able to pursue such an agenda.

Across the board, the challenges Newark faces are great and its resources are limited. Newark's population today is about half of what it was in the 1930s.<sup>174</sup> The once-dominant manufacturing industry now accounts for 7 percent of the city's jobs.<sup>175</sup> Forty-one percent of working-age black males were unemployed or out of the labor force last year,<sup>176</sup> while just a quarter of Newark's jobs belong to Newark residents.<sup>177</sup> Meanwhile, the city has struggled to balance its budget for three years and counting.<sup>178</sup>

In Chapter 1, I reviewed ways that cities around the country have sought to improve employment opportunities for formerly incarcerated people. One of the principal ways is through changes to hiring policies. In contrast to several of the cities profiled, Newark has not pursued a Ban-the-Box initiative that removes criminal history questions on initial applications for employment with the city or its vendors. In this case, context dissuaded Newark from banning the box. Since 2008, the city of Newark has been subject to a state-mandated hiring freeze; banning the box on public employment applications, the city felt, would send the odd message that the city is, in fact, hiring.<sup>179</sup> With the city unable to model hiring guidelines itself, a law that requires private employers to change their practices did not seem politically viable.

Instead, the city devised a softer approach for encouraging employer participation in NPRI. Since 2000, the city has upheld a "first source" hiring ordinance requiring construction

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<sup>174</sup> Mumford 2007, 33.

<sup>175</sup> US Economic Census 2007.

<sup>176</sup> Levine 2010, 11.

<sup>177</sup> Initiative for a Competitive Inner City and Opportunity Newark 2006, 71.

<sup>178</sup> Giambusso 2010.

<sup>179</sup> Johnson 2010. Phone interview by author.



contractors and all firms receiving tax breaks or doing business with the city to hire Newark residents.<sup>180</sup> Like many first source agreements, the ordinance is loosely enforced,<sup>181</sup> and businesses are expected to make “best efforts” to follow it.<sup>182</sup> Though the ordinance does not specifically mention formerly incarcerated people, the Office of Reentry has relied on the ordinance to encourage employers to participate in NPRI. The director of reentry joins the director of the Workforce Investment Board in meetings with employers to educate employers about the Newark Prisoner Reentry Initiative as one means of sourcing local candidates.<sup>183</sup> Mayor Booker, several newspaper articles suggested, also made calls to local employers asking them to hire NPRI participants.<sup>184</sup> The Mayor’s influence is not to be underestimated. He was able to leverage millions of dollars from the business community to install security cameras to prevent crime, for example.<sup>185</sup>

It goes without saying that asking businesses to hire formerly incarcerated people is more challenging than asking them to pitch in to purchase security cameras, and requires the Mayor to expend significantly more political capital. As a quick review of local employers will show, most of Newark’s anchor employers have good cover to refuse to hire formerly incarcerated individuals without fear of violating employment law, and many do refuse to hire. That being said, it is important to recognize that with 1,700 people returning from state prison to Newark every year, mobilizing employers to reserve just 1 percent of their jobs for this population would effectively meet the need of those released from state prison in any

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<sup>180</sup> City of Newark 2003, 257.

<sup>181</sup> Johnson 2010. Phone interview by author.

<sup>182</sup> City of Newark 2003, 258.

<sup>183</sup> Alternative Staffing Alliance 2010, 18.

<sup>184</sup> Jacobs 2008.

<sup>185</sup> Richard 2010.

given year.<sup>186</sup>

A quarter of the jobs in Newark are government jobs.<sup>187</sup> Newark's hiring woes have already been reviewed. Large federal employers located in Newark, such as the Federal Bureau of Investigation and the Internal Revenue Service, impose strict background requirements even for contractors who enter federal buildings, based on protecting access to sensitive information.<sup>188</sup> New Jersey State keeps regional offices in the city, and reports from organizations interviewed for this thesis suggest their hiring practices are just as exclusionary toward people with criminal records.<sup>189</sup> The state-run school district has plenty of leeway to deny employment to formerly incarcerated individuals based on the population they serve.<sup>190</sup> What is more, Newark has little influence over state or federal employers.

Two of the largest employers in the city are the Newark Airport and Port Newark/Elizabeth (the third largest port in the country), and associated private firms. In 2004, about 19,000 people were employed at the airport, and 1,900 people were employed in the Newark section of Port Newark/Elizabeth.<sup>191</sup> Both the port and the airport offer critical pathways to a living wage for workers without a college education. A federal mandate requires background checks on port workers and truck drivers, meaning formerly incarcerated people are shut out of this career pathway.<sup>192</sup> There is a waiver process, but suffice it to say, anyone released from prison in the last five years will find it very difficult to work at Port Newark, even as a truck driver. Some off-site trucking jobs associated with the port do not require a Transportation Workers Identification Credential. Here the challenges are finding

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<sup>186</sup> New Jersey Department of Labor and Workforce Development 2009.

<sup>187</sup> Ibid.

<sup>188</sup> Homeland Security Presidential Directive 2004.

<sup>189</sup> Giardi 2011. Phone interview by author.

<sup>190</sup> Community Legal Services Inc. 2009, 5.

<sup>191</sup> DJM Harris and AECOM 2008, 38.

<sup>192</sup> Emsellem et al. 2009, 5.

insurance companies willing to insure people with records and relieving formerly incarcerated people of their obligations to pay court fines and fees in order to obtain a commercial driver's license. Advocates have been marginally successful in both these areas.<sup>193</sup> The airport, on the other hand, is simply off-limits: state and federal laws expressly deny employment at the airport to anyone convicted of a felony in the last ten years.<sup>194</sup>

Three of the city's ten largest private employers are hospitals.<sup>195</sup> Under New Jersey law, formerly incarcerated people are disqualified from serving as nurse's aides or personal care attendants.<sup>196</sup> Across the country, hospitals and other health care providers tend to apply strict background check requirements on all employees, on the grounds that hospitals serve "vulnerable populations." A notable exception is Johns Hopkins University Hospital in Baltimore, Maryland, where five percent of new hires at the East Baltimore campus have criminal records. This commitment by the hospital seems modest given that a majority of African American men ages 20 to 30 in the city are *currently* under correctional supervision.<sup>197</sup> Nevertheless, the director of human resources for the hospital reports "still [getting] laughs" when she presents on the policy at industry conventions.<sup>198</sup> Though I did not interview Newark hospitals for this thesis, it is safe to assume many of these jobs are inaccessible to recently released, formerly incarcerated individuals; none of the NPRI organizations reported success placing people in area hospitals.

Rounding out the city's largest employers are two insurance companies, a brewery, a

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<sup>193</sup> Williams 2011. Interview by author.

<sup>194</sup> New Jersey Department of Labor and Workforce Development 2008, 42.

<sup>195</sup> ReferenceUSA 2010.

<sup>196</sup> New Jersey Department of Labor and Workforce Development 2008, 46.

<sup>197</sup> Justice Policy Institute 2005, 10.

<sup>198</sup> Alternative Staffing Alliance 2010, 18.

security guard and patrol service, an electric company and a telephone company.<sup>199</sup> Financial services companies are required by federal law to run background checks<sup>200</sup> and are likely safe under Title VII to deny employment to individuals with recent felony convictions even for janitorial positions, given that janitorial work is unsupervised and these companies handle sensitive financial information. New Jersey law bars people with criminal records from working in the alcoholic beverage industry and as security guards, so the brewery and the patrol service are off the table.<sup>201</sup> That leaves the telephone company and the electric company, which are conceivably open to formerly incarcerated people, though reports from the organizations I interviewed suggest the electric company refused to hire a group of formerly incarcerated men who had gone through a utility-sponsored green jobs training.<sup>202</sup> What is more, EEOC data shows that in Newark, a majority-minority city, three quarters of employees in the utility industry are white.<sup>203</sup>

The hiring behavior of Newark's anchor employers is important for two reasons. First, totaling government jobs, port jobs and these largest private employers<sup>204</sup> already captures half of the 150,000 jobs<sup>205</sup> located in the city of Newark. Secondly, large private and government employers are known to pay higher wages and better benefits; they also tend to be concentrated in sectors (such as healthcare) that are growing.<sup>206</sup> Newark jobs open to formerly incarcerated people, therefore, are more likely to be low-wage and unstable. That being said, even among the employers reviewed above, the city has room to push. A fraction of the jobs above are legally restricted to people with clean records according to state or

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<sup>199</sup> ReferenceUSA 2010.

<sup>200</sup> Fahey, Roberts and Engel 2006, 11.

<sup>201</sup> New Jersey Department of Labor and Workforce Development 2008, 43.

<sup>202</sup> Brown 2011. Interview by author.

<sup>203</sup> US Census Bureau 2000.

<sup>204</sup> ReferenceUSA 2010.

<sup>205</sup> New Jersey Department of Labor and Workforce Development 2009.

<sup>206</sup> New Jersey Department of Labor and Workforce Development 2010a.

federal law; the remainder are up to the discretion of the employer. Furthermore, this illustrative analysis only considers jobs within the city limits, where the city has the greatest power to influence employer behavior. As Chapter 5 will note, many NPRI candidates were able to secure jobs in suburban warehouse districts, for example.

As this chapter has shown, the city entered NPRI with a clear plan for managing the six organizations and tracking their performance. The city's plan for swaying employers to participate in NPRI was decidedly more open-ended. The Office of Reentry had the idea of inserting itself into conversations between employers and the Workforce Investment Board, while the Mayor gave the impression he was having informal conversations with employers. All the while, the city avoided imposing mandates on employers that required their participation.

## Chapter Four – The Organizations

The aim of my thesis is to suggest ways for cities to improve the employment outcomes of formerly incarcerated people. I have argued that cities will need to combine programs that directly aid the resettlement population and policies that lift systemic barriers to resettlement. On the program side of these efforts, cities need to rely on partners in order to serve a significant share of the population returning home from prison. A critical question for cities to understand if they are to identify effective partners is what explains the performance of one organization relative to another. The Newark Prisoner Reentry Initiative provides an excellent venue for comparing performance across different organizations operating in a single labor market and under common expectations.

In Chapter 2, I introduced a framework for comparing the performance of the six community-based organizations who received funding to serve NPRI clients. I argued that financial and social resources (inputs), as well as organizational context, program design and, finally, implementation (throughputs) together shape performance outputs of each organization. This chapter will compare differences in resources, context and program design of the six NPRI organizations; the following chapter, 5, will analyze each organization's experience implementing NPRI to explain differences in program outputs.

We know from the previous chapter that NPRI organizations shared certain features in common. All were managed by the city's Office of Reentry, and were selected to provide case management, job placement and mentoring services to a specific number of clients. Grants were equivalent on a per capita basis—about \$2,000 per client enrolled—with the exception of one organization (New Jersey Institute for Social Justice), which received additional

funding to provide transitional jobs prior to direct placement. Limited funding, pressure to place people quickly, and general trends in resettlement programming led to subtler differences in program design among the grantees, with all programs delivering soft- but no hard-skills training. The organizations, meanwhile, exhibited much stronger differences in the resources they commanded and the context in which they operated.

Five of the organizations operated a direct placement model that included a pre-employment workshop, ongoing case management and service referrals, mentoring, and assistance with direct placements. The sixth organization added one other dimension to its model, a mandatory transitional work experience that occurred prior to direct placement, designed, again, to teach work readiness, not a particular skill. Chapter 1 reviewed the differences between transitional work and direct placement programs. NPRI allows us to compare the effects of a transitional jobs program versus a direct placement model in one labor market, without, of course, controlling for the variety of organizational differences reviewed here.

All six organizations varied in the length of the pre-employment workshop, in the number of staff dedicated to case management versus job development, and the types of support services they offered in-house. PPV has argued that low caseloads are positively associated with performance;<sup>207</sup> with caseloads varying widely across the organizations, the next chapter will examine the extent to which caseload sizes are explanatory of performance.

All the organizations were at least a decade old, but varied in the number of years they had served formerly incarcerated people. Two of the organizations are nationally known and the rest were local community organizations. Local and national organizations appeared to

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<sup>207</sup> Jucovy 2006, 9.

have distinct orientations toward clients and employers. Size also varied across participating organizations. Larger organizations naturally commanded more financial resources, while social and human resources were less correlated with organizational size. NPRI organizations also had different enrollment targets, which is to say, they varied not only in organizational capacity in the absolute sense, but in their capacity relative to their specific enrollment target. For cities to identify resettlement partners, it is important to consider whether the same organization would still be effective if it were contracted to serve more clients; I return to this question in the following two chapters.

Organizations need two things for their resettlement program to be successful: they need to be trusted by clients and employers, and they need sufficient organizational capacity to operate a resettlement program. These preconditions for success could very well stand at odds with each other. As an example, the organizational literature suggests that smaller organizations are able to foster greater commitment among staff, who in turn may be more responsive to clients.<sup>208</sup> On the other hand, small organizations are also potentially less efficient and less capable of handling large numbers of clients, which raises problems for bringing programs to scale. Larger organizations are more stable,<sup>209</sup> can spread administrative costs over several program areas and connect clients to related, in-house services. To the extent they have name recognition, large organizations may also be in a better position to inspire trust among employers.<sup>210</sup> Again, there is the risk that quality will suffer when a program is one of several dozen priorities of a large organization, as opposed to the focused mission of a small, specialized organization.

Tensions between the general capacity to *administer programs* and the ability to relate

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<sup>208</sup> Thomas 1959, 37.

<sup>209</sup> Ranger-Moore 1997, 903.

<sup>210</sup> Laufer and Winship 2004, 217.



to specific stakeholders extends to my analysis of organizational resources. Certain resources tend to be associated with one mode of capacity more than another. Financial resources I associate with an organization's administrative capacity, more than its ability to relate to clients or employers. Organizations with additional financial resources could conceivably add services not covered by the grant, subcontract, attract more competent staff or otherwise respond to unexpected changes.<sup>211</sup>

Social resources, or connections to political, community and business leaders, could be especially critical in relating to employers, given the importance of networks in brokering employment opportunities.<sup>212</sup> As the literature suggests, employers that have heard of a particular organization, or have a relationship with a particular organization, will be more willing to take a chance and hire one of their clients.

Human resources cross both domains of capacity. Having competent staff who are efficient and professional is an asset to any program. Staff also play a critical role in how NPRI organizations relate to employers and clients. A suggestion that formerly incarcerated people often voice for resettlement programs is that program staff should have gone through the criminal justice system themselves.<sup>213</sup> As a review of NPRI organizations will show, certain organizations employed formerly incarcerated people on their staff, while other organizations did not. The next chapter will return to the question of whether having formerly incarcerated staff matters, particularly as a way of building trust among clients.

As this chapter documents, NPRI organizations demonstrate different advantages in administrative capacity, as well as in their capacity to relate to stakeholders. NPRI organizations with the fewest financial resources (in other words, the least administrative

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<sup>211</sup> Bourgeois 1981, 31.

<sup>212</sup> Granovetter 1995, 18.

<sup>213</sup> See, for example, Condit 2008.

capacity) have some of the strongest social resources, or networks with employers, politicians and other community institutions.

### La Casa De Don Pedro

La Casa De Don Pedro was founded by a group of Puerto Rican parents who opened New Jersey's first bilingual/bicultural daycare center in Newark's North Ward in 1972. Today, La Casa employs 173 full-time staff at eight locations and maintains a budget of \$12 million and net assets of \$2.6 million,<sup>214</sup> making it the largest organization to participate in NPRI. The board is populated by financiers, lawyers and corporate executives, none of whom played a particularly active role in NPRI.<sup>215</sup> La Casa's executive director oversees five division directors, who manage programs in the areas of (1) Early Childhood Development, (2) Youth, Family and Health Services, (3) Personal Development, (4) Community Improvement and (5) Community and Economic Development. Its affiliates include a community development corporation and LC HomeBuilder, a general contractor.<sup>216</sup> Early Childhood Development remains the largest of La Casa's five divisions, followed by Community Improvement, which manages energy assistance and home weatherization programs for low-income residents.

Receiving 10 percent of the annual budget, workforce development is a related, but not the dominant service area at La Casa.<sup>217</sup> The Personal Development Division has offered job development, job placement, computer training and adult education programming "for a number of years" and always made an effort to include formerly incarcerated people,

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<sup>214</sup> Guidestar.com 2008a.

<sup>215</sup> La Casa de Don Pedro 2010b.

<sup>216</sup> La Casa de Don Pedro 2010.

<sup>217</sup> Guidestar.com 2008a, 3.

according to Gregory Hodne, the deputy director.<sup>218</sup> La Casa's formal resettlement programming began only a year before NPRI, with the Responsible Parenting Program (RPP). Funded by the New Jersey Department of Corrections, RPP included parenting skills classes, case management, job readiness and job placement. La Casa's experience with RPP proved useful in securing an NPRI contract. RPP also convinced La Casa that targeted programming made sense for formerly incarcerated clients.<sup>219</sup>

Among NPRI programs, La Casa's was comparatively understaffed. One case manager and one job developer eventually served over 200 clients in total. The division director and deputy director, responsible for overseeing seven major programs, were detached from daily program work, but brought a good deal of experience negotiating performance-based contracts and holding staff to those standards. The case manager from RPP was hired as the NPRI job developer, who was joined by a newly hired NPRI case manager.<sup>220</sup> The NPRI case manager had a decade of social work experience and was involved in the "Second Chance" campaign described in Chapter 3 as advocacy coordinator for the Hispanic Directors Association of New Jersey. Both staff claimed personal experiences with the criminal justice system, and the case manager, in particular, expressed a deeply personal commitment to her clients.<sup>221</sup>

La Casa is a neighborhood-oriented, well-resourced, mature organization that is also highly formalized. The professional culture of the organization stands somewhat in contrast to the personable style of program staff. Staff roles are sharply defined, and division directors act as managers rather than partners of program staff. Staff did not receive incentives for

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<sup>218</sup> Hodne 2011. Phone interview by author.

<sup>219</sup> Ibid.

<sup>220</sup> Ibid.

<sup>221</sup> Rivera 2011. Interview by author.

performance, but program managers made clear that staff who failed to perform would be let go.<sup>222</sup> The NPRI office, though well equipped, had very little unprogrammed space for clients to socialize, besides the waiting rooms.

The structure of La Casa's NPRI program model was typical of the initiative. Entrants began with one to two weeks of job search and life skills training, followed by ongoing case management and job search support.<sup>223</sup> Against the wishes of the city, which preferred volunteer mentors, staff assumed responsibility for leading group-mentoring sessions themselves.<sup>224</sup> Meanwhile, the fact that NPRI shared offices with La Casa's other workforce programs meant NPRI candidates had the opportunity to take GED courses and use La Casa's computer lab to develop resumes and apply for jobs online.<sup>225</sup>

#### Goodwill of New York and Northern New Jersey

Founded in 1922, Goodwill of New York and Northern New Jersey (GNYNJ) is one of 165 Goodwill chapters across North America. Workforce development for people with barriers to employment, particularly people with disabilities, has always been the focus at GNYNJ, though services specific to formerly incarcerated people did not begin in Northern New Jersey until 2005.<sup>226</sup> GNYNJ's five service divisions in workforce development, youth services, temporary staffing, industrial programs and retail are administered regionally.<sup>227</sup> The Northern New Jersey central office is located in Harrison, NJ, fifteen minutes outside of Newark. A satellite space at Essex County College in Newark's Central Ward was opened in

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<sup>222</sup> Melendez 2011. Phone interview by author.

<sup>223</sup> Rivera 2011. Interview by author.

<sup>224</sup> Shingledecker 2011. Phone interview by author.

<sup>225</sup> Hodne 2011. Phone interview by author.

<sup>226</sup> Giardi 2011. Phone interview by author.

<sup>227</sup> Goodwill 2010.

2006 specifically to serve formerly incarcerated people.<sup>228</sup> GNYNJ has the largest budget of any organization to participate in NPRI. Altogether, GNYNJ has a budget of \$100 million, at least 100 full-time employees (excluding retail and industrial trainees), and net assets of \$35 million.<sup>229</sup>

For three years, GNYNJ was a direct grantee of the Department of Labor's Prisoner Reentry Initiative (PRI). The program was virtually identical to NPRI, except for the fact that Goodwill was the only grant recipient.<sup>230</sup> GNYNJ's PRI program lasted up to the start of NPRI, and a number of staff, including the program and division directors, held the same roles through both grants. Program staff were therefore already familiar with the Department of Labor's MIS system and also carried over some employer relationships from PRI.<sup>231</sup>

GNYNJ employed six program staff to serve 620 people, including three case managers, two job developers and an administrator.<sup>232</sup> GNYNJ's program was privately funded by the Nicholson Foundation as the city's match. The flexibility of private funding allowed GNYNJ to subcontract with Blessed Ministries Inc. to enroll 100 of the 620 candidates. Blessed Ministries Inc. specialized in placing individuals in warehouse jobs, but also provided case management services. For its mentoring program, Goodwill subcontracted with five local agencies to refer mentors for their clients.<sup>233</sup>

GNYNJ's program director served as one of the three case managers, and reported to the vice president of the Northern New Jersey office. The vice president, responsible for numerous programs in Northern New Jersey, did not normally get involved in daily

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<sup>228</sup> Case manager A 2011. Phone interview by author.

<sup>229</sup> Guidestar.com 2008b.

<sup>230</sup> Holl and Kolovich, 2009.

<sup>231</sup> Giardi 2001. Phone interview by author.

<sup>232</sup> Case manager A 2011. Phone interview by author.

<sup>233</sup> Giardi 2011. Phone interview by author.

operations unless, for example, a job developer found an employer who wanted to hire a large number of candidates at once. Job developers were assigned monthly placement quotas. Those who exceeded their quota were awarded with a nominal bonus of \$100 per placement. Case managers were compensated strictly on a salary basis.<sup>234</sup>

Of NPRI organizations, only GNYNJ and America Works served individuals whose most recent conviction was violent. When the Nicholson Foundation funded the city's match under NPRI, the foundation required the city to contract with GNYNJ and America Works to serve people convicted of violent offenses. Internal GNYNJ policies excluded people convicted of arson, any sexual offense, child endangerment and, in most cases, murder. GNYNJ ultimately had trouble finding a sufficient number of violent offenders to serve, and ended up enrolling a fair number of nonviolent formerly incarcerated people as well.<sup>235</sup>

GNYNJ received candidate referrals from the city, but also did independent recruitment at correctional facilities. Clients from halfway houses were common among their participants. Compared to their work under PRI, staff were more selective in who they enrolled in the program. Clients needed to demonstrate commitment to the program and be free from major employment barriers, such as active substance abuse, in order to be considered enrolled. Staff would perform intakes on everyone referred, but until clients attended two weeks of pre-employment classes, they were not entered into the MIS.<sup>236</sup>

GNYNJ's NPRI program did not deviate too far from the core services they were required to perform under the grant. GNYNJ's admitted strength is job placement and job development. Their pre-employment, job skills course was the longest and most extensive

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<sup>234</sup> Ibid.

<sup>235</sup> Ibid.

<sup>236</sup> Giardi 2011. Phone interview by author.

among the NPRI programs.<sup>237</sup> Along with America Works, GNYNJ was perhaps the only organization to take seriously the idea that employers were also their customers. Employers who did not feel comfortable hiring a client directly were invited to hire the client through GNYNJ's temporary staffing agency.<sup>238</sup> Meanwhile, clients received auxiliary services, like substance abuse treatment, largely by referral. GNYNJ's program setting, inside Essex County Community College, had the look and feel of the One Stop Career Center. The space is easily accessible but is not likely to invite casual visits.

### Renaissance Community Development Center

Renaissance Community Development Center (RCDC) is a faith-based organization in Lower Roseville in Newark's West Ward. RCDC opened in 2001, preceded by the attached storefront church in 1995. Located across from a high-rise housing project that suffered from a major crime problem, RCDC began as a safe place for youth to visit afterschool. To reach parents of the youth, RCDC started a food pantry. As RCDC built relationships with parents, more specialized programs in substance abuse rehabilitation and adult education were introduced.<sup>239</sup> Three years prior to NPRI, RCDC began offering mentoring and limited job search assistance to clients referred by New Jersey's Intensive Supervision Program (ISP), a parole option with strict supervision guidelines, which, on its own, has been associated with reduced recidivism and improved employment outcomes. RCDC continued to serve a significant number of ISP clients during NPRI.<sup>240</sup>

Of NPRI programs, RCDC had the second smallest budget and had no assets going into the grant. Programs operate on a shoestring budget and the CEO, Pastor Thomas

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<sup>237</sup> Case manager A 2011. Phone interview by author.

<sup>238</sup> Giardi 2011. Phone interview by author.

<sup>239</sup> Reddick 2011. Phone interview by author.

<sup>240</sup> Case manager B 2011. Interview by author.

Reddick, receives an annual salary of \$20,000.<sup>241</sup> While RCDC has offered adult GED and literacy courses, RCDC did not employ a job developer until NPRI. To serve 138 clients under NPRI, RCDC employed two case managers and a half-time job developer. Roles were significantly less formalized at RCDC than at other programs. Reddick as well as his wife played active roles in daily program work, both in building relationships with employers and mentoring clients. The organization as a whole is divided into program areas, not so much divisions, and Reddick, his wife and son appeared to have relatively centralized control over all these programs.<sup>242</sup>

Program staff at RCDC were less experienced in the social services field than staff at other organizations. The lead case manager had recently retired from Verizon and was an active member of the church before she was hired to work on NPRI. Reddick, meanwhile, had a personal stake in NPRI's mission, having served time in prison himself.<sup>243</sup>

Though constrained financially and by lack of experience, RCDC benefitted from strong social networks. Reddick is a notable community activist who served as an advisor to Mayor Booker's campaign. The case manager quipped that one night when her power was out, she asked Reddick to call the mayor, and her power was back in five minutes. The CEO also drew on his relationships with unions and some local employers to connect RCDC clients to work. Church members readily volunteered to serve as mentors to clients.<sup>244</sup>

RCDC was located closer to where many clients lived, and the center itself, though small in size, was open to informal gathering. The computers in the main hall were publicly accessible, and lunch was served communally most weekdays. One NPRI client, discovered to

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<sup>241</sup> Guidestar.com 2008c.

<sup>242</sup> Case manager B 2011. Interview by author.

<sup>243</sup> <http://www.renaissancechallengeconquerors.org/about.html>

<sup>244</sup> Case manager B 2011. Interview by author.



be a talented barber, was invited to use the center as his barbershop on the weekends.<sup>245</sup> This community-oriented setting was unique among NPRI organizations.

Clients were enrolled in the MIS at the point of intake, but no client was sent to an employer prior to passing a drug screening test, which RCDC, with its outpatient treatment center, could administer without hassle. Following two weeks of employment readiness training, RCDC clients were also encouraged to take advantage of other in-house services including GED and literacy courses, substance abuse treatment and family counseling. In addition to individual placements in the private sector, RCDC put clients to work as trainees with their affiliated construction company and thrift store.<sup>246</sup>

### New Jersey Institute for Social Justice

New Jersey Institute for Social Justice (NJISJ) received funding under NPRI to continue a transitional jobs program for formerly incarcerated people it had launched in 2006, called New Careers.

A “think and do tank” located in Newark’s Central Ward, NJISJ operates two divisions, one dedicated to legislative advocacy, policy research and litigation, and the other to workforce programs for Newark residents.<sup>247</sup> The divisions are located in separate offices and are managed by division directors who report to the executive director. Both divisions have engaged prisoner resettlement issues. Staffed largely by attorneys, NJISJ’s advocacy division helped coordinate the Second Chance Campaign described in Chapter 3, which supported Assemblywoman Bonnie Watson Coleman in passing a series of statewide criminal

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<sup>245</sup> Ibid.

<sup>246</sup> Reddick 2011. Phone interview by author.

<sup>247</sup> NJISJ 2009.

justice reforms.<sup>248</sup> The Workforce Development and Training Division receives one quarter of the organization’s budget of \$2.5 million and staff of 16. While workforce development is a related—not exactly dominant—program area of the institute, formerly incarcerated people are dominant among the population served by the Institute’s “demonstration programs.”<sup>249</sup> The division houses their resettlement program, New Careers, and previously ran the Newark/Essex Construction Careers Consortium pre-apprenticeship training for low-income people of color—12 percent of whom were incarcerated.<sup>250</sup> Upcoming programs are also targeted toward formerly incarcerated people.<sup>251</sup>

Founded in 1999, NJISJ was one of the younger and also best capitalized organizations selected to participate in NPRI, with over \$8 million in net assets.<sup>252</sup> Its board includes mostly lawyers, as well as a former director of the Port Authority (who also sits on the board of La Casa de Don Pedro). NJISJ’s program was more generously staffed than most NPRI programs, even relative to enrollment. Consisting of a project director, two job developers, a case manager, two administrators, and a part-time MSW who supervised graduate-level interns, the New Careers team exhibited no shortage of experience in workforce development or serving formerly incarcerated clients.<sup>253</sup> The director had designed numerous pre-apprenticeship programs, the case manager had more than fifteen years of experience, one job developer had worked ten years at the Mayor’s Office of Employment and Training and the other had managed fatherhood programming for formerly incarcerated men in Trenton. In addition, the case manager and one job developer had worked on New

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<sup>248</sup> Brooks 2011. Phone interview by author.

<sup>249</sup> NJISJ 2010, 14.

<sup>250</sup> Chimienti 2010, 72.

<sup>251</sup> Williams 2011. Interview by author.

<sup>252</sup> Guidestar.com 2008d.

<sup>253</sup> Williams 2011. Interview by author.

Careers prior to NPRI.<sup>254</sup>

NJISJ was also well connected to political, union and employer networks, and experienced in organizing networks. The work of the advocacy division brings NJISJ in regular contact with elected officials. Within the workforce division, the Newark/Essex Construction Careers Consortium demonstrated the institute's ability to open "lines of communication" among unions, contractors, government agencies and educational institutions in designing a successful program that paved the way for low-income residents to enter the building trades.<sup>255</sup>

The intake and case management process at NJISJ was relatively typical of NPRI programs. Individuals admitting active drug use were screened out, as were people with untreated mental health issues. Those clients who completed a one- to-three day orientation were enrolled in the MIS. NJISJ placed a strong emphasis on assessing client needs.<sup>256</sup> In addition to what the city required, NJISJ offered medical examinations and temporary debit cards.<sup>257</sup>

On the other hand, their job readiness and placement model, carried over from their reentry program started several years earlier, was unique among NPRI organizations. Pre-employment training was extended over eight weeks in the form of a transitional job offered by Greater Newark Conservancy (GNC), a local environmental organization. NJISJ received an additional \$3,000 per client to cover the supervision and wage costs associated with transitional jobs.<sup>258</sup> These funds were passed on to Greater Newark Conservancy, the subcontractor. The transitional jobs were designed to teach basic work skills, like timeliness

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<sup>254</sup> Ibid.

<sup>255</sup> Payne and Fine 2001, 7.

<sup>256</sup> Wilson 2011. Phone interview by author.

<sup>257</sup> Williams 2011. Interview by author.

<sup>258</sup> City of Newark and NJISJ 2009, 1.

and interacting with supervisors. As with most transitional jobs programs, work was menial and compensation (\$166 per week) was modest. Clients performed landscaping and maintenance services at three hundred city-owned lots.<sup>259</sup> Supervisors at GNC provided feedback on clients to NJISJ staff, who visited the work sites on occasion.<sup>260</sup> Clients, who worked three days a week, were required spend one of their days off at the NJISJ office to search for work or attend a life skills course. Following completion of the transitional job, the job development and search support proceeded on an individual basis much like other NPRI programs.<sup>261</sup>

### Offender Aid and Restoration

Offender Aid and Restoration of Essex County (OAR) began as a voluntary organization in 1984 to provide support services to people returning home to prison. The organization continues to exclusively serve formerly incarcerated people and their families in a barebones office in downtown Newark. The smallest of the NPRI organizations, OAR has a staff of only eight and no net assets.<sup>262</sup> Three program directors are responsible for OAR's core service areas—case management to adults, case management to juveniles and transportation for children to visit their incarcerated parents. As the directors work closely together on similar programs, OAR does not exhibit much horizontal differentiation, and it would be a stretch to say the directors headed separate divisions.

OAR had provided some job search services prior to NPRI, but their admitted strength is case management. While OAR had never previously participated in a performance-based contract as rigorous as NPRI, OAR brought substantial experience navigating social services

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<sup>259</sup> Ibid.

<sup>260</sup> Gittens 2011. Phone interview by author.

<sup>261</sup> Williams 2011. Interview by author.

<sup>262</sup> Guidestar.com 2008e.

institutions in Newark. Retired corrections, human services and legal services professionals make up most of OAR's board.<sup>263</sup> The executive director, Jennie Brown, had previously held a high-level position at the Essex County Jail.<sup>264</sup> The director of adult reentry, Warren Thompson, who was highly involved in the daily operations of NPRI, was the only full-time program staff person among the NPRI recipients with a Master of Social Work. OAR has a history of employing formerly incarcerated people, and at least one program staff person who worked on NPRI was formerly incarcerated.<sup>265</sup>

OAR was among the better-staffed NPRI programs and maintained the lowest caseloads. In addition to Thompson (who also case managed), OAR relied on two case managers, one job developer, two undergraduate interns and one graduate intern (MSW) to serve 138 clients. Thompson estimates OAR had 45 active clients at any one time, meaning OAR fell well within the caseload range recommended by P/PV.<sup>266</sup>

For years, OAR has performed outreach in the prisons, so most of its clients came directly to them, not by referral from the city. At the start of NPRI, OAR was located in Irvington, twenty minutes from downtown Newark, where OAR relocated later in the grant period.<sup>267</sup> OAR exercised some discretion in who they chose to enroll, and asked that clients address active substance abuse and mental health issues prior to enrollment. Enrolled clients then received two weeks of employment and life skills training before they met with a job developer. OAR provided clients referrals to detoxification, medical and housing services, but with the exception of a grant-funded driver's license restoration program, did not offer these

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<sup>263</sup> Offender Aid and Restoration 2009.

<sup>264</sup> Brown 2011a. Interview by author.

<sup>265</sup> Thompson 2011a.

<sup>266</sup> Thompson 2011b. Phone interview by author.

<sup>267</sup> Thompson 2011c. Interview by author.

services in-house.<sup>268</sup>

### America Works of New Jersey

America Works is a for-profit job placement company, with 80 employees nationally.<sup>269</sup> Founded in 1984, the firm was one of the pioneers of performance-based contracting, and gained national attention as a “workfare” contractor in the 1990s. In 2001, America Works began serving formerly incarcerated people in New York City under a contract with the Human Resources Administration.<sup>270</sup> America Works later expanded its resettlement programming to other cities, including Newark, where the Nicholson Foundation funded 100 job placements per year shortly after Mayor Booker entered office.<sup>271</sup> The New Jersey branch of America Works has a staff of only four<sup>272</sup> and a good deal of autonomy over program management. The branch is located at Essex County College, in the same building as GNYNJ. Local staff chose not to be interviewed for this thesis. I obtained information about the program from the chief executive and director of reentry at the New York headquarters.

Since opening in New Jersey, America Works staff had exclusively worked with formerly incarcerated people.<sup>273</sup> For NPRI, America Works, like GNYNJ, was funded by the Nicholson Foundation’s match, in their case to serve 69 clients convicted of violent offenses. A “director, intake specialist, trainer and an account executive (sales)” staffed the program.<sup>274</sup> The intake specialist and trainer split the case management role between client intake and work readiness training. The four staff were responsible for another, city-funded reentry

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<sup>268</sup> Thompson 2011a. Phone interview by author.

<sup>269</sup> Hoovers.com 2011.

<sup>270</sup> Eimicke and Cohen 2002, 5.

<sup>271</sup> Nicholson Foundation 2009, 1.

<sup>272</sup> Silverstein 2011. Email to author.

<sup>273</sup> Cove 2011. Phone interview by author.

<sup>274</sup> Silverstein 2011. Email to author.

program at the same time as NPRI.<sup>275</sup> GNYNJ noticed only two staff members regularly in the office at Essex County College, suggesting America Works had potentially one job developer/sales person and one case manager serving 69 clients.<sup>276</sup>

Though its program model is similar, America Works' strategic orientation differs substantially from most other NPRI organizations. The organization is designed to consider employer needs as much as client needs. The national director of reentry refers to clients as "the product" that his staff must "sell."<sup>277</sup> The organization prefers performance-based contracts and adopts the same standards of performance measurement internally. Salespeople are paid very low salaries, but receive bonuses based on the number of people placed. Some of their salespeople earn up to \$350,000 per year. A much greater onus is on sales staff to "rapidly" place candidates into employment, in contrast to La Casa, for example, where staff view their role as teaching clients to find work on their own.<sup>278</sup>

America Works keeps its financial data private, so it is difficult to assess its resources. Dun & Bradstreet reports sales of \$2.7 million, which might not include all subsidiaries.<sup>279</sup> America Works benefits from a national network of employers who hire their clients, and new branches, such as Newark, typically draw on existing employer relationships when they first begin.<sup>280</sup>

## Conclusion

NPRI organizations vary in structure, size and culture and command diverse resources. Partly as a result of criteria set by the city, the organizations shared many core elements in

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<sup>275</sup> Ibid.

<sup>276</sup> Giardi 2011. Phone interview by author.

<sup>277</sup> Alternative Staffing Alliance 2010, 15.

<sup>278</sup> Cove 2011. Phone interview by author.

<sup>279</sup> Hoovers.com 2011.

<sup>280</sup> Cove 2011. Phone interview by author.

program design, with some more modest differences in staffing and enrollment processes. Table 9 (at end of this chapter) compares and contrasts NPRI organizations in key domains reviewed here.

NPRI organizations range in size, from a staff of 8 to a staff of 173, and from an annual budget of a quarter million dollars to a budget of \$100 million. Two of the organizations, OAR and RCDC, are substantially smaller and came to the grant with far fewer financial resources, yet each benefitted from other types of resources. RCDC's leader, a pastor and a longtime community activist, is well connected to employer, corrections and community networks, while OAR, established in 1984, had strong connections to local corrections and social service agencies. Though they had limited organizational capacity, small organizations maintained relatively slack program capacity, if we compare their staffing to the number of clients they were required to serve. Small organizations weighted their staffing toward case management, and maintained lower caseloads, in addition to lower enrollment, than large- and mid-sized organizations. Small organizations also tended to have a narrower structure, which allowed managerial staff to be involved in the daily operations of their NPRI programs. The one exception to these observations is America Works, which functioned as a hybrid of these two organizational typologies. America Works has a large national staff and budget, but also strong social resources, fewer internal divisions, small caseloads, a small local staff, and a low enrollment expectation. Table 7, below, reviews organizational differences by size.



Table 7 - Organization Typologies by Size

	<b>Small Organizations</b> Staff size < 16 <i>OAR, RCDC</i>	<b>Large and Mid-Sized Organizations</b> Staff size > 16 <i>NJISJ, Goodwill, La Casa</i>	<b>America Works</b> Staff size = 80 (national) Staff size = 4 (local)
Resources	Few financial resources Strong social networks No experience with performance-based contracts	Strong financial resources Average-to-strong social networks Experience with performance-based contracts	Strong financial resources Strong employer networks Experience with performance-based contracts
Org. Context	Fewer divisions (horizontal differentiation)	More divisions (horizontal differentiation)	Fewer divisions (horizontal differentiation)
Program Design	Involved managers Low caseloads Low enrollment	Detached managers High caseloads High enrollment	Manager role unknown Low caseloads Low enrollment

There is also a clear divide between organizations native to Newark and nationally dispersed organizations (see Table 8, below). America Works and GNYNJ were the only two organizations with a national presence and the only two whose dominant area of service was workforce development. Perhaps as a result, they espoused a unique strategic orientation that considered employers, in addition to their clients, as customers. This orientation toward employers led America Works and GNYNJ to offer some unique services, such as on-site job coaching. In addition, America Works and GNYNJ were the only organizations to offer performance incentives to their job developers. (America Works' incentives were notably larger than GNYNJ's.)

Because America Works and GNYNJ were funded by the city's private match to the Department of Labor grant, they were required, unlike their local counterparts, to serve

formerly incarcerated people whose most recent offense was violent.<sup>281</sup> The most common *presenting* offense among clients served by the other four organizations was drug distribution,<sup>282</sup> though clients could have been convicted of a violent offense prior to their most recent conviction.<sup>283</sup> The relationship between offense history and post-release performance is not entirely clear. People with certain violent offenses recidivate less<sup>284</sup> but may be more difficult to place into employment than people with non-violent offenses.

*Table 8 - Organization Typologies by Geographic Dispersion*

	<b>Local Organizations</b>	<b>National Organizations</b>
<b>Resources</b>	Relationships with specific local employers, local institutions	General name recognition by employers
<b>Org. Context</b>	Client/community orientation	“Dual” customer orientation Specialization in workforce development
<b>Program Design</b>	Clients have non-violent presenting offense Few services offered to employers No incentives to job developers	Clients have violent presenting offense On-site “job coaching” and option of hiring a temp through the organization offered to employers Job developers receive performance-based incentives

My advocacy for resettlement programming assumes that formerly incarcerated individuals benefit from targeted programming. If this is the case, we might expect organizations with deeper experience serving the formerly incarcerated to outperform organizations with less experience. Three organizations (OAR, NJISJ, and America Works) counted formerly incarcerated people as their primary client base; only two of these, OAR and

<sup>281</sup> Johnson 2010. Phone interview by author.

<sup>282</sup> Thompson 2011b. Phone interview by author.

<sup>283</sup> Williams 2011. Interview by author.

<sup>284</sup> Roberts, Zgoba and Shahidullah 2007, 504.

America Works, could claim that serving formerly incarcerated people is one of the dominant program activities of their organization. These two organizations also have the most experience serving this population. OAR has offered resettlement services since it was founded, in 1984. America Works began working with the formerly incarcerated in 2001, at least five years prior to the remaining organizations. The following chapter will examine in detail the effects of specialization on performance.

While organizations differed in a number of ways, program design was relatively consistent across organizations, beyond the differences noted above. Clients generally received one to three weeks of pre-employment training followed by one-on-one preparation with a job developer, who worked to match clients with direct placements. NJISJ clients received pre-employment training through an eight-week transitional job prior to direct placement. Meanwhile, RCDC relied on two internal enterprises—a construction company and a thrift store—to place some candidates, as did GNYNJ, on occasion. Across all organizations, case managers resolved client issues beyond employment mostly by referral, although La Casa was able to connect clients to GED courses offered in house, as was RCDC, which also provided substance abuse treatment.

Program staff had similar professional experiences, with the exception of RCDC, whose lead case manager was new to the field. Three organizations employed program staff who claimed a direct experience with the criminal justice system, either as a formerly incarcerated person or as the loved one of a formerly incarcerated individual. With the exception of OAR, whose board consisted mostly of retired corrections professionals and community leaders, the boards of NPRI organizations did not reflect competencies or affiliations directly relevant to the grant.

Though the city referred clients to NPRI organizations, each organization also recruited clients independently, which could impact the types of clients served by each program. NJISJ appeared to serve many clients who had already “maxed-out” and were under no form of parole supervision. These individuals are likely to have the least additional support outside the program. RCDC appeared to serve more clients under intensive supervision. The remaining programs counted a mix of participants, a fair number of whom resided in halfway houses.

The effect of client differences will be explored further in the following chapter. Suffice it to say, clients under supervision have access to additional supports, including housing. They may even have a parole officer who is also involved in the job search process. The Intensive Supervision Program, in particular, has been linked to lower recidivism.<sup>285</sup> That being said, there are reasons why some incarcerated people choose to max-out in prison. Formerly incarcerated people I spoke with informally complained that halfway houses, with cramped quarters and abusive guards, in fact inhibited their safe return to the community.

Screening criteria also shape the profile of clients served. GNYNJ waited until clients completed two weeks of their pre-employment workshop to consider them enrolled. On the other hand, RCDC enrolled clients almost immediately, provided they made a commitment to address outstanding issues. The remaining organizations placed some restrictions on candidates with outstanding warrants or those actively using drugs, but only if the case manager was able to catch these issues at intake.

This chapter aimed to provide an introduction to the six NPRI organizations and their programs. The next chapter will review their performance against the city benchmarks. Using

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<sup>285</sup> Administrative Office of the Courts 2010.

interviews with program staff about their experiences implementing their respective programs, the chapter will explain why some organizations performed better than others and identify the resources, organizational setting, and program models that create the conditions for successful program implementation.

Table 9 - Resources, Context and Program Design

	OAR	Renaissance	NJISJ	La Casa	Goodwill	America Works
<b>Resources</b>						
Financial	Weak	Weak	Strong	Strong	Strong	Strong
Social	Strong	Strong	Average/strong	Average/strong	Average/strong	Strong
Prior years of resettlement experience	25	3	3	1	3	8
<b>Organizational Context</b>						
Size	Small	Small	Medium	Large	Large	Small local, large national
Geographic dispersion	Local	Local	Local	Local	National	National
Horizontal differentiation	Fewer divisions	Fewer divisions	More divisions	More divisions	More divisions	Fewer divisions
<b>Program Design</b>						
Enrollment	138	138	205 (256)	207 (138)	620	69
Caseloads	Low	Low	High	High	High	Low
Manager involvement	Involved	Involved	Detached	Detached	Detached	Unknown
Impacted" staff	Yes	Yes	No	Yes	No	No
Pre-employment training	Two weeks	Two weeks	1 to 3 days, plus 8-week transitional job	One week	Three weeks	Unknown
Auxiliary, in-house services	Identification acquisition	GED, drug treatment	Medical examinations	GED	Job coaching	Job coaching

"Impacted staff" refers to staff who claim a personal experience with the criminal justice system. Original placement goals are shown in parentheses.

## Chapter Five – Implementation and Outcomes

### The Office of Reentry: Policymaker and Performance Manager

According to the NPRI implementation plan, the city was to play two principal roles in implementing NPRI.<sup>286</sup> As performance manager, the Office of Reentry was responsible for tracking performance of organizations, encouraging collaboration and working with PPV to provide technical assistance. The city's role as policymaker was far less defined. After a slow start, the city proved capable of managing the six NPRI organizations, but added little to the initiative as a policymaker, particularly in shaping employer behavior.

Program staff from NPRI organizations had expected that the city would use its influence to connect them to employers, but this did not happen. "I think we were surprised that there weren't as many doors that were just opened – by employers – because they were on board with what the city is trying to do around this," one program director said. The city says it helped broker "less than ten percent" of placements;<sup>287</sup> conversations with NPRI organizations suggest the figure is well below that.

As described in Chapter 3, the Office of Reentry had planned to rely on "soft" encouragement to influence employer behavior. In practice, this involved Ingrid Johnson, director of the Office of Reentry, accompanying the Workforce Investment Board director in meetings with employers regarding the city's first source hiring agreement. The agreement does not specifically reference formerly incarcerated people and is loosely enforced. "We don't say, 'You have to hire ex offenders.' We just say, 'By the way, many people in our city

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<sup>286</sup> United States Department of Labor and City of Newark 2009, 3.

<sup>287</sup> Johnson 2010. Phone interview by author.

are formerly incarcerated,” according to Johnson.<sup>288</sup> Experience implementing NPRI suggests that a loosely enforced first source agreement without any specific language requiring employers to hire the formerly incarcerated is insufficient to change employer behavior.

Beyond first source agreements, there are other ways the city could have expanded the base of employers willing to hire NPRI candidates. Lorelei Shingledecker, senior program associate at PPV, said the city could have done more to raise the profile of the initiative, by, for example, carrying out a major publicity campaign targeted at local employers. In fact, the city had hired someone to carry out just such a campaign, but he was let go for budgetary reasons.<sup>289</sup> Two of the organizations, in hindsight, said that Newark should have offered direct incentives to employers to participate.<sup>290 291</sup> Meanwhile, Kirsten Giardi, Goodwill’s vice president, expressed frustration that organizations were not able to draw on the city’s existing employer network.<sup>292</sup> Goodwill was denied access to the job order database of the local career center, Newark WORKS. Newark WORKS had its own benchmarks to meet, naturally, but their refusal to share information with NPRI organizations suggests that the commitment to prisoner resettlement was not consistent across local workforce development agencies.

The city’s response to why they did not bring more employers to the table is, in the words of Ingrid Johnson, “We’re not there yet.”<sup>293</sup> The initiative only began two years ago, and the city is still learning how to lead. Criticism of the city should also consider the economic context. When contracts were finally approved, official unemployment in Newark

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<sup>288</sup> Ibid.

<sup>289</sup> Shingledecker 2011. Phone interview by author.

<sup>290</sup> Rivera 2011. Interview by author.

<sup>291</sup> Case manager A 2011. Phone interview by author.

<sup>292</sup> Giardi 2011. Phone interview by author.

<sup>293</sup> Johnson 2010. Phone interview by author.



had reached 14 percent, the highest in fifteen years.<sup>294</sup> By the time organizations wrapped up enrollment, in January 2011, unemployment had risen to 16 percent.<sup>295</sup>

The responsibility for identifying employers thus fell on individual organizations, and within organizations, on job developers. In the end, placements for all the organizations were in the industries we would expect them to be: warehouse, food service, construction and waste management.<sup>296</sup> These are the same sectors where most New Jersey prisoners find work upon their release, whether they participate in a program or not.<sup>297</sup> NPRI organizations may have been successful at converting individual employers, but they did not open up new industries to formerly incarcerated people. Job developers reached out to employers on an individual basis, often going door-to-door. Few of the organizations even attempted to build, let alone succeeded in forming, a partnership with a large, corporate employer. In short, without more aggressive support from the city, individual NPRI organizations lacked the capacity and the clout to shape employer hiring behavior.

Individual organizations were likewise hamstrung by the city's weak social infrastructure. Case managers provided clients referrals to housing, for example, but could not change the fact that there are two housing shelters in Newark, where most residents must sleep on the floor.<sup>298</sup> The one area where individual organizations did have influence was welfare. As noted in Chapter 3, a New Jersey law passed in 2010 lifting the ban on TANF benefits for people convicted of drug crimes. After the law passed, county welfare offices continued to deny benefits to people with drug convictions. NPRI organizations encouraged

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<sup>294</sup> Santiago 2009.

<sup>295</sup> New Jersey Department of Labor and Workforce Development 2011.

<sup>296</sup> Johnson 2010. Phone interview by author.

<sup>297</sup> New Jersey Department of Labor and Workforce Development 2008, 14.

<sup>298</sup> Brown 2011. Phone interview by author.

their clients to challenge these decisions.<sup>299</sup> Expanding social services that formerly incarcerated people can access upon their release takes time, and the city has limited resources. The case of welfare benefits shows that were the city to pass, for example, an ordinance barring landlords from evicting an individual on the basis of their criminal record, NPRI organizations could play an important role in advocating on behalf of their clients to realize these new social rights.

The Office of Reentry was more productive as a grant manager than as a policy maker, though not without difficulty. The city did reduce the funding of one low-performing organization and overall, organizations reported that monthly conversations with the city about their performance helped keep them on track to meet goals. However, Shingledecker notes that as technical provider, PPV had a number of concerns about the way certain organizations ran their programs—in particular, the high caseloads of several organizations—that the city never convinced organizations to address.<sup>300</sup> One might also argue there could have been a more proactive solution to addressing the poor performance of one organization—involving certain programmatic changes—than cutting its funding two months before enrollment ended.

Beyond managing individual performance, the city worked hard to encourage collaboration. All organizations agreed that Newark is a territorial city, and OAR, for one, credits the city with bringing together stakeholders—parole, the corrections department, and NPRI organizations—who were not even talking to each other before the initiative began.<sup>301</sup> Two of the NPRI organizations have decided to continue working together after NPRI.<sup>302</sup> That

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<sup>299</sup> Rivera 2011. Interview by author.

<sup>300</sup> Shingledecker 2011. Phone interview by author.

<sup>301</sup> Thompson 2011b. Phone interview by author.

<sup>302</sup> Brown 2011. Phone interview by author.

being said, competition places real limits on the extent to which organizations collaborate. For example, the city organized meetings for job developers to share job leads. The jobs people put on the table “were very obscure,” in the words of one job developer, in part because the incentives are not in place to encourage resource sharing.<sup>303</sup>

One of the city’s greatest challenges as a grant manager was launching the initiative in a timely fashion. NPRI was supposed to begin in January 2009 and last two years. However, it took several more months for the city to negotiate contracts and secure approval from city council. One organization joked, “When P/PV [the technical training provider] was off and running, the city was walking.” The city advanced money for PPV to train organizations in the MIS system and the expectations of the grant that spring, but enrollment—and, in some cases, hiring of program staff—did not begin until the summer, or as late as September for several of the organizations.<sup>304</sup> While enrollment was completed by December 2010, the city granted a 6-month no-cost extension, which organizations have dedicated to placing clients enrolled in the last quarter and supporting retention among clients who have already been placed.<sup>305</sup>

### Initiative Performance

Despite these management challenges, the city ensured NPRI organizations collectively met all of their benchmarks except for 6-month placement earnings.<sup>306</sup> The benchmarks are based on the outcomes of the Department of Labor’s Prisoner Reentry Initiative, with the exception of earnings, which was not recorded by most PRI recipients. PRI

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<sup>303</sup> Thompson 2011b. Phone interview by author.

<sup>304</sup> Hodne 2011. Phone interview by author.

<sup>305</sup> Rivera 2011. Interview by author.

<sup>306</sup> US Department of Labor 2011.

was implemented in a more favorable economic climate (2006-2008) and carried out in 30 labor markets, many of which are quite different from Newark.<sup>307</sup>

Perhaps a more appropriate comparison for NPRI performance are data from the New Jersey Department of Labor tracking the employment outcomes of everybody released from a New Jersey Correctional facility in 2005.<sup>308</sup> Here, as the Table 10, below shows, NPRI participants fared much better than the comparison group. The placement rate of NPRI participants is nearly double the percentage of New Jersey prisoners released in 2005 who ever found employment over two years, while the recidivism rate of NPRI participants is about a third of the New Jersey average, assuming half of reconvictions occurred in the first of three years.<sup>309</sup> Prisoners released in 2005 experienced their two lowest-earning quarters the first two quarters they were released, and their two highest-earning quarters in the last two quarters of the tracking period. Six-month post-placement earnings of NPRI participants, who had to be enrolled within six months of their release from prison, are equal to the earnings of the 2005 cohort two years after their release from incarceration. Depending on future growth in NPRI participant earnings, the data below suggests either that non-participants eventually catch up to NPRI participants in earnings, or perhaps less likely, NPRI participants continue to outpace those who do not participate in the program.

Of course, there are problems with comparing statewide data from 2005 to outcomes of NPRI participants returning home to Newark. Even if we assume the actual outcomes of people returning to Newark are the same as state averages from several years ago, we still have a major self-selection problem. NPRI served approximately half the prison population

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<sup>307</sup> Holl and Kolovich 2009, i.

<sup>308</sup> New Jersey Department of Labor and Workforce Development 2008, 8.

<sup>309</sup> Sentencing Project 2010, 6. New Jersey reports that half of *arrests* occurred in the first year; there is no corresponding figure for reconvictions.

returning to Newark over an 18-month period, and two-thirds of them found employment.<sup>310</sup>

It is still possible that anyone who would have normally found employment was placed through NPRI, whereas everybody who would not normally find employment either did not participate in NPRI or did not secure employment through NPRI. Nevertheless, there is reason to be optimistic that NPRI improves job placement, recidivism and possibly earnings outcomes among people returning home from prison—at least in the short term.

Long-term effects are uncertain. NPRI tracked recidivism for one year, when former prisoners are mostly likely to recidivate. Former prisoners remain at high risk of being reconvicted in their second and third years after release. The Bureau of Justice Statistics National Recidivism Study (1994) found that 21.4 percent of prisoners were reconvicted in the first year after release, and an additional 14.9 and 10.5 percent were reconvicted in the second and third years, respectively.<sup>311</sup> If we make the conservative assumption that those convicted in a prior year are resentenced, returned to prison on a technical violation, or held in county jail, and do not consider them as part of the sample in subsequent years, conviction rates narrow over the three years, though a downward trend remains.

Considering that for most participants NPRI consisted of several weeks of job search assistance and pre-employment workshops, the idea that simply completing the NPRI program could lead to long-term, sustained gains in employment or earnings is far-fetched. Perhaps, though, candidates who *find a job* through NPRI are more likely to secure a subsequent job, or are more likely to access a higher-quality job in the future. In a New Jersey survey, more employers agreed that positive work history would increase their likelihood of

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<sup>310</sup> US Department of Labor 2011. As I have noted elsewhere, clients appeared to be former state prisoners. NPRI organizations could serve people exiting jail, federal prison, or residing in halfway houses, which raises some doubt as to the true fraction of former state prisoners served.

<sup>311</sup> Levin and Langan 2002, 3.

hiring a formerly incarcerated person than any other condition, such as completion of job training, or even incentives such as wage subsidies and tax credits.<sup>312</sup> To the extent that NPRI helps a higher percentage of people connect to their first job after prison, it ostensibly levels the playing field as candidates seek to convince their subsequent employer to look beyond their criminal record.

Whether the actual placements secured by NPRI candidates leave room for upward mobility is another story. NPRI candidates were most likely to find employment in the warehousing sector. Unionized warehouses tended to treat NPRI candidates as a temporary labor pool to be hired and fired at will, so NPRI organizations steered candidates mostly toward non-union shops that did, nevertheless, provide benefits.<sup>313</sup> What level of wage growth these candidates experience two years down the road cannot be determined from NPRI data. (I will return to the question of job quality in my conclusion.)

Here it might be useful to recall the distinction in the first chapter between front- and back-end reforms. NPRI is a back-end reform. Consequently, it focuses on the particular barriers facing formerly incarcerated people as they are released from prison. When these barriers are addressed, formerly incarcerated people still face a very limited set of opportunities determined by race, class, geography and education. Back-end reforms cannot possibly address all these issues. What they can do is place formerly incarcerated people in a better position to benefit from broad-based social programs.

Leaving aside the question of long-term effects, NPRI appears to provide a valuable immediate benefit: it helps people adjust to their first year home. To the extent that NPRI provides work experience and referrals to address substance abuse and mental health issues,

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<sup>312</sup> New Jersey Department of Labor and Workforce Development 2008, 22.

<sup>313</sup> Thompson 2011c. Interview by author.

NPRI helps stabilize people’s lives, putting them in a better position, at least, to benefit from social programs targeted toward low-income people more generally. Work experience reduces the stigma of a candidate’s record in the eyes of the employer, while mentoring and case management may offer clients a more positive vision of themselves. As my conclusion will argue, policy will have to play a role in changing the way employers consider criminal records. Beyond these specific reforms, how we ought to improve the long-term employment outcomes of formerly incarcerated people who have gained a basic level of stability ought to be the same as how we improve employment outcomes for all low-wage workers. That is a critical question, but it is beyond the scope of this thesis.

*Table 10 - Initiative Outcomes Versus Goals, Typical Outcomes*

Benchmark	Actual Performance (as of December 2010)	Goal	New Jersey Releases, 2005
Enrollment	1,363	1,360	14,713
Entered employment rate*	66 percent	60 percent	37 percent <i>ever</i> found employment in two years
Employment retention rate**	72 percent	70 percent	Less than 22 percent employed in any quarter
Recidivism rate***	7 percent	22 percent	43 percent in three years; half of all arrests occur in first year
Average hourly wage at placement	\$9.32	\$9.00	
6-month post- placement earnings (among those who retained employment)	\$8,471	\$9360	\$6676 to \$8470****

Sources: Column (1), US Department of Labor 2011; Column (2), La Casa De Don Pedro and City of Newark 2009; Column (3), New Jersey Department of Labor and Workforce Development 2008 and Sentencing Project 2010

\* “Entered employment rate” refers to percentage of participants placed into employment in the first quarter after exit. Placements of candidates *enrolled* in the last quarter are not counted until subsequent quarter. Therefore, the placement rate above may differ from final outcomes, which are reported individually in Table 11.

\*\* “Employment retention” refers to percentage of participants who retained employment for two quarters following the placement quarter, with the first or a subsequent employer.

\*\*\* “Recidivism” refers to participants who were rearrested or reconvicted within one year of release.

\*\*\*\* New Jersey followed all individuals released in 2005 for two years, starting in the first quarter of 2006. The lower bound of average earnings was recorded in the first two quarters; the upper bound was recorded in the last two quarters. Fewer people were working in the last two quarters, but those who were working earned more.

### Individual Program Implementation

This section considers individual NPRI organizations’ experiences implementing their programs. My analysis is based on interviews with directors and program staff representing all organizations, with the exception of America Works, whose local staff did not agree to participate in this study.

In Chapter 2, I argued that implementation operates as both a dynamic factor shaping performance as well as the space where a range of organizational factors, including resources and program design, are tested. In implementing NPRI, organizations faced different challenges—from handling enrollment to operating the MIS—that required improvisational adjustments to program design. Through implementation, organizations also gained a better sense of “what works”—which resources are useful, and which elements of their programs are effective. In the next section, I rely partly on these staff reflections to explain why certain organizations performed better than others.

Staff at NJISJ realized during implementation that they had contracted with the city to serve too many clients. The three other local CBOs had originally contracted to serve 138 clients each, whereas NJISJ had an enrollment goal of 256. Because their start date was delayed until August (the latest of any organization), NJISJ came under pressure to meet a



high enrollment target in a shorter period of time than they originally planned.<sup>314</sup> In October 2010, after NJISJ had repeatedly failed to meet performance benchmarks, the city finally reduced NJISJ's contract to 205 clients, and transferred responsibility for serving the remaining clients to La Casa de Don Pedro.<sup>315</sup>

The pressure to enroll forced NJISJ to adjust their model, and frustrated their intent to provide in-depth services. For example, length of orientation was modified multiple times, cut from four days to one day, eventually, in order to speed processing.<sup>316</sup> "I really felt like we were herding cattle [...] but I didn't have a choice," said Albert Williams, who had become the director of New Careers after the contracts were negotiated.<sup>317</sup> In addition, discussions with program staff suggest NJISJ, for whatever reason, tended to attract clients who were receiving fewer services from other agencies.<sup>318</sup> While certain organizations appeared to serve a significant number of people on Intensive Parole Supervision or residing in halfway houses, most of NJISJ's clients, according to the case manager, had "maxed out," and were therefore ineligible for benefits provided to some parolees, including transitional housing.

Despite these challenges, NJISJ staff expressed confidence in the core feature of their model, transitional jobs. Staff said transitional jobs allowed them to better understand client needs and enabled clients to develop valuable life skills prior to entering the private labor market. Individuals might not admit to substance abuse issues at intake, but these and other service needs were likely to present themselves over the transitional job period.<sup>319</sup> In fact, two program staff expressed the wish to lengthen transitional jobs, to allow more time to work on

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<sup>314</sup> Williams 2011. Interview by author.

<sup>315</sup> Newark Municipal Council 2010.

<sup>316</sup> Gittens 2011. Phone interview by author.

<sup>317</sup> Williams 2011. Interview by author.

<sup>318</sup> Wilson 2011. Phone interview by author.

<sup>319</sup> Williams 2011. Interview by author.

these issues.<sup>320</sup> According to Williams, transitional jobs also gave New Careers more leverage with employers, “because we had anecdotes.” Employers felt more comfortable, knowing that New Careers had worked with the client for a longer period of time.<sup>321</sup> NJISJ did appear to garner more bulk hires than most other organizations, though this is as likely the result of NJISJ’s decision late in the grant to target employers in manufacturing districts far outside of Essex County, in Central Jersey, where most of their bulk hires occurred.<sup>322</sup> That decision, spurred by difficulties identifying employers locally, may have allowed NJISJ to reach higher-caliber employers, but also posed transportation challenges. Clients had to pay as much as 100 dollars per week for a private van service.<sup>323</sup> In at least one instance, a dozen clients lost their jobs when the private van reneged on its agreement to provide transportation.<sup>324</sup>

By contrast, RCDC had no trouble meeting its enrollment goal of 138 clients. “That number, for us, was low,” said the director of RCDC, Thomas Reddick.<sup>325</sup> In addition to nearby residents, RCDC received many clients by referral from five officers who staff the state’s Intensive Parole Supervision. The biggest challenge for program staff, at least early on, was learning how to operate the MIS. Program staff, who were less experienced, felt overwhelmed by the grant’s reporting requirements. The case manager said technical training in the MIS was insufficient.<sup>326</sup>

The previous chapter noted that Reddick had strong networks in the Newark community. These networks proved useful during implementation. The pastor, for example,

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<sup>320</sup> Williams 2011 and Gittens 2011.

<sup>321</sup> Williams 2011. Interview by author.

<sup>322</sup> Gittens 2011. Phone interview by author.

<sup>323</sup> Wilson 2011. Phone interview by author.

<sup>324</sup> Gittens 2011. Phone interview by author.

<sup>325</sup> Reddick 2011. Phone interview by author.

<sup>326</sup> Case manager B. Phone interview by author.

had a strong relationship with the local laborers union. RCDC used on-the-job training dollars to hire people on their own construction crew renovating homes. After six months, candidates were referred to Local 55 for potential employment opportunities. RCDC's high-level, relationship-based approach to job placement also meant placements were more sporadic.<sup>327</sup> Not all construction trainees found work through Local 55, and several other "bulk hiring" arrangements also ended abruptly, leaving RCDC to identify placements, once again, for a large number of clients at once.<sup>328</sup>

OAR staff were also comfortable with the number of clients they were required to serve, many of whom came to them directly based on their reputation inside of prison.<sup>329</sup> OAR, like RCDC, officially served among the fewest clients. However, OAR also has an internal policy that they "do not turn anyone away." OAR still provided case management and service referrals, albeit in a more limited fashion, to those who were not eligible for the NPRI program because of their most recent offense.<sup>330</sup> This suggests that OAR had capacity to enroll additional NPRI clients.

Having worked with formerly incarcerated people for over 20 years, OAR went into the grant with the understanding that there were "no magic companies willing to hire this population." OAR focused instead on "empowering the individual" to perform their own job search. Naturally, OAR also worked to identify opportunities for their clients. Like RCDC, OAR relied on personal relationships in the community, mostly with "mom and pop" businesses, to broker individual job placements. Almost all of OAR's placements were single

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<sup>327</sup> Shingledecker 2011 said one organization "really fluctuated" in terms of placements, noting the organization had relied on its own construction company.

<sup>328</sup> Reddick 2011 mentions losing a bulk hiring arrangement with the Prudential Center. A staff member from another organization described instances where a dozen of RCDC's clients had to be re-placed at once.

<sup>329</sup> Thompson 2011c. Interview with author.

<sup>330</sup> Brown 2011. Phone interview by author.

hires. Staff believed this scattered approach was successful.<sup>331</sup>

OAR faced two key challenges during implementation. The first was that they did not have a volunteer mentoring program—a requirement of NPRI programs. Reentry director Warren Thompson is proud of the volunteer mentoring program he built – and sees the value in offering mentoring to clients – but says he spent far more time developing the program than he anticipated.<sup>332</sup> The other challenge, at an organizational level, was cash flow. OAR operates on a shoestring budget, and the executive director regularly had to put pressure on the city to pay them in a timely manner to meet payroll.<sup>333</sup>

Like the other programs, enrollment at La Casa did not pick up until the fall of 2009, after their contract was signed in July. By fall 2010, one year later, La Casa had already enrolled more than 138 clients, and program staff were serving additional clients informally.<sup>334</sup> In October, the city opted out of its contract with NJISJ and transferred responsibility for the transitional jobs program, as well as the remainder of NJISJ’s clients, to La Casa. La Casa, like OAR, did not have a formal mentoring program prior to the grant. In contrast to OAR, program staff rebuffed the city’s demands to assign clients volunteer mentors, and for a good portion of the grant, led group-mentoring sessions themselves.<sup>335</sup>

As the previous chapter noted, La Casa had only a year of formal experience serving formerly incarcerated people prior to NPRI. The directors say they became “experts...on the back end,” adjusting their model as they learned what worked.<sup>336</sup> Going into the grant, the directors did not anticipate the breadth of services their clients would need: “Our concept was

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<sup>331</sup> Thompson 2011b. Phone interview by author.

<sup>332</sup> Ibid.

<sup>333</sup> Brown 2011. Phone interview by author.

<sup>334</sup> Rivera 2011. Interview by author.

<sup>335</sup> Ibid.

<sup>336</sup> Melendez 2011. Phone interview by author.

you come in and you get your case management and we develop an action plan for you.”

What La Casa found is that their clients needed more structure. “Guys were just showing up,” so program staff connected clients to other activities taking place at La Casa, GED classes, for example.<sup>337</sup> Similar to OAR’s experience, job developers encouraged their clients to find work on their own, and most placements were individual.<sup>338</sup>

With some difficulty, Goodwill succeeded in meeting its ambitious enrollment goal. To meet a target of 620 clients, Goodwill had to ask the city permission to serve people convicted of non-violent offenses, in addition to violent. Goodwill served a fair number of clients residing in halfway houses. The director said halfway house clients were sometimes difficult to serve, because of strained relationships with halfway house staff, who frequently attempted to “steal” Goodwill’s employers and prevented clients from attending mentoring sessions at Goodwill.

As noted in the previous chapter, Goodwill was funded by the Nicholson foundation as the city’s match. The size of their contract gave them flexibility in how they responded to change. Rather than take the time that OAR did to develop its own mentoring program, Goodwill subcontracted with several mentoring providers in the city to train and provide volunteers for Goodwill’s clients. When a new job placement service, Blessed Ministries Inc., captured some of Goodwill’s employers in the warehouse industry, Goodwill subcontracted with BMI to broker 100 placements (BMI completed 88). Their own job developers, meanwhile, found some success brokering bulk placements by relying on the Goodwill name, or literally bringing their candidates in a van to a prospective job site to make an appeal to the

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<sup>337</sup> Hodne 2011. Phone interview by author.

<sup>338</sup> Rivera 2011. Interview by author.

employer.<sup>339</sup>

### Organization Outcomes

As the table below details, placement rates ranged from 47 percent to 100 percent, but most organizations hovered around the 60 percent benchmark. America Works and OAR had the highest placement rates, while NJISJ had the lowest. The remaining organizations arrived at or near the target benchmark. Though OAR did not share its placement rate with me, besides acknowledging that it had met its benchmarks, I was able to extrapolate a rough placement rate for OAR (75%) by comparing aggregate data to the performance of the five organizations that did report outcomes (see Appendix B).

I resort to self-reported placement rates as a proxy for performance against the city's benchmarks because neither the city nor the Department of Labor agreed to release individual performance data for organizations participating in NPRI. Placements serve as a useful, albeit limited proxy for overall performance. As surveys of employers show, employers are more likely to be swayed by work experience than any other factor in their decision to hire a formerly incarcerated individual.<sup>340</sup> Programs that offer clients their first unsubsidized work experience are providing a foot in the door with subsequent employers. It is also likely that the placement benchmark witnessed the widest distribution in outcomes. It was their failure to meet the placement benchmark, in particular, that led the city to reduce the contract of one of the organizations—the only time it did so.<sup>341</sup> This suggests low performers in other categories fell closer to the mark than the lowest performer in the placement category. Meanwhile, recidivism was so exceptional in the aggregate (7%) that there is little room for any program

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<sup>339</sup> Giardi 2011. Phone interview by author.

<sup>340</sup> New Jersey Department of Labor and Workforce Development 2008, 22.

<sup>341</sup> Johnson 2010. Phone interview by author.

to drastically outperform the others.<sup>342</sup>

Because job placements do not capture performance against all the city's benchmarks—including retention, earnings and recidivism—I used several other indicators for understanding which organizations performed well. I asked organizations whose work they respected the most among the other participating organizations. I documented rewards and sanctions the city handed these organizations during and after NPRI. I looked at which organizations were choosing to partner with each other after NPRI. Finally, I considered how organizations that performed well with placements fared in other categories by reviewing ranking data provided by the city.

Naturally, staff never worked inside each other's organizations. The city shared overall performance with NPRI participants, but kept discussions of individual performance private. Nevertheless, given that all NPRI program staff met monthly as a group to troubleshoot, sometimes shared clients and counted on each other to meet shared benchmarks, peer perceptions offer a reasonably solid indicator of actual performance.

Partnerships growing out of NPRI are another way to capture which organizations trust in each other. The CEO of America Works complains that treating collaboration as a desired outcome creates a bias against for-profit firms, which by their nature prefer working unilaterally.<sup>343</sup> This is a fair point. Organizations choose to form or not to form partnerships for a number of strategic reasons. That an organization chooses not to partner with another NPRI organization after NPRI does not necessarily suggest anything about the organization's performance. However, partnerships formed after NPRI at least imply that organizations trust each other's abilities enough to partner again.

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<sup>342</sup> US Department of Labor 2011.

<sup>343</sup> Cove 2000, 4.

City sanctions against NPRI organizations are a decent indicator of poor performance against the city's benchmarks, because these sanctions—including a reduction in the number of people the organization is contracted to serve—were only applied when the organization failed to meet its benchmarks.<sup>344</sup> Future contracts rewarded to NPRI organizations after the completion of the initiative may be influenced by any number of factors, including what makes the most sense politically. However, my interviews with the Office of Reentry reveal the city paid close attention to which organizations performed well under the grant.<sup>345</sup> It is fair to assume that which organizations were allocated new clients or a new contract by the city is at least partly reflective of the city's assessment of their performance under NPRI. Of course, I cannot control for the fact that the city might be improperly assessing performance by placing too great an emphasis on job placements versus job retention or earnings. Absent more detailed information from the city, I can only assume city staff have taken into consideration each organization's performance against the range of NPRI benchmarks in awarding future contracts.

NJISJ was the only organization to have a portion of its contract reduced. In October 2010, the city transferred responsibility for the transitional jobs program, as well as NJISJ's remaining 50 clients to La Casa de Don Pedro,<sup>346</sup> which the city considered to be a better agency with the capacity to take in a substantial number of new clients late in the grant period.<sup>347</sup> Since NPRI, America Works has been awarded two additional contracts with the city—one during the grant period—reflecting the city's continued confidence in their

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<sup>344</sup> Johnson 2010. Phone interview by author.

<sup>345</sup> Ibid.

<sup>346</sup> Newark Municipal Council 2010.

<sup>347</sup> Johnson 2010. Interview by author.



approach.<sup>348 349</sup> Meanwhile, OAR won the only contract awarded since NPRI specifically to serve formerly incarcerated people, a high-profile partnership with the Doe Fund to create a pest control business in Newark.<sup>350</sup> OAR and La Casa de Don Pedro recently applied to a large federal grant with two other agencies. Notably, the two other partnering agencies—one specializing in job placement for formerly incarcerated people—are not NPRI organizations.<sup>351</sup>

Even without calculating a placement rate for OAR, it is fair to assume OAR's placement rate is a "step above" La Casa de Don Pedro, Renaissance and Goodwill. Three other organizations—the only three, with the exception of OAR, who gave a specific response to the question—told me that OAR was the NPRI organization whose work they most respected.<sup>352</sup> The city appears to be especially willing to vouch for the quality of OAR's services. In addition to receiving the only contract awarded after NPRI to serve the formerly incarcerated, OAR was the single NPRI organization profiled in a recent hour-long segment on prisoner resettlement in Newark, hosted by Mayor Cory Booker on the city's public access channel.<sup>353</sup>

Going by placements, city rewards, and peer perceptions, three tiers of performance emerge among the organizations: high performing organizations (America Works and OAR, the only two organizations to receive contracts from the city since NPRI), average performing organizations (La Casa de Don Pedro, Renaissance and Goodwill, who each met or came close to meeting their benchmarks), and poor performing organizations (NJISJ, which

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<sup>348</sup> Silverstein 2011. Email to author.

<sup>349</sup> Newark Municipal Council 2011.

<sup>350</sup> Brown 2011. Phone interview by author.

<sup>351</sup> Ibid.

<sup>352</sup> Rivera 2011, Case manager B 2011 and Giardi 2011.

<sup>353</sup> Booker 2011.

repeatedly failed to meet its benchmarks to the point that the city cancelled its funding).

*Table 11 - Individual Organization Outcomes, as of March 2011 \*\*\**

Name	Placement outcomes	Most respected by other orgs.	City Rewards / Sanctions	Future partnerships
America Works	100% (69 of 69)	0	New contract to provide general services at One Stop.  Additional contract during grant period to serve formerly incarcerated.	
Offender Aid and Restoration	75%* (104/138)	3	New contract to place people for city's social enterprise.  New NPRI clients after December 2010.	Applied for grant with La Casa.
La Casa de Don Pedro	60% (83/138) **	1	Took over 56 clients from NJISJ.	Applied for grant with OAR.
Renaissance CDC	60% (83/138) **	0	A dozen new NPRI clients after December 2010.	
Goodwill	56% (350 out of 620)	0		
NJISJ	47% (98 out of 205)	0	NPRI contract cut by 56 clients.	

Sources for placement outcomes, from top to bottom: Silverstein 2011, Appendix B\*, Hodne 2011, Giardi 2011 and Williams 2011.

\* OAR did not report its placement rate. See Appendix B for an explanation of how I approximated it.

\*\* La Casa de Don Pedro reports being "right on" the sixty percent benchmark when the city transferred responsibility for the transitional jobs program to their organization. Transitional jobs last eight weeks, so many of these new participants were only beginning their job searches when La Casa staff spoke to me in January 2011. RCDC likewise offered an approximate placement rate of "about 60 percent."

\*\*\* Table 10, above, reports outcomes up to December 2010, which did not reflect placement rates for the final quarter. This is why the average placement rate in Table 11 does not match the aggregate data reported earlier in Table 10.

To test whether these categories of performance hold against other benchmarks, I obtained anonymous ranking data—the most detailed data that the Office of Reentry was willing to provide—for all five performance benchmarks. Based on placement data, I was able to match America Works, OAR and NJISJ to a set rankings. Because Goodwill, RCDC and La Casa provided only approximate placement rates (“about 60%”), and because city data is more recent than what was reported to me, I could not match these “middle” organizations to specific rankings.

In the table below, America Works and OAR still stand out as the strongest performing organizations, and NJISJ, as the weakest. Even if we simply total up the rankings, America Works and OAR post the third- and first-lowest scores, respectively, while NJISJ ties for the highest. “Middle A,” which falls in between America Works and OAR by this crude measure, still has a placement rate forty points below America Works, while its low average earnings suggest it may have relied on part-time placements to meet its benchmarks. “Middle A’s” low recidivism rate relative to America Works could be of consequence, but with exceptional aggregate performance against the recidivism benchmark, it is also possible the distribution in this category is narrow. Meanwhile, that NJISJ falls at the bottom of the both the placement and retention distribution truly shows an organization struggling to connect clients to employment. Already, its placement rate is at least 9 points below “Middle C”; when a gap in retention is considered, NJISJ should fall substantially behind six-month employment rates of peers. A high average wage is of less consequence when we consider

that placements across the organizations were similar, and likely fall within a narrow wage distribution. Average earnings over six months only considers those candidates who retained employment for six months. The strong performance of OAR and America Works in this category is more meaningful than NJISJ, when we consider that OAR and America Works delivered these earnings to a substantially larger share of their clients.

*Table 12 - Performance Rankings, by Organization*

	Placement (%)	Retention @ 6 mos. (% of those placed)	Avg. wage (\$)	Avg. earnings over 6 months. (\$)	Recidivism (%), where "1" is lowest	Total score
<b>America Works</b>	1	3	4	2	6	16
<b>OAR</b>	2	4	1	1	3	11
<b>"Middle A"</b>	3	1	3	6	1*	14
<b>"Middle B"</b>	4	5	5	4	4	22
<b>"Middle C"</b>	5	2	6	5	1*	19
<b>NJISJ</b>	6	6	2	3	5	22

Source: Newark Office of Reentry 2011a

While a lack of data prevents me from offering a specific analysis of each organization’s performance against the city’s benchmarks, the table above reinforces three tiers of performance I identified earlier: high performing organizations (America Works and OAR), average performing organizations (La Casa de Don Pedro, Renaissance and Goodwill), and poor performing organizations (NJISJ). This broad picture of organizational outcomes raises several basic questions:

- What explains NJISJ’s inability to meet the placement benchmark that all the other organizations met?

- How could the two smallest organizations with the fewest financial resources (OAR and RCDC) perform as well or better than the largest, best-resourced organizations?
- Why did America Works and OAR perform exceptionally?

### Why NJISJ Fell Behind

There are several technical explanations for NJISJ's poor performance. Firstly, there is the possibility that the placement benchmark itself is somehow an unfair proxy for NJISJ's performance, in particular. Secondly, NJISJ's experience implementing NPRI shows that the organization felt overwhelmed by the number of clients it was asked to serve. Their ambitious enrollment target could explain weak results. Finally, with anecdotal evidence that NJISJ have served more "max outs" than other organizations, client characteristics might underlie the disparity between NJISJ and its peers.

I reject the first explanation out of hand. The placement benchmark is as fair to NJISJ as it is to any other organization. NJISJ complained that the benchmarks on the whole were too narrow; they did not capture the range of services, from housing to health care, that clients accessed.<sup>354</sup> While this may be true, it is also true of all the organizations. Finally, employment and recidivism still seem like fair indicators of a client's overall stability, even if they do not capture every benefit an individual received from a particular program.

The second explanation deserves further study. If NJISJ's high enrollment target explains its poor performance, this could pose substantial implications for how we scale up resettlement initiatives like NPRI. NJISJ was not unique in the way it staffed its program. Recall that NJISJ's ratio of participants to case managers, though among the highest, was

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<sup>354</sup> Brooks 2011. Phone interview by author.

similar to La Casa's, while its clients to program staff ratio was among the lowest. NJISJ received equal funding on a per capita basis as other organizations, and was fully reimbursed for expenses related to transitional jobs. To say that size of enrollment explains NJISJ's weak performance is to suggest that a mid-size *organization* like NJISJ (total staff of 16, budget of \$2.3 million) does not have the capacity to run a program serving more than 200 clients a year. This is possible, though there is also evidence to suggest smaller organizations that served fewer clients (OAR, RCDC) were capable of serving more clients. Whether OAR and RCDC could handle an additional 100 additional clients each is another question. (I will return to the issue of scale momentarily.)

Finally, differences in client characteristics might explain NJISJ's weak performance. Though the city had intended to be a central referral source for the initiative, organizations also recruited clients on their own. NJISJ's case manager was the only program staff person to specifically mention "max out" clients as an implementation challenge. Surely, other organizations also served clients who were not under parole or halfway house supervision. Unfortunately, I cannot compare client populations without access to the data.

It is equally uncertain whether having clients on parole is even of benefit to NPRI organizations. While there is evidence that certain forms of supervision (Intensive Parole Supervision) reduce recidivism, other NPRI organizations reported frustrations dealing with uncooperative parole officers or halfway house staff. Clients at each of the organizations naturally sought help from a number of other sources, including their families. I do not know how these other support systems influenced outcomes. Nevertheless, a fair share of all clients were referred randomly by the city,<sup>355</sup> so there is still reason to suspect that factors beyond

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<sup>355</sup> Johnson 2010. Phone interview by author.

client characteristics help explain NJISJ's performance. With this in mind, I consider two substantive explanations for NJISJ's performance: program model and relationships with clients.

NJISJ was originally the only organization to require clients enter a transitional jobs program prior to finding them permanent employment. There are several different stories to tell about why the transitional jobs program was associated with poorer outcomes. One is that the model is fundamentally flawed, one is that the model works but with adjustments and another is that the model does not suit NJISJ. A final story has to do with how the city managed NPRI organizations.

Experimental evaluations of transitional jobs have not been positive. There are some problems with the evaluations which were addressed in Chapter 1 and Appendix A, but the point remains that two multimillion dollar evaluations have failed to identify any effect of transitional jobs on employment outcomes of formerly incarcerated people, beyond the immediate earnings boost of holding a transitional job. Transitional jobs cost about twice as much as direct placement models, so we should expect better outcomes. Nevertheless, the idea of transitional jobs for formerly incarcerated people remains very popular. The Department of Labor recently committed another \$36 million dollars toward transitional jobs programs targeting the formerly incarcerated.<sup>356</sup> The outcomes of NJISJ should at least heighten our skepticism of the model.

As I described earlier, NJISJ staff defended the transitional jobs approach. The only criticism staff had of the transitional jobs model was that transitional jobs should have been longer than eight weeks, to allow for more time to identify and address employment issues

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<sup>356</sup> US Department of Labor 2011a.

that arose on the job. The wish for “more time” is somewhat counterintuitive since clients at all the organizations received *less* pre-employment training but were placed into and retained employment more often than transitional jobs participants.

That being said, staff at La Casa de Don Pedro shared the same suggestion of lengthening transitional jobs. La Casa De Don Pedro assumed control of the transitional jobs partnership with Greater Newark Conservancy when NJISJ had its contract reduced. Like NJISJ, they defended the model, believed it benefited their clients, and wished the positions were longer. When I spoke to La Casa’s program directors in March 2011, they were still placing people who had completed their transitional work assignments in January. They were not yet able to say whether their transitional jobs clients performed better than their direct placement clients. Staff believed the outcomes would be better, but their faith was largely based on the still unproven assumption that more extensive pre-employment training improves client outcomes.<sup>357</sup> Nevertheless, La Casa’s experience with transitional jobs suggests that adjustments in how and who delivers transitional jobs might improve outcomes.

Another design issue that neither La Casa nor NJISJ raised is whether all clients should receive a transitional job, without consideration for whether it suits them. The transitional jobs model in Newark required all clients to participate. It could be that transitional jobs deliver greater benefits to people with certain needs, perhaps people who have never held a legal job before. When I visited the offices of La Casa de Don Pedro in March, I met a middle-aged woman who had held a high-paying office job for twenty years prior to her incarceration. She, like everybody else, was assigned a place on a transitional job landscaping crew. The woman was appreciative for the paycheck, but the work hardly

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<sup>357</sup> Hodne 2011. Phone interview by author.



prepared her for identifying an unsubsidized job that suited her capabilities and interests.

The final story one might tell about the effect of transitional jobs on performance has to do with the city, and the way it managed grantees. DiMaggio and Powell argue that organizations adopt certain practices because they are seen as legitimate in the eyes of influential institutions.<sup>358</sup> Organizations therefore choosing not to adopt a dominant practice may be at a disadvantage. In NPRI, the dominant program model was clearly a combination of case management and direct placement. The mere fact of being different may have disadvantaged NJISJ. NJISJ experienced a different flow of clients than the other organizations, as clients passed through an eight-week program prior to direct placement. NJISJ director Albert Williams claimed the city did not understand their model, while the city, for its part, said in hindsight, they would have provided fewer transitional jobs.

If it is true that the city had a weaker understanding of or trust in the transitional jobs approach, when NJISJ began to slip on its benchmarks, the city may have applied pressure on the organization without offering actionable suggestions for how to improve their approach. NJISJ's program model may have also distanced the organization from peers. Indeed, though all program staff met monthly to share experiences, NJISJ program staff could not identify another organization they learned from over the course of the grant.<sup>359</sup> Meanwhile, none of the staff at the other organizations named NJSIJ as an organization they had collaborated with.

NJISJ's division director identified the lack of uniformity as the primary weakness of NPRI: "I think there should be more structure across the board. We don't have to do it the same way, but we should all be doing something identical across the board—whether it's the delivery of life skills and job readiness, or whether it's the fact that everyone has a transitional

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<sup>358</sup> DiMaggio and Powell 1983, 150.

<sup>359</sup> Gittens 2011 and Wilson 2011.

component—but all of that needs to be across the board.”<sup>360</sup> Interestingly, direct placement NPRI organizations wished just the opposite. Goodwill and OAR suggested that the city should do more to encourage diversity and specialization, so organizations can focus on their strengths. “I don’t think every organization should be doing A to Z,” said Goodwill’s division director.<sup>361</sup>

There is another way NJISJ differed from other organizations—subtler than program model—that might explain weaker outcomes: its emphasis on service provision, as opposed to more informal relationship building, in understanding and reaching clients. Compared to the three other, local community-based programs, NJISJ staff spoke little about their informal relationships with clients. Services at NJISJ were the primary means of building client trust. For example, NJISJ’s division director said of the choice to offer every client a free medical screening at intake: “Now they’re really starting to feel empowered: ‘I’m getting these services, they’re giving me case management. They’re connecting me to some of my other needs, which were not part of NPRI.’” He framed the transitional jobs program in a similar way.<sup>362</sup>

However, something more than services is required to build trust, and it is not clear that NJISJ offered it. When asked whether her approach was similar to other case managers working under NPRI, NJISJ’s case manager responded, “No, my case management style is much more in depth. Once they go through orientation, I do a very extensive intake, which is about nine pages. I go through substance abuse history, family dynamics, mental health history—everything—so I pretty much want to know what they eat, breathe and sleep.”<sup>363</sup> The

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<sup>360</sup> Williams 2011. Interview by author.

<sup>361</sup> Giardi 2011. Phone interview by author.

<sup>362</sup> Williams 2011. Interview by author.

<sup>363</sup> Wilson 2011. Phone interview by author.

case manager's use of a formal intake process to distinguish her case management approach highlights the value NJISJ places on the professional, systematic identification of client needs, but it also raises questions whether NJISJ lacked a human touch. Over the course of their lives, formerly incarcerated people have been through multiple failing systems, from schools to prisons, and have had their needs assessed countless times. They have, in most cases, been the beneficiaries of one social service or another. NJISJ did not offer a credible theory for why their case management approach would lead to substantially different outcomes.

By contrast, program staff at La Casa, OAR, and RCDC emphasized their personal rapport with clients as the key to their programs' success. Case manager Cuqui Rivera of La Casa says it is "the personality of the individual that makes the program, because if I can't get into your head, or if I don't know what to do when I get there, I've lost you."<sup>364</sup> As one of her clients told me, Cuqui would give everyone a hug the first day of orientation. RCDC likewise cultivated a "family environment." Staff had communal lunches most weekdays, and encouraged clients to socialize in their front office. The case manager would invite clients to join her at church on Sundays.<sup>365</sup> OAR staff actually invited clients to bring their families and loved ones to meetings at the office.<sup>366</sup> In all three cases, program staff suggested they had found a way, beyond the specific services they offered, to build trust with clients.

What enables program staff to build trust? Rivera says it has to do with personal experience. "It's the background. It's going through some of this stuff myself [...] The key is having that kind of empathy."<sup>367</sup> Program directors Pastor Reddick of RCDC and Warren Thompson of OAR have each had personal experience with the criminal justice system. In

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<sup>364</sup> Rivera 2011. Interview by author.

<sup>365</sup> Case manager B 2011. Interview by author.

<sup>366</sup> Brown 2011. Phone interview by author.

<sup>367</sup> Rivera 2011. Interview by author.

Thompson's case, he spent two decades cycling through the prison system before he made a change and earned his bachelor's and master's degrees at Rutgers University. Thompson says going through prison gives him a personal mission "to allow others to hope as I have hoped."<sup>368</sup> NJIJS did not have formerly incarcerated staff, or at least did not have staff who spoke openly about their criminal backgrounds.

As previous chapters have noted, a common criticism of resettlement programs raised by formerly incarcerated people is that programs are not run by people who can empathize with their experiences.<sup>369</sup> Of course, there are plenty of successful programs that do not employ formerly incarcerated people, just as there are successful programs, such as America Works, that probably allow for fewer informal interactions between clients and case managers than the programs described above.<sup>370</sup> However, one of the strengths of local, community-based organizations is their ability to make clients feel comfortable, both through the backgrounds of staff and in the informal, family-like culture of the program. NJISJ appeared to invest less attention in both these areas, by offering a more formalized, regimented program characteristic of a national organization like Goodwill, without having the efficiency, the experience or the name recognition of Goodwill. NJISJ's style of case management, in other words, might not be suited to an organization of their size, stature and strategic orientation.

### Why Small Survived

In general, organizational size is not correlated with program performance. One of the more remarkable outcomes of NPRI is that the two smallest organizations, OAR and RCDC, performed just as well or better than the largest organizations with the most financial

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<sup>368</sup> Thompson 2011a.

<sup>369</sup> See, for example, Condit 2008.

<sup>370</sup> Cove 2011. Phone interview by author.

resources. As Chapter 4 noted, organizational theories often presuppose that large organizations will outperform small organizations because they have greater capacity, for example, financial resources allowing the organization to adjust to change and to innovate. There are two reasons why organizational size did not predict performance under NPRI. The first is the way organizational structure in large organizations obstructed the flow of resources to the NPRI program, in particular, and the second is role that non-financial resources played in small organizations.

Larger organizations came to NPRI with clear advantages. America Works is a unique case I will disregard for the moment. Goodwill runs its own temp agency and a series of internal enterprises.<sup>371</sup> La Casa manages \$5 million in home weatherization money.<sup>372</sup> NJISJ sits on a large asset base and most of its staff are lawyers well versed in resettlement policy. These additional resources, however, did not directly benefit NPRI clients. The reason is that each of these organizations is horizontally differentiated, meaning there are clear divisions within the organization. For example, La Casa did not use its weatherization funding to hire formerly incarcerated people,<sup>373</sup> because a separate division of the agency with different leadership manages weatherization. Thus, the resources that each organization's NPRI program could reasonably access were substantially narrower than the resources commanded by the organization as a whole.

While large and small organizations both exhibited vertical differentiation, or levels of hierarchy between program staff and the executive board, they varied in how management participated in NPRI. NPRI funding only covered the salaries of program staff, so involvement of program and division directors was determined by the individual organization.

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<sup>371</sup> Giardi 2011. Phone interview by author.

<sup>372</sup> La Casa de Don Pedro 2010a.

<sup>373</sup> Reddick 2011. Phone interview by author.

Division or program directors of larger organizations tended to be more detached from daily NPRI operations, because they were managing several different programs at once. At La Casa de Don Pedro, NPRI was one of seven programs overseen by two division directors.<sup>374</sup> Neither program staff person held the title of program director.<sup>375</sup> At NJISJ, NPRI was one of at least three programs under the purview of the division director and, once again, there was no defined leader among program staff. Goodwill was structured much the same way, but did assign one of its case managers as a program director. However, when I interviewed the program director, she referred me to the division director (vice president) to answer a number of my questions, which suggests her ownership over the program was minimal.<sup>376</sup>

By contrast, RCDC's executive director and OAR's organization-wide director of reentry participated directly in case management and job development. When I visited OAR the evening of a board meeting, I found even board members casually discussing different employer connections they could bring to NPRI. For OAR and RCDC, NPRI marked a significant share of each organization's total revenue; all levels of leadership, therefore, were focused on NPRI outcomes. These two organizations were able to leverage a different caliber of staff—Thompson, at OAR, was the only staff person at any organization with a Master's in Social Work, while Reddick, at RCDC, is an esteemed pastor—to participate in daily program operations. Each organization also attracted “mission-driven” staff: staff who were not paid generously but were moved to serve formerly incarcerated people based on a personal calling.<sup>377</sup>

Smaller organizations were also able to compensate for a lack of financial resources

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<sup>374</sup> La Casa de Don Pedro 2010.

<sup>375</sup> Rivera 2011. Interview by author.

<sup>376</sup> Case manager A 2011. Phone interview by author.

<sup>377</sup> Reddick 2011 and Brown 2011.

with rich social resources. Reddick brought deep connections to politicians, employers and to unions, and was one of the few program leaders to really innovate in the relationships he built with employers. Reddick's organization might not have had the capacity (see above) to fully deliver on his training partnership with a local laborers union, but he did appear to broker more placements based on his reputation in the community. The director of OAR used to run the county correctional system, and had close ties to the corrections and social service community. Once again, social resources within small organizations were easier to mobilize (1) because there were not tight divisions within the organization and (2) upper-level staff with the greatest social capital were particularly invested in NPRI.

#### America Works and OAR: Why They Excelled

Two NPRI organizations, America Works and OAR, performed well above their peers, at least in the category of job placements. It is possible these two organizations performed poorly in other categories, though rankings data suggest otherwise. It is also possible that "creaming" explains their superior performance. While America Works' national director says "we don't screen out anybody,"<sup>378</sup> their 100 percent placement rate is very suspicious. OAR delayed enrolling individuals who required substance abuse or mental health treatment, as did most other organizations. OAR may have been more adept at identifying people with active substance abuse issues, but there is surely a case to be made that identifying client needs quickly is just another sign of their competence.<sup>379</sup>

For purposes of this analysis, I will leave aside the possibility that external factors explain the success of OAR and America Works and ask what organizational features make them successful. OAR and America Works were the only organizations who specialized in

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<sup>378</sup> Cove 2011. Phone interview by author.

<sup>379</sup> Thompson 2011. Phone interview by author .

*servicing* formerly incarcerated people. Formerly incarcerated people were also dominant among the population that NJISJ served, but providing services is only a related program area for NJISJ, whose primary focus is advocacy. In addition, OAR and America Works ranked highest in ratios of clients to program staff and clients to case managers, as well as lowest among clients served.

A specialization in serving formerly incarcerated people gave OAR an advantage, according to the executive director. Echoing the discussion of organizational structure above, she said, “We don’t have to divide our attention on some other perfectly good services... We can attack [the problem] head on.”<sup>380</sup> OAR has served formerly incarcerated people for 20 years, and America Works, for over a decade. If performance under NPRI is any indicator, experience working with formerly incarcerated people is a condition for highly effective resettlement programming.

Technical assistance provider PPV recommends case managers maintain caseloads of 25 to 30.<sup>381</sup> With the exception of RCDC, America Works and OAR were the only organizations to approach this ratio. If PPV’s recommendation holds true, then the path for improving performance at other organizations is straightforward: increase program staff, particularly case managers.

The possibility that *low enrollment*—more so than low caseloads—enabled the success of OAR and America Works poses a greater challenge to scaling or improving NPRI. It could be that OAR would not perform as well if the organization had had to serve twice as many clients, even if we doubled its staff. Scaling up requires new overhead costs and poses challenges for management, for finding appropriate staff, and for identifying sufficient

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<sup>380</sup> Brown 2011. Phone interview by author.

<sup>381</sup> Jucovy 2006, 14.



placements. America Works and OAR did serve clients in addition to those who were enrolled under NPRI. Nevertheless, each organization might have an enrollment “breaking point” where serving further clients would make it impossible to uphold the dynamics that make their programs successful.

Dynamics of success for OAR and America Works are quite distinct. OAR is strongly oriented toward its clients, case management is its admitted strength, and job placement has always been one of a number of services it offers clients. “We are not a job placement agency,” says OAR’s reentry director, Warren Thompson. Instead, OAR focuses on the “whole person.” They work to empower clients to conduct their own job search and address any number of issues they face, from family connection to substance abuse.<sup>382</sup> In many ways, OAR is the quintessential social service agency: staff are paid low wages and are motivated by a social purpose. Among social service providers participating in NPRI, OAR benefited from strong leadership, in particular, an executive director who worked hard to motivate her staff to excel and a program director who was uniquely qualified by education and by life experience.

America Works, on the other hand, is a for-profit, national organization. They, along with Goodwill, came to the grant with a much stronger dual customer orientation than most organizations. The national director locates their success not so much in the way they treat their clients but in the way they sell their clients to businesses. “There are employers who will hire people just because [we] send them,” says the national reentry director.<sup>383</sup> Social supports are offered insofar as they are required to help their clients maintain employment. Most case management—a word America Works tends to avoid—is offered as “work support” at the job

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<sup>382</sup> Thompson 2011b. Phone interview by author.

<sup>383</sup> Alternative Staffing Alliance 2010, 14.

site. Their “salespeople,” as they are called, are paid large bonuses based on performance, and play a much more aggressive role in identifying work opportunities on behalf of their clients, in contrast to OAR’s supportive job search approach.<sup>384</sup>

## Conclusion

Most national resettlement programs to date have been managed by the federal government and private intermediaries, such as PPV. Newark is one of the few cities to bring resettlement programming under its purview. Newark shows that cities present advantages and disadvantages as grant managers. Bureaucracy slowed the launch of NPRI, but the city also had the influence to bring different stakeholders to the table and hold organizations to their goals.

Against performance benchmarks, organizations appeared to perform quite well, on the whole. There is reason to be optimistic that NPRI improves employment outcomes of formerly incarcerated people and helps them avoid returning to prison—at least in the short term. Long-term benefits of NPRI are probably smaller, and we should expect them to be. NPRI constitutes an investment of a couple thousand dollars per person. Bringing stability to the lives of recently released men and women—and putting them in a position to benefit from broad-based social programs—is an accomplishment on its own.

A diversity of approaches can deliver strong outcomes. America Works and OAR, the two highest-performing organizations, demonstrated very different strengths. There is not a silver bullet to the problems of prisoner resettlement; a variety of approaches may work. What this analysis has attempted to discover are the characteristics of organizations that correlate with positive outcomes (see Table 13, below). I find that the most successful organizations

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<sup>384</sup> Cove 2011. Phone interview by author.

are those with low caseloads, a specialization in serving formerly incarcerated people and an ability to cultivate trust among clients or employers. Higher-performing organizations also served the fewest clients, which raises problems for scaling NPRI.

Meanwhile, effects of NPRI on the behavior of employers was demonstrably weak. Organizations generally targeted employers who are already open to hiring formerly incarcerated people. NPRI organizations certainly provided additional support to these employers, but organizations did not have the capacity or the clout to change hearts and minds. Organizations were counting on the city to play this role, but the city was unable (or unwilling) to use its influence to broker commitments of major local employers. This raises questions whether the city should have applied more pressure.

*Table 13 - Summary of Organizational Performance Findings*

← Inputs	<p><b>RESOURCES</b></p>	<p><b>Organization</b>            Financial resources are not directly correlated with program performance.</p> <p>Small organizations rely on social resources (“networks”) to compensate for limited financial resources.</p> <p>Experience serving formerly incarcerated people matters.</p> <p><b>Staff</b>            Staff who are formerly incarcerated help build trust among clients.</p> <p><b>Client</b>            Supervision status of clients may influence program outcomes.</p>
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← Throughputs	<b>ORGANIZATIONAL CONTEXT</b>	<p>Small organizations can perform as well as large organizations — at reduced enrollment.</p> <p>Organizations that specialize in serving formerly incarcerated people perform better than diversified organizations.</p> <p>Organizations that exhibit high horizontal differentiation tend to dedicate a narrower set of organizational resources toward resettlement programs.</p>
	<b>PROGRAM DESIGN</b>	<p>Transitional jobs may be ineffective, especially if required of all participants.</p> <p>Low caseloads, involved management are correlated with stronger performance.</p>
	<b>PROGRAM IMPLEMENTATION</b>	<p>Informal relationship-building is important for gaining client trust.</p>
Outputs =	<b>PERFORMANCE</b>	<p><b>City Benchmarks</b> Five of six organizations met all their benchmarks, except average wages.</p> <p><b>Other Individual Outcomes</b> Related client outcomes (such as connections to housing or education) are difficult to realize when services are unavailable.</p> <p><b>Institutional Outcomes</b> Organizations do not have the leverage to change employer behavior. Employers do not respond to “soft” encouragement from the city.</p>

## Chapter Six – Recommendations

The previous chapter observes that participants in Newark’s Prisoner Reentry Initiative appear to achieve better outcomes than New Jersey’s resettlement population as a whole. There are obvious problems with “inventing” a control group. Nevertheless, Newark’s experience makes a compelling case that formerly incarcerated people can benefit from targeted programming. Newark’s programs helped stabilize the lives of a sizable share of the resettlement population by connecting them to employment and social supports, such as mentoring and case management. The city, for its part, was a reasonably effective grant manager, and helped ensure five of six organizations met their performance benchmarks.

There are reasons to question whether it is appropriate or feasible for other cities to replicate Newark Prisoner Reentry Initiative, beyond obvious limitations in research design. NPRI was ultimately uncommitted to policy change and resulted in very little impact on the hiring behavior of employers. NPRI may also be difficult to sustain or grow. The initiative was funded by a one-time federal grant, while individual programs delivered poorer outcomes the more clients they were contracted to serve. My responses to each of these concerns are presented below as recommendations for (1) strengthening, (2) sustaining and (3) scaling the Newark Prisoner Reentry Initiative.

### Strengthening NPRI: Commit To Policy Change

This thesis has focused on the “back end” of prison reform. Leaving aside the scope and scale of the criminal justice system and the social forces that drive people into it, I ask a simple question: how can cities ensure formerly incarcerated people have access to

employment?

Recently released, formerly incarcerated people confront a labyrinthine job market where the vast majority of employers will not hire them on the basis of their criminal conviction. Resettlement programs simplify the search process by matching clients to employers who are willing to look past a criminal record. Programs on their own, however, have little power to shape employer behavior, and as we have seen, tend to target industries that are already comfortable with hiring the formerly incarcerated. The fact is, formerly incarcerated people will continue to suffer an earnings penalty unless employers change their hiring guidelines. Programs can provide direct support, but policy has to play a role in broadening access to employers.

Though a responsible grant manager, the city failed to change employer behavior during the implementation of NPRI. Participating programs report that Newark did not bring a single major employer to the table. Of course, Newark's outreach to employers could have been better orchestrated. The initiative is still in its start-up phase, after all. As the technical assistance provider suggested, the city could have undertaken a more visible publicity campaign. It could have launched NPRI with the commitments of several employers close to the Mayor.

That being said, I am convinced that the soft approach endorsed by Newark's Office of Reentry will not work for the majority of employers. The city needs to set standards, and enforce those standards. Just as the city set clear expectations and aggressively monitored its six resettlement programs, the city should do the same to its anchor employers.

Newark should require all employers who benefit from tax subsidies or city contracts to hire a certain number of NPRI participants, current or former, within a period of two

years.<sup>385</sup> Goals could be adjusted according to the size of the employer's workforce, and employers would only receive full credit for employees who are retained for a year. Hiring goals could be modest, as their main purpose is to ground employer ideas about hiring formerly incarcerated individuals in experience. Naturally, there will be some employers, perhaps in the financial services industry, unwilling to assume the risk. Similar to inclusionary zoning policies, these employers could opt out of the requirement by paying into a prisoner resettlement fund that supports Newark's programs. Other large employers might already contract out most of their entry-level jobs. These employers could fulfill the requirement by ensuring their subcontractors meet the requirement.

As Chapter 1 noted, the impact of similar efforts in other cities is probably weaker than expected because cities lack the capacity to enforce standards. By engaging their resettlement providers, who have much to gain from such a policy, Newark could relieve its own agencies from the full responsibility of enforcing such an ordinance. In partnership with the Office of Reentry, Newark's resettlement programs could act as the referral source for eligible candidates, and through their existing MIS database, could take responsibility for tracking employee retention and employer compliance. I noted in the previous chapter the vigilance that resettlement providers demonstrated in ensuring their clients accessed welfare benefits allowed by a new state law. I imagine providers would bring a similar commitment to enforcing compliance in this case. Programs with the capacity could even provide employer-specific training to encourage employers to meet their goals rather than opt out.

It is easy to imagine hundreds of policies that would benefit Newark's resettlement population. I highlight the policy above because it takes advantage of Newark's unique asset:

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<sup>385</sup> See Memphis and Shelby County 2010, 14, for an example of such a policy.

its network of high-performing resettlement programs. Given the scale of NPRI, there are likely few cities in the country with a recently released population as well supported as Newark's. Newark should use its resettlement programs as a point of leverage.

#### Sustaining NPRI: After Federal Money Dries Up...

The majority of NPRI programs I interviewed agreed that the initiative was successful because the city was able to coordinate programs and hold them to common standards. It is important to note that a large federal grant enabled the Office of Reentry to coordinate programs. In fact, Newark faced great difficulty addressing resettlement in any coherent fashion prior to receiving this large grant (see Chapter 3). With the federal grant ending this summer, two key questions come to mind. Firstly, if the federal government does not fund Newark's initiative, who could? Secondly, how can the city continue to manage resources if it does not control them?

If we assume that Newark's resettlement programs do improve employment and recidivism outcomes, they are delivering major cost savings, even new tax revenue to the state. Imagine for a moment that those released to Newark normally have a one-year recidivism rate of 20 percent (I am extrapolating from the statewide, three-year rate<sup>386</sup>), but if all are enrolled in Newark's resettlement initiative, they have a recidivism rate of 7%. Based on incarceration costs alone, Newark's programs would deliver the state savings of \$15.3 million, net program costs. NPRI's recidivism rate could rise to 17% percent and still be cost neutral. In other words, as long as programs maintain a 7 percent recidivism rate among the share of returning state prisoners they currently serve, the recidivism rate among the share of

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<sup>386</sup> Sentencing Project 2010, 6.



prisoners not currently served could rise as high as 28.5 percent.<sup>387</sup>

There are numerous reasons why the cost savings are probably lower than what I show below. Firstly, the recidivism rate of Newark's programs *would* probably rise if programs were required to serve everybody; it is not clear how high, or if programs would even have the capacity to serve everybody (a question I will return to shortly). Secondly, there is also no reason to assume that preventing the re-incarceration of one individual will result in a one-to-one reduction in the population sent to prison, since urban crime and incarceration are driven by economic and social forces. Finally, cost savings are based on the assumption that the state actually has the political will to close prisons and cut staff as the prison population declines. Nevertheless, projected cost savings below show there is room to construct a cost neutral agreement between Newark and the state for funding Newark's resettlement initiative, even if the state must resort to an "early release" model that cuts sentences on the back end and mandates participation in these resettlement programs.

It is precisely because the city has taken on the role of coordinating and tracking performance of resettlement programs that such an agreement is even imaginable. Under NPRI, participating programs have scale, a documented impact, and a means of shifting responsibilities and resources in the event that one organization performs poorly. Scale is especially important. Were an individual program to negotiate such a contract with the state, the state would have very little reason to trust its impact, because the program could be "creaming" candidates who would otherwise fare well upon release. Given that Newark's programs collectively served a majority of Newark's resettlement population, the state can have more confidence that decisions to deny service are the result of practical reasons—not

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<sup>387</sup> As I have noted elsewhere, I approximate the share of state prisoners currently served based on the assumption that all NPRI participants were former state prisoners. People on federal probation or exiting county jail were also potentially eligible, though the number is likely small, based on other grant criteria.

gamesmanship—and that the impact, in spite creaming, is still significant.

*Table 14 - Simplified Cost Savings Projection of NPRI*

	With Program	Without Program
Releases to Newark	1,700	1,700
Recidivism (1 year)*	7%	20%
Total Returned to Prison	119	340
Cost to State**	\$10.7 million	\$30.6 million
Program Cost***	\$4.6 million	\$0
<b>Cost Savings</b>	<b>\$15.3 million</b>	
Breakeven Recidivism	17%	-
Breakeven Recidivism, among share of resettlement pop. not currently served	28.5%	

\* State recidivism rate is extrapolated from three-year rate (cut in half).

\*\* Costs based on average length of stay, from Kleykamp, Rosenfield and Scotti 2008, 11.

\*\*\* \$2,700 per person cost, assuming reductions to technical assistance contract and fewer transitional jobs.

If the state of New Jersey proves unwilling to dedicate a separate funding stream to Newark’s resettlement initiative, it could still redirect some of the funds already spent on community corrections to Newark’s programs. One of the gaps in my research is that I could not show whether NPRI clients who were housed in halfway houses performed better than clients who had “maxed out.” The City of Newark has this data. To the extent that the city and state agencies can work together to analyze employment and recidivism outcomes of people on various forms of supervision with and without the support of Newark’s programs, the state will be able to craft a “value chain” of resettlement programming. If data shows that Newark’s programs improve outcomes of those who are released to halfway houses, for example, the state could require halfway houses to subcontract with Newark’s resettlement initiative to provide employment and case management services. The same is true of other forms of supervision, though halfway houses, which receive approximately \$25,000 per bed per year, have substantially more capacity to subcontract than standard parole (\$2,000 -

\$3,000 per client), or even intensive parole supervision (\$11,000 per parolee).<sup>388</sup>

There might yet be another “hook”—in the words of Newark’s director of reentry—for the city to continue managing programs.<sup>389</sup> Rather than fund program costs, the city could focus on disbursing performance bonuses and aid organizations in identifying other grant sources. Fiscal emergency aside, the city could drum up the funds to provide performance bonuses to organizations who continue to enter performance data, attend monthly meetings and meet performance benchmarks (perhaps through an employer fund like the one described earlier in this chapter). If the city reduced performance bonuses to 15 percent of program budgets, the city could offer \$315 per client, or \$315,000 for a thousand successful placements (inclusive of retention, recidivism, etc.). The city would have to work with participating organizations to set enrollment targets equal to or greater than the number of clients they have received outside funding to serve (to ensure organizations do not selectively input positive outcomes). It remains to be seen whether \$315 per successful placement will entice organizations to agree to track their outcomes and work toward performance goals.

#### Scaling NPRI: How To Raise Enrollment And Quality At Once

The performance outcomes of NPRI, though generally positive, raise doubts about whether the initiative can be scaled. The fact that a mid-sized organization felt overwhelmed by serving 205 clients poses a challenge to serving Newark’s entire resettlement population – let alone introducing NPRI to, say, Los Angeles County, where 50,000 formerly incarcerated individuals return every year.<sup>390</sup> NPRI’s most effective organizations served the fewest clients. Is it possible to scale effective programs without sacrificing quality?

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<sup>388</sup> New Jersey State Legislature 2010, 4.

<sup>389</sup> Johnson 2010. Phone interview by author.

<sup>390</sup> Holzer, Raphael and Stoll 2003, 1.

I have argued that two elements determine the success of resettlement programs: their administrative (or operational) capacity and their capacity to relate to stakeholders (their “trust capacity”). It is possible that simply by growing, programs inherently become less capable of building trust among clients. The experience of La Casa de Don Pedro suggests otherwise. La Casa served as many clients as NJISJ, was the largest of all participating organizations, yet was still effective at connecting with clients. This is because client trust appears to be most strongly correlated with staff, rather than organizational attributes. Programs can ensure clients feel valued even as they grow in two ways. Firstly, they should hire program staff who have direct experience with the criminal justice system—people who understand “the insanity of it,” in the words of La Casa’s case manager.<sup>391</sup> Secondly, staff should focus on building informal relationships with clients in addition to service delivery.

Administrative capacity will also be taxed as programs scale, and though challenges to serving 1,000 clients versus 100 clients probably grow exponentially, they can be met through additional investments in program capacity. To illustrate, recall, from the previous chapter, that the organizations with the fewest financial resources, the least experience managing large contracts and the fewest total staff, performed as well or better than large organizations. They accomplished this by directing a greater share of their organizational resources toward their NPRI programs. Discretionary organizational resources, such as the social networks of the executive director or the board, were put to use to support the program. Program managers at the two smallest organizations were directly involved in daily program operations; they case managed and outreached to employers. Finally, smaller organizations maintained lower caseloads—partly by paying lower salaries, partly by hiring few job developers. Program

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<sup>391</sup> Rivera 2011. Interview by author.

capacity, therefore, is as if not more important than organizational capacity in explaining performance.

It is possible that cities can boost program performance and enrollment at once by (1) paying for additional case managers; (2) paying for the involvement of managerial staff in daily program operations; and (3) requiring organizations to put related organizational resources to use in resettlement efforts. The third point is especially critical for large organizations. Large organizations had substantially more resources than small organizations, but few of these resources directly benefited their resettlement programming. As one example, La Casa De Don Pedro runs a building contractor and manages \$5 million in home weatherization funds,<sup>392</sup> yet none of La Casa's resettlement clients worked on La Casa weatherization projects.<sup>393</sup> The risk of directing resettlement funds to larger organizations is that the program becomes one of a dozen programs and does not receive sufficient attention. City managers can work with large organizations to break down divisional barriers to see to it that a greater share of organizational capacity is utilized to meet program goals.

It is still possible that a program will grow too large for the organization to support it. Regardless of whether the city funds a small organization, OAR, for example, to hire additional case managers, it is difficult to imagine OAR placing 1,000 clients per year without major investments in organizational capacity—facilities, management—which might not even be in the organization's strategic interest. For every organization, there is likely an enrollment “bar” beyond which additional enrollment is unrealistic. Recognizing that even strong organizations have limits in their capacity to serve clients effectively, cities should think strategically about the services they ask organizations to perform.

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<sup>392</sup> La Casa de Don Pedro 2010a.

<sup>393</sup> Reddick 2011. Phone interview by author.

Programs have different strengths and limited capacity. As two of the participating organizations suggested, it might be wiser for cities to contract with organizations to provide different types of services that the resettlement population needs.<sup>394</sup> This way, organizations dedicate their limited capacity to providing the services they are best at providing.

For cities to allow an organization to specialize in case management, for example, cities would need to adopt new ways of managing performance, which poses a challenge. I raised the issue in the previous chapter that NJISJ's performance may have suffered because its program model was different from the other grant recipients, and the city was consequently unable to provide the program constructive support. If organizations are offering different types of services, common benchmarks may no longer be appropriate. The city would have to expend more resources understanding each organization's operations in order to manage performance. Inefficiencies could arise as multiple organizations are tasked with serving the same client.

Nevertheless, the idea deserves consideration. In addition to scaling programs in the areas where they are strongest, subcontracting by service type would allow the city to blend targeted and universal programs. All NPRI organizations agree it is important for case managers to develop a personal rapport with clients. It makes sense why targeted programs, with staff who have an intimate understanding of the challenges formerly incarcerated people face upon their release, are more suited to this work. On the other hand, job placement services are not necessarily best delivered to formerly incarcerated people exclusively. Targeted placement programs more efficiently sort out which employers are willing to hire clients with a criminal history, but they are also potentially stigmatizing. All NPRI programs,

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<sup>394</sup> Thompson 2011b and Giardi 2011.

even those with a stronger orientation toward employers, had a far less sophisticated understanding of the local labor market or employer needs than, say, the workforce intermediaries described in Chapter 1, and none provided job training beyond “soft skills.” Subcontracting by service type, the city could explore partnering a case management-focused resettlement program with a broad-based job training or education program. Future research could help reveal what combinations of targeted and universal programming make the most sense.

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## Appendix A – Summary of Resettlement Program Evaluations

Two workforce models targeted toward formerly incarcerated people emerged out of experiments in the 1960s and 1970s and remain dominant today: job placement and transitional work. Job placement promotes rapid attachment to work in the private labor market. Transitional work places formerly incarcerated people in subsidized, temporary assignments, where they receive additional support and supervision prior to direct placement.

During the 1960s and 1970s, each approach was associated with little success. MDTA identified a few promising programs—none evaluated experimentally. A general criticism of MDTA programs is that they did not address related issues of substance abuse, mental health and housing, and they focused too much on “job readiness as opposed to job placement.”<sup>395</sup> The National Supported Work Demonstration of the 1970s tested the effects of transitional work on four groups of disadvantaged workers at fifteen sites nationally. The demonstration had a positive, long-term effect on the employment outcomes of AFDC recipients,<sup>396</sup> but very little impact on formerly incarcerated people, particularly younger participants, both in terms of employment and recidivism.<sup>397</sup>

Part of the reason for the weak outcomes of the Supported Work Demonstration had to do with formerly incarcerated people’s willingness to participate. Formerly incarcerated people withdrew much earlier than other groups—remaining just five months, on average—and over half said they were dissatisfied with the program.<sup>398</sup> Interestingly, the Wildcat Experiment, an earlier transitional work program that did appear to improve long-term employment outcomes

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<sup>395</sup> Finn 1998a, 4.

<sup>396</sup> Manpower Research Demonstration Corp. 1981

<sup>397</sup> Piliavin and Gartner 1981.

<sup>398</sup> Manpower Research Demonstration Corp. 1981, 42.

for formerly incarcerated people (according to a weak experimental design), was also more successful in cultivating program loyalty. A quarter of participants stayed with Wildcat more than three years.<sup>399</sup> Any number of factors could explain why Wildcat generated better outcomes and greater program satisfaction than the national demonstration. Perhaps the most compelling is the specificity of the Wildcat Experiment: the program was located in a single city and aimed to serve a particular subset of formerly incarcerated people, those who were actively involved in drug treatment.

In the last decade, federal and private funders have essentially reconfigured the job placement and transitional work models of the 1970s, while attempting to be more responsive to the specific needs of formerly incarcerated people beyond employment. Today's job placement programs are more intentionally paired with case management and mentoring. In addition to job placement, they offer employment readiness workshops and referrals to housing, substance abuse, education and family counseling services. Transitional work programs offer a similar set of services and, like the Wildcat Experiment, are targeted exclusively to formerly incarcerated people. While both approaches generate initially positive effects on employment, wages and recidivism, impacts have been difficult to sustain over time. Table 15, below, summarizes data from job placement and transitional jobs demonstrations.

Support for the case management and job placement approach began in 2003, when the US Department of Labor (DOL) and Public/Private Ventures (P/PV) launched Ready4Work. DOL awarded 11 grants to mostly faith-based organizations to provide job placement, service referrals and mentoring to formerly incarcerated people between the ages

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<sup>399</sup> Friedman 1978, 58.

of 18 and 34 who had been released from prison within the prior 90 days for a nonviolent offense. Candidates were eligible for up to one year of services, beginning with a pre-employment course consisting of one to two weeks of employment and life skills training. DOL set performance benchmarks for the percentage of participants enrolled in mentoring and support services, as well as the percentage placed in and retaining employment.<sup>400</sup> While Ready4Work was not evaluated experimentally, P/PV observed in a summary report that recidivism (39% reconvicted within three years) compared favorably with the national average among a similar population.<sup>401</sup> P/PV also found that mentoring appeared to have a positive effect, noting that those who elected to have a mentor remained in the program longer, were twice as likely to obtain a job and 56 percent more likely to remain employed compared to those who chose not to participate.<sup>402</sup>

In 2006, DOL launched the larger Prisoner Reentry Initiative (PRI), which was structured much the same way as Ready4Work, though the cost per participant was lower (\$2,495 versus \$4,500), due largely to a shorter average period of active enrollment (five months versus eight months).<sup>403</sup> Participation among community- as opposed to faith-based providers was also higher. In contrast to Ready4Work, PRI excluded candidates who had ever been convicted of a violent offense, and tended to serve an older population. PRI grantees learned to screen for “motivated or suitable candidates ... who were likely to benefit from the services.”<sup>404</sup> PRI resulted in a higher placement rate than Ready4Work (66% versus 56%) and a lower recidivism rate.<sup>405</sup> Nevertheless, PRI’s fourth quarter employment rate<sup>406</sup> mirrors the

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<sup>400</sup> Bauldry and McClanahan 2008, 4.

<sup>401</sup> *Ibid.*, 32.

<sup>402</sup> *Ibid.*, 27.

<sup>403</sup> Holl and Kolovich 2009, 211.

<sup>404</sup> *Ibid.*, xxiv.

<sup>405</sup> *Ibid.*, 210.

National Institute of Justice's estimate of the national employment rate of formerly incarcerated people one year after release.<sup>407</sup> Since the start of PRI, DOL has funded several initiatives that continue to emphasize case management, mentoring, job placement and, increasingly, performance-based contracting. A number of the original recipients of PRI grants are undergoing a random assignment evaluation by Social Policy Research Associates and MDRC, which should provide a better sense of the approach's impact on employment and recidivism.

Results from random assignment evaluations of transitional jobs, the other major workforce model for ex-prisoners, are somewhat discouraging. A 2004 experiment by MDRC compared the outcomes of participants of the Center for Employment Opportunities (CEO) in New York City, a highly respected program that places people in transitional employment, with a control group who received an expedited pre-employment orientation, no transitional job placement and limited job search and support services thereafter. The MDRC study was open to adults referred to CEO by their parole officer, with the exception of boot camp participants who are required to enroll in CEO's services. Half of candidates in the program and control groups had been convicted of a violent offense. Services offered to the control group are not directly comparable to the job placement and case management approach described above, since members of the control group took advantage of fewer job and service referrals than the typical PRI or Ready4Work participant.<sup>408</sup>

After going through a four-day life skills training, experimental group participants were assigned to a subsidized job, most typically in building maintenance and janitorial services, where they received feedback and support from CEO supervisors. Participants

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<sup>406</sup> Ibid., xxvii.

<sup>407</sup> Petersilia 2000, 3.

<sup>408</sup> Redcross et al. 2009, 3.

worked four days a week and were paid daily. Fridays were reserved for life skills and fatherhood courses and meetings with case managers and job developers to help with securing permanent employment.<sup>409</sup>

On average, participants stayed in their transitional jobs for eight weeks, though 27 percent of program group participants never actually held a transitional job, with most dropouts occurring in the middle of the program orientation. (Dropouts were still tracked as program group participants for the remainder of the study.) CEO-reported placement data suggests individuals who stayed in transitional jobs longer were more likely to find permanent employment (though personal motivation is no doubt a factor).<sup>410</sup>

While transitional jobs created an initial boost in employment among the experimental group, differences in employment outcomes between the two groups disappeared by the end of the first year and remained insignificant during most of the following two years. Once again, employment in the fourth quarter mirrored national and New York estimates of one-year employment rates of formerly incarcerated people.<sup>411</sup> The study did find a small impact on recidivism, which was more pronounced among those who had been released from prison in the last three months—CEO’s target population.<sup>412</sup>

Building on the finding that program outcomes vary by release date, the Joyce Foundation’s Transitional Jobs Reentry Demonstration (TJRD), also evaluated by MDRC, limited participation to adult men released from prison in the last 90 days.<sup>413</sup> Launched in 2007 in four Midwestern cities, TJRD followed CEO’s approach, with some exceptions. While participating organizations were experienced in serving formerly incarcerated people,

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<sup>409</sup> Ibid., 13.

<sup>410</sup> Ibid., 28.

<sup>411</sup> Ibid., 47.

<sup>412</sup> Zweig, Yahner and Redcross 2010, 10.

<sup>413</sup> Redcross et al. 2010, 7.

some were new to transitional jobs. The Chicago site allowed participants to stay in transitional jobs indefinitely, where participants typically worked 40 hours per week, and received soft skills training on site. St. Paul placed participants in a transitional job within 24 hours, delaying employment readiness training until participants had spent 30 days on the job. The other two sites, Milwaukee and Detroit, reserved more time for pre-employment training, as CEO does. None of these program variations appeared to have a major impact on outcomes, however.<sup>414</sup>

In each of the four sites, as in the CEO study, differences in employment outcomes between program and control groups disappeared by the end of year one.<sup>415</sup> However, in contrast to the CEO study, the TJRD study showed no impact on recidivism, besides a small reduction in days in prison relative to the control group.<sup>416</sup>

It is not entirely clear why transitional jobs have failed to deliver greater employment benefits. Interviews with participants in the TJRD study indicate that quality of employment may be a factor. The transitional jobs offered are by and large low-skill positions that do not readily translate into employment opportunities after the job is complete. Meanwhile, the few transitional jobs perceived to be of a higher quality, such as the opportunity to mentor youth in Milwaukee, left participants feeling discouraged that comparable unsubsidized jobs do not exist.<sup>417</sup>

There is also the possibility that evaluations above understate program effects. Both the experiments saw a very large drop off in participation within the first few weeks of programming, yet these participants were still included in the experimental group. In addition,

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<sup>414</sup> Ibid., 31.

<sup>415</sup> Ibid., 67.

<sup>416</sup> Ibid., 92.

<sup>417</sup> Ibid., 123.



the experiments compared the effect of transitional jobs not to no services, but to a more limited set of supports. The fact is that most formerly incarcerated people are returning home to no formal resettlement program. Interviews with 49 formerly incarcerated people in New York City found that 15 were familiar with a job training or job development program, and only four chose to enlist their support.<sup>418</sup> Meanwhile, national or state estimates of employment and recidivism, are a crude comparison to the Ready4Work and PRI programs, since they average the outcomes of formerly incarcerated people who might not be facing the same constraints as program participants.

*Table 15 - Performance Data from Recent Job Placement and Transitional Jobs Demonstrations*

	<b>Ready4Work (JP)</b>	<b>PRI (JP)</b>	<b>CEO (TJ)</b>		<b>TJRD (TJ)</b>	
Enrollment Period	2003-2005	2006-2008	2004-2005		2007-2008	
Tracking Period	1 year (employment); 3 years (recidivism)	1 year	3 years		2 years	
Number of Sites	11	30	1		4	
			<b>P</b>	<b>C</b>	<b>P</b>	<b>C</b>
Total Enrollment	4,482	13,315	568	409	912	901
Participants per year, per site	~150	~200	568	409	~100	~100
Eligibility	Age 18-34; released from prison in last 90 days; most recently convicted of nonviolent offense	Above age 18; 90% must be released within 180 days; never convicted of a violent offense	Parolees referred by a parole officer		Men over 18 years of age who had been released from prison within the last 90 days	

<sup>418</sup> Nelson, Dees and Allen 1999, 16.

Participant Background						
			P	C	P	C
<b>Race / Ethnicity</b>						
% Black	77	64	64	61	82	79
% Latino	5	16	31	32	4	5
<b>Gender</b>						
% Male	80	77	92	94	100	100
<b>Criminal History</b>						
Number of Prior Convictions	-	4	7.4	7.7	9.1	9.3
Number of Felony Convictions	-	-	2.7	2.5	2.6	2.7
% Convicted of a Violent Offense	18	<1	52	51	57	59
% Convicted of a Drug Related Crime	42	>58	73	73	46	47
% Released More Than 9 Months	0	10	33	35	0	0
<b>Education</b>						
% Less Than HS / GED	39	44	43	41	25	26
<b>Age</b>						
Average	26	36	34	33	35	35
<b>Employment</b>						
% Ever Employed	84	>69	81	81	86	87
% Employed Six Consecutive Months for One Employer	>53	>54	60	62	50	56
<b>Program Outcomes</b>						
% Who Worked in a Transitional Job	-	-	73	-	85	-
Average Stay in Program	8 months	4 months (12 weeks active,	9 wee	-	12 weeks	-

		plus follow up)	ks (TJ)		(TJ); 4 weeks (follo w up)	
<b>Employment <sup>a</sup></b>						
% Ever Employed in Q1-4 (including TJ)	56	66	80*	56*	93*	60*
% Employed 3 Consecutive Months, (6 consecutive)	33, 15	-	-	-	-	-
Q1 Employed %, Unsubsidized %	-	66	66*	26*	72*	32*
Q4 Employed %, Unsubsidized %	-	39	36	35	36	31
Q8 Employed %, Unsubsidized %	-	66	33	34	29	31
	-	-	35	32	-	-
	-	-	32	32	-	-
<b>Earnings</b>						
TJ Earnings (Q1-4)	-	-	887*	31*	2044*	0*
Unsubsidized Earnings (Q1-4)	-	-	-	-	2292	2917
<b>One year recidivism</b>						
% Convicted of a crime	21	3	15	17	14	15
% Incarcerated for a new crime	17	2	7	8	6	5
<b>Three year recidivism</b>						
% Convicted of a crime	39	-	43** *	49***	-	-
% Incarcerated for a new	33	-	24	28	-	-

crime						
<b>Cost</b>						
\$ Per Participant	4500	2495	4263	-	4000	-

P = Program Group  
C = Control Group

- = No available data

\* = Statistical significance at 1 percent  
\*\* = Statistical significance at 5 percent  
\*\*\* = Statistical significance at 10 percent

<sup>a</sup> Ready4Work tracks employment by the percentage of individuals who retain employment for six and three months. The other programs report the percentage of all participants who are employed for at least a day in any quarter. Thus, Ready4Work's measure is stricter.

*SOURCES:* 1) Bauldry and McClanahan 2008. 2) Holl, et al. 2009. 3) Redcross, et al. 2009. 4) Redcross, et. al. 2010.

## Appendix B – Calculating OAR’s Placement Rate

Offender Aid and Restoration was the only organization that did not share at least an approximate placement rate, preferring instead that I make a request through the city. Using reported placement rates for other organizations and aggregate outcomes data, I was able to imply an approximate placement rate for Offender Aid and Restoration.

Aggregate data obtained through the US Department of Labor is only inclusive of placements through December 2010. The MIS only records placements after a client “completes” the program. While all enrollments had been recorded by December 2010, not all placements had, so the self-reported placement data I later obtained does not exactly match aggregate data. At least two of the organizations, Goodwill and La Casa, had enrolled a fair number of candidates in the last quarter of the grant;<sup>419</sup> their outcomes are not included in the DOL data.

Goodwill, La Casa and Renaissance together ended up with a placement rate *slightly below* the aggregate placement rate once performance for the last quarter is included.<sup>420</sup> However, I make the conservative assumption that, before December 31, these three organizations were “pulling their weight,” and together recorded a placement rate of 66 percent—the average across the six organizations as of December 2010.

NJISJ had its contract cancelled before the final quarter,<sup>421</sup> so their self-reported data should match what is recorded in the DOL figure. America Works and OAR had also

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<sup>419</sup> Giardi 2011 and Hodne 2011. Phone interviews by author.

<sup>420</sup> See Chapter 5, 106.

<sup>421</sup> Newark Municipal Council 2010.

recorded almost all of their placements in the December data reported to the DOL.<sup>422</sup> If these three organizations are to match the 66 percent placement rate of the organizations above, based on the self-reported data of NJISJ and America Works, OAR would need to contribute a placement rate of 75 percent, or 104 placements.

This estimate matches other details I have gathered of OAR's performance. When I mentioned to the director of OAR that I had met with the city, she asked if the city had told me that her organization had performed "the best" among the four local CBOs.<sup>423</sup> The director of the Office of Reentry said the top-performing CBO (again, speaking of the four local organizations) had met 130% of its placement benchmark.<sup>424</sup> At 60%, OAR's placement goal was 83 placements. One hundred thirty percent of 83 is equal to 108 placements—very close to our estimate of OAR's performance.

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<sup>422</sup> Thompson 2011b. Phone interview by author. I assume America Works had recorded most of its placements, given the small number of clients it was contracted to serve.

<sup>423</sup> Brown 2011. Phone interview by author.

<sup>424</sup> Johnson 2010. Phone interview by author.