

CONSENT CALENDAR May 30, 2022

To: Honorable Mayor and Members of the City Council

From: Councilmember Taplin, Councilmember Harrison (co-sponsor),

Councilmember Hahn (co-sponsor), Councilmember Robinson (co-sponsor)

Subject: Office of Racial Equity: Re-Entry Employment and Guaranteed Income Programs

RECOMMENDATION

Refer to the City Manager:

- (1) To incorporate establish a Adult Re-entry Employment Program services into violence prevention programs including Berkeley Ceasefire, leveraging county/state/federal resources to the extent feasible, including but not limited to County Criminal Justice Realignment (AB-109) funding for adult reentry services., and
- (2) To study the feasibility of and seek grant funding and/or other sources of funding for a Guaranteed Income pilot program, following operational recommendations in the Reimagining Public Safety process. Considerations for target populations in pilot phases may include local Equity Indicators measuring racial justice and social equity outcomes such as poverty and financial health, educational disparities, environmental and mental health, housing quality, infrastructure, and public safety.
- (3) In addition, the City Manager's Office, and subsequently an Office of Racial Equity as appropriate, shall periodically report on outcomes and performance metrics, administrative capacity, and fiscal sustainability for partnering CBOs and other NGOs performing violence prevention services, adult reentry programs, mental health crisis responses, and any other services under the auspices of Reimagining Public Safety.

FINANCIAL IMPLICATIONS

The City Council's omnibus budget referral for Reimagining Public Safety passed on May 5, 2022 included \$1M for staffing the Office of Racial Equity, and \$100,000 for Grant Writing Services. Implementing this recommendation would be contingent on those funds.

Additionally, the National Institute for Criminal Justice Reform recommended \$1,250,000 in funding one year after council approval, from "5% of County Criminal Justice Realignment funds allocated to community services for Berkeley residents."

CURRENT SITUATION AND ITS EFFECTS

Studying employment and poverty reduction programs in the Office of Racial Equity is a Strategic Plan Priority Project, advancing our goal to create a resilient, safe, connected, and prepared city.

Adult Re-entry and Municipal Employment

The population of adults on parole or probation has declined over the past two years in Berkeley, reflecting countywide trends. In the most recently available dataset, the Alameda County Probation Department (ACPD)¹ reports 223 adult probationers in Berkeley in Q3 2021, down from 312 active adult clients in March 2020.² In spite of this decline, independent assessments had previously identified needs for further progress.

In 2019, the Alameda County Board of Supervisors approved an updated Adult Reentry Strategic Plan for the county, which includes performance measures for workforce development & employment.³ This program includes subcontractors with both subsidized and unsubsidized employment. The evidence has shown marginal effectiveness of these programs in reducing recidivism, which warrants consideration of supplemental programs at the municipal level to alleviate poverty and further reduce recidivism.

With the signing of Assembly Bill 109 (the Public Safety Realignment Act) in 2011, responsibility for incarceration and supervision of many low-level inmates and parolees transferred from the California Department of Corrections and Rehabilitation (CDCR) to the county level, with the intent of reducing the incarcerated population. According to a 2020 evaluation of Alameda County's AB 109 implementation by Research Development Associates, "Alameda County's AB 109-funded services and Behavioral Health Care Service programs reduce the likelihood of recidivism and reduce the rate at which individuals recidivate." However, the report also warns that "findings about AB 109-funded service receipt should be read with some caution. A relatively small proportion of individuals received AB 109-funded services...it appears service expansion could reduce recidivism rates among Alameda County's probation population moving forward." [emphasis added]

In June 2020, the City Council passed a budget referral authored by Councilmember Rashi Kesarwani to establish a framework for a new Office of Racial Equity within the Office of the City Manager. ⁵ This is consistent with best practices in neighboring cities, such as Oakland and San Francisco, which have recently established such an office. The duties of such an office can be manifold, but a primary responsibility should be to

¹ https://probation.acgov.org/data.page

² https://www.bscc.ca.gov/wp-content/uploads/Alameda-FY-20-21-CCP-Update.pdf

³ https://probation.acgov.org/probation-assets/files/Reentryandpublicsafetydocs/AC_Adult%20Reentry%20Strategic%20Plan_Road%20to%20Reentry_2019%20Update.pdf

https://probation.acgov.org/probationassets/files/Reentryandpublicsafetydocs/RDA_AB109OverviewAndOutcomes_7-20.pdf
See Attachment 4.

support CBOs and programs advancing the Reimagining Public Safety framework, including those that provide cash assistance, workforce development and employment opportunities for the formerly incarcerated to reduce recidivism (either a municipal program similar to Berkeley YouthWorks, or supplementing county services).

On May 5, 2022, the Berkeley City Council passed a budget referral to advance Reimagining Public Safety initiatives, which included \$100,000 for grant writing services, and slightly over \$1 million for staffing a new Office of Racial Equity. These services could assist in researching and soliciting funding for these and other promising programs to improve public safety and advance economic justice.

The National Institute for Criminal Justice Reform (NICJR)'s Report on Reimagining Public Safety in Berkeley provided recommendations on a Guaranteed Income pilot and workforce development, the latter with a focus on "community beautification" services. These recommendations were accepted with modifications by the Reimagining Public Safety Task Force (RPSTF) in their Response and New Recommendations to NICJR's Report:

Members are very interested in increasing job skills and opportunities. However, programs should be centered on the interests of the target group. The Task Force therefore rejects the idea of a 'beautification' program but fully supports programs that focus on professional development, and serve as a pipeline to employment, especially for those who face additional barriers like a criminal record. Any program should have the goal of being transformative.⁸

While the emphasis in these reports is on a municipal employment program, the Task Force's focus on professional development is consistent with Chicago's Green ReEntry program managed by the nonprofits Chicago CRED and the Inner-City Muslim Action Network, which provides vocational training for skilled trades, weekend programs, and housing assistance for formerly incarcerated individuals.⁹

NICJR's Report recommended funding workforce development through 5% of County Criminal Justice Realignment funds allocated to community services for Berkeley residents. In contrast to municipal workforce development proposals, Alameda County focuses on public-private partnerships, and the Alameda County Probation Department currently procures employment services with one lead contractor, the nonprofit Building Opportunities for Self Sufficiency (BOSS). This contract provides services including: Employability Assessments, Job Readiness Training, Transitional Work Programs, Subsidized/Unsubsidized Employment, and Job Retention Services.

⁶ https://berkeleyca.gov/sites/default/files/2022-05/2022-05-05%20Special%20Item%2001a%20Fulfilling%20the%20Promise%20of%20Berkeley 0.pdf

⁷ https://berkeley-rps.org/wp-content/uploads/2022/03/BerkeleyReport 032422FNL.pdf

⁸ RPSTF report final draft is included in appendices: https://berkeleyca.gov/sites/default/files/2022-05/2022-05/20Special%20Item%2001c%20Discussion%20and%20Possible%20Action 0.pdf

⁹ ABC7 Chicago. (2020). Chicago Re-Entry Program Rebuilds Lives with Hands-On Training. ABC News. Retrieved from https://abc7chicago.com/iman-inner-city-muslim-action-network-job-training-reentry-program/5988288/

According to the Community Corrections Partnership Executive Committee (CCPEC)'s Year Seven Status Update on Public Safety Realignment Alameda County, BOSS's employment program saw an increase in clients enrolled in recent years, but job retention languished: "During FY 17/18, there was a significant increase in the number of clients, in all the aforementioned benchmarks, from the previous year. Notwithstanding these increases, the decline in the proportion of clients reaching subsequent benchmarks after being referred, depicts the challenges facing participants to remain stable (in terms of housing, substance use, etc.) in order to proceed through the employment process and reach 180 days of employment." 10

While the NICJR Report recommended a program employing "at least 100" individuals, the Office of Racial Equity may consider a smaller initial scope by focusing on the adult re-entry population to expand opportunities where the need is most acute.

Guaranteed Income

The NICJR report recommended \$1,800,000 for a Guaranteed Income Pilot Program, from local, federal, or philanthropic funding sources. The RPSTF accepted the recommendation with conditions:

Members strongly support this type of program and note that other communities have implemented these programs successfully. More information is needed to understand how families would be selected, and the city should consider whether other groups, like the AAPI or Indigenous community, should be included in this program.

The California Guaranteed Income Pilot Program was established in the Governor's Fiscal Year 21-22 Budget to provide grants for guaranteed income pilot programs through the California Department of Social Services (CDSS). The department states that it "will prioritize funding for pilot programs and projects that serve California residents who age out of the extended foster care program at or after 21 years of age or who are pregnant individuals." 11

While the City of Berkeley would seek to leverage state and county resources as needed, this proposal would direct the Office of Racial Equity to study a municipal public works program for adult reentry (and/or municipal support for county services), in addition to a "guaranteed income" cash transfer pilot program that may indirectly reduce recidivism without being strictly targeted for the adult reentry population. To the extent that services are operated with City funding, the Office of Racial Equity would also be directed to evaluate outcomes, objective performance metrics and fiscal sustainability of programs under its auspices, as well as associated services provided by third-party contracting entities.

BACKGROUND

 $assets/files/Public\%20Safety\%20Realignment_Y7\%20Status\%20Update.pdf$

¹⁰ https://probation.acgov.org/probation-

¹¹ https://www.cdss.ca.gov/inforesources/guaranteed-basic-income-projects

Poverty, crime, and racial inequality are deeply interconnected phenomena throughout US history. In particular, educational disparities and the lack of employment opportunities for the formerly incarcerated increases recidivism, fueling a vicious cycle of repeated offenses, high crime and poverty for Black people and other people of color in the criminal justice system.¹²

Studies have found causal relationships between unemployment ¹³¹⁴¹⁵¹⁶ and crime, and there is recent evidence showing that sharp unemployment shocks during the COVID-19 pandemic may be related to increased gun violence and homicides. ¹⁷ Empirical evidence and structural models suggest that unemployment can incentivize criminal behavior by lowering "the opportunity cost of choosing illegitimate work over legitimate work." ¹⁸ The evidence is also clear that a lack of stable employment contributes to recidivism—when formerly incarcerated individuals commit new offenses that bring them back into the criminal justice system. Research has generally found that high-quality jobs with good wages are most effective at reducing recidivism, particularly for those who have served prison sentences for property crimes. ¹⁹

In addition to re-entry programs, cash transfer programs can raise the "opportunity cost" of crime by providing reliable liquidity to households so they can settle their balance sheets without resorting to "illegitimate" sources of cash. Experiments from Kenya to California with cash transfers (colloquially dubbed "basic" or "guaranteed income") have repeatedly been shown to successfully reduce the social and psychological impacts of poverty, and a new guaranteed income pilot program in Alachua County, Florida is specifically aimed at reducing recidivism.²⁰

Cities across the country have seen remarkable success with programs that provide legitimate work and/or cash assistance. The City of Chicago supports capital investment for a Green ReEntry program managed by the nonprofits Chicago CRED and the Inner-

¹² Lockwood, S. K., Nally, J. M., Ho, T., & Knutson, K. (2015). Racial disparities and similarities in post-release recidivism and employment among ex-prisoners with a different level of education. *Journal of Prison Education and Reentry, 2*(1), 16-31.

¹³ Bianchi, G., & Chen, Y. (2021). Testing effects of hospitality employment on property crime in the United States. Tourism Economics, 13548166211001180.

¹⁴ Raphael, S., & Winter-Ebmer, R. (2001). Identifying the effect of unemployment on crime. The journal of law and economics, 44(1), 259-283.

¹⁵ Lin, M. J. (2008). Does unemployment increase crime? Evidence from US data 1974–2000. Journal of Human resources, 43(2), 413-436.

¹⁶ Nordin, M., & Almén, D. (2017). Long-term unemployment and violent crime. Empirical Economics, 52(1), 1-29.

¹⁷ Schleimer, J.P., Pear, V.A., McCort, C.D. et al. Unemployment and Crime in US Cities During the Coronavirus Pandemic. *J Urban Health* 99, 82–91 (2022). https://doi.org/10.1007/s11524-021-00605-3 ¹⁸ Melick, M. D. (2003). The relationship between crime and unemployment. *The Park Place Economist*, 11(1), 30-36.

¹⁹ Yu, T. (2018). Employment and Recidivism. Evidence Based Policy Society. Retrieved from https://www.ebpsociety.org/blog/education/297-employment-recidivism

²⁰ McDonough, S. (2022). A bold new experiment out of Florida: Guaranteed income for the formerly incarcerated. Vox. Retrieved from https://www.vox.com/22911023/ubi-guaranteed-income-prison-florida

City Muslim Action Network, which provides vocational training for skilled trades, weekend programs, and housing assistance for formerly incarcerated individuals.²¹ In 2019, former Mayor Michael Tubbs launched the Stockton Economic Empowerment Demonstration (SEED) pilot program. SEED provides \$500 per month for two years to 125 randomly selected residents of Stockton in neighborhoods with below median income. In a one-year follow-up study, recipients reported improved mental health, financial stability, and employment opportunities.²²

The City of Oakland's Guaranteed Income pilot²³ provides monthly cash payments to a randomly selected pool of low-income residents, and is funded entirely through private philanthropic donations, with collaborative management by the City and nonprofit agencies. Currently in its second phase, the pilot selected 300 applicants by random lottery "in a roughly one square mile area of East Oakland living with incomes below 50% of Area Median Income and at least one child under 18, a target area identified according to the Oakland Equity Index.²⁴

The City of Compton raised an initial \$8 million for its Guaranteed Income pilot program, the Compton Pledge, in partnership with the Jain Family Institute, which launched in December 2020. The program launched with 800 low-income Compton households receiving regular payments of varying sizes, with participants able to choose between payment options (e.g. direct deposit, Venmo, prepaid card) on a customized online platform (See Attachment 3). More recently, the City of Long Beach adopted the Long Beach Recovery Act in March 2021, which included funding for the Long Beach Guaranteed Income Pilot, with recommendations later made by a Community Working Group to inform a Request for Proposals (RFP) for a two-year contract (see Attachment 1).

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS None.

CONTACT PERSON

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ATTACHMENTS

1. City of Long Beach RFP

- 2. Guaranteed Income Toolkit Jain Family Institute
- 3. Compton Pledge April 2021 Press Release
- 4. Annotated Agenda Berkeley City Council Tuesday, June 9, 2020

²¹ ABC7 Chicago. (2020). Chicago Re-Entry Program Rebuilds Lives with Hands-On Training. ABC News. Retrieved from https://abc7chicago.com/iman-inner-city-muslim-action-network-job-training-reentry-program/5988288/

²² West, S. et al. (2020). Preliminary Analysis: SEED's First Year. Stockton Economic Empowerment Demonstration. Retrieved from

https://static1.squarespace.com/static/6039d612b17d055cac14070f/t/603ef1194c474b329f33c329/16147 37690661/SEED_Preliminary+Analysis-SEEDs+First+Year_Final+Report_Individual+Pages+-2.pdf

²³ https://oaklandresilientfamilies.org/about

²⁴ http://www2.oaklandnet.com/oakca1/gro<u>ups/cityadministrator/documents/report/oak071073.pdf</u>