GOVERNMENT INCENTIVES FOR HIRING RETURNING PRISONERS

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Introduction

In recent years, this state — like all others in the country — has been incarcerating offenders at an astronomical rate. While those imprisoned are being incapacitated, at some point almost all will return to society; it is estimated that ninety-three percent of all prisoners return home.\(^1\) Annually, over 678,000 ex-offenders are released from state prisons and re-enter society.\(^2\) After their return into their respective communities, those re-entering are faced with the daunting task of reintegrating, which includes finding employment. While an individual’s criminal background may deter many employers, the state of the nation’s economy exacerbates the problem.

This paper will analyze the available and potential financial incentives for employers to hire returning ex-offenders. These incentives originate through tax credit, bonding, and financing programs. The degree to which these programs target ex-offenders follow three patterns: 1) those which target ex-offenders as the beneficiary group, 2) those that target several groups including ex-offenders, and 3) financing assistance for public projects which have the potential, realized in several jurisdictions, but not Illinois, to include ex-offenders as a beneficiary group.

First, the government incentive programs that directly address the employment of ex-offenders (or lack thereof) are the federal Work Opportunity Tax Credit, the Federal Bonding Program, and the Illinois State Tax Credit. Second, the state and federal government programs that incentivize increased employment, but do not exclude ex-offenders, and therefore should be able to be claimed for their employment, is the Illinois Small Business Job Creation Tax Credit. Last, a local program created for the purpose of redevelopment of areas throughout Chicago, Tax Increment Financing, is aimed at improving communities and maximizing the public benefit of projects in those communities. This program is not directly connected to hiring ex-offenders and returning prisoners, but due its nature, Tax Increment Financing is a program that should be considered for this purpose.

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Work Opportunity Tax Credit

Program Outline

A federal program that incentivizes hiring ex-offenders is the Work Opportunity Tax Credit (WOTC). This program provides tax credits for employers that hire individuals from twelve target groups. The groups have varying eligibility requirements and credits offered for the first year of employment or, in a particular case, for the first two years. The group which this paper is most concerned with—ex-offenders—is one of the twelve target groups included, and is not limited to ex-felons. Employers that hire qualified ex-offenders are eligible for credits up to $2400 for each new ex-felon hired. For comparison, the target group that may reach the highest amount in tax credits in this program is focused on long-term welfare recipients for whom employers may receive up to $9000 over two years.

Eligibility

To be eligible for the program, the employer must hire at least one individual from the twelve target groups. The group with which this paper is most concerned, the ex-felons, is limited by the definition given within the IRS form; an individual in this target group is one whom “during the past year ... was convicted of a felony or released from prison for a felony.” The Internal Revue Service does not discriminate against any particular type of felony; a qualified felon is described by the Instructions Form as, “a]n ex-felon who has been convicted of a felony under any federal or state law”.

The target groups that are applicable for this paper indirectly are long-term Temporary Assistance for Needy Families (TANF) program recipient, TANF recipients (those not deemed “long-term”), eighteen to thirty-nine year-old Supplemental Nutrition Assistance Program (SNAP) (this welfare program is colloquially known as “food stamps”) recipients, and ex-felons. A long-term TANF recipient is:

a member of a family that [(1)] [r]eceived TANF payments for at least the past 18 months, or [(2)] [r]eceived TANF payments for any 18 months beginning after August 5, 1997, and the earliest 18-month period beginning after August 5, 1997, ended during the past two years, or [(3)] [s]topped being eligible for TANF payment during the past 2 years because federal or state law limited the maximum time those payments could be made.

The other target group receiving TANF benefits that is eligible and that is another group that is indirectly applicable to this paper is defined as “a member of a family that has received assistance from Temporary Assistance for Needy Families (TANF) for any 9 months during the past 18 months.” The third indirectly-related group is the eighteen to thirty-nine year old SNAP beneficiary; an individual from this group is “at least age 18

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3 IRS Form 8850 (revised 8/09)
4 Ibid.
5 Ibid.
6 Ibid.
but not age 40 or older and [is] a member of a family that [] (a) [r]eceived SNAP benefits (food stamps) for the past 6 months, or (b) [r]eceived SNAP benefits (food stamps) for at least 3 of the past 5 months, but is no longer eligible to receive them.”

The three groups that have been listed above as indirect focuses of this paper—eighteen to thirty-nine year old SNAP recipients and long-term and short-term TANF recipients—are of concern due to the fact that ex-offenders are also more likely than not to be from poorer families and therefore may be from one that receives SNAP or TANF benefits. Because of this, they may qualify under these target groups, even though they may not qualify as an eligible “ex-felon.” An employee that has been convicted of a felony or released from prison over a year’s time in relation to his date of employment offer, presumably, may be an eligible new hire under the welfare-recipient target groups. Just as likely, an ex-offender that was convicted of a misdemeanor or that was released from jail whether or not within one year may be an eligible new employee, if otherwise qualified.

Employers are not limited to a number of qualified new hires for whom they may receive the tax credit, but as previously mentioned the tax credit for each qualified individual is limited in maximum amount. A newly-hired employee that is classified as an “ex-felon” or an “eighteen to thirty-nine year old SNAP recipient” or a “short-term TANF recipient” may make the employer eligible for a tax credit up to $2400. That amount is determined by taking a percentage of eligible wages for a qualified number of hours worked in a year. If an employee is a long-term TANF recipient, the maximum tax credit that the employer may receive is $9,000.

Procedure

The process of claiming the tax credit is relatively short. There are four steps required for certification of an employee as a member of the target groups and they are as followed: (1) on or before the day on which employment is offered by the business, the employee must fill out page one of the Pre-Screening Notice and Certification Request for the Work Opportunity Credit form; (2) on or before the date of the employment offer the employer must fill out the second page of the Pre-Screening Notice and Certification Request for the Work Opportunity Credit form (3) the employee must complete, and the employer is directed to confirm information upon, the Department of Labor Employment and Training Administration (ETA) Form 9061, if

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7 Ibid.
8 (twenty-five percent the wages the individual earned for working between one-hundred twenty hours and four-hundred hours in a year; or forty percent of wages earned for having worked four-hundred or more hours in a year) The wages for an employee from one of these target groups are capped at six-thousand dollars, thereby being limiting the maximum tax credit to two-thousand and four-hundred dollars.
9 The tax credit for members of this target group by determined by assessing forty percent of the employee’s first year wages and, if retained, fifty percent of the employee’s second year wages, for hours worked amounting to at least one-hundred and twenty hours for the year; the qualified wages for each of the first two years are those up to a maximum of $10,000.
10 IRS Form 8850
the employee has not received a Conditional Certification Form\textsuperscript{11}, which would have been provided to the employee by an agency such as a vocational agency; (4) send the completed forms\textsuperscript{12} to the business’ state workforce agency’s coordinator within twenty-eight days from the day the employee begins work.

In order to claim the tax credit, business owners are to fill out IRS Form 5884 any time after the tax year in which the wages were earned up to three years after the due date of the business’ original or amended tax return and include the IRS form for each eligible employee with the business’ tax return within the specified period.

\textit{Disadvantages}

The Federal Work Opportunity Tax Credit, though, is not without fault. With regards to this paper’s focus, this incentive is rather conditional. The target group “ex-felons” is limited; it does not include ex-offenders that were convicted of misdemeanors or ex-felons that were convicted or released more than a year from the potential employment date. Business owners and ex-offenders could greatly benefit if the target group “ex-felons” were expanded so that the time period included the two affected groups. Admittedly, the time window must be limited for the purpose of finances, but for job applicants that have been convicted of misdemeanors or felonies, beyond a year from application, they are just as stigmatized as the target group. Particularly in the current state of this country’s economy, most ex-offenders are unemployed for longer than one year prior to obtaining gainful employment. In fact, in a study completed before the recession, it was found that a majority of former inmates were not employed one year after release.\textsuperscript{13}

Other short-comings of the WOTC include the time required for claiming credits and the lack of clarity within the target groups. The IRS Forms indicate that the estimated average time for preparing the IRS forms is 11 hours and 22 minutes; the total time is derived from 4 hours and 44 minutes for the Pre-screening Notices and Certification Request for the Pre-Screening Notice and Certification Request for the Work Opportunity Credit form\textsuperscript{14} and 6 hours and 38 minutes for the Work Opportunity Credit form\textsuperscript{15}. This is a substantial amount of time considering that the employer is taking a risk by employing an ex-offender. Though, it could be argued that the estimated 11 hours and 22 hours will be spent for the benefit of receiving up to $9,000 in tax credit. Also, the IRS forms are unclear how an employee would be classified if he could be characterized by more than one target group. Considering that ex-offenders are more likely to come from and return to poorer families, the uncertainty of how an ex-felon that happens to also be from a long-term TANF recipient families will be classified leads

\textsuperscript{11} ETA Form 9062
\textsuperscript{12} IRS Form 8850 and either ETA Form 9061 or ETA Form 9062
\textsuperscript{14} IRS Form 8850
\textsuperscript{15} IRS Form 5884
to a differential of a $4,000 credit for one year for the former as opposed to a $9,000 credit over two years for the latter.
Federal Bonding Program

Program Outline

Another federal program to encourage employers to hire ex-offenders is the Federal Bonding Program (FBP). It is a program of the United States Department of Labor and provides a bond for employees free of charge. The FBP provides insurance ranging from $5,000 to $25,000 to any employer to cover acts of dishonesty by potential employees that may be perceived at “at-risk” for a period of six months. The bond can be renewed for a second term of six months after the initial period. The bond specifically “covers any types of stealing: theft, forgery, larceny, and embezzlement.”

Eligibility

Individuals that are eligible for bonding services are “[a]ny at-risk job applicant... including: ex-offenders, recovering substance abusers (alcohol or drugs), welfare recipients and other persons having poor financial credit, economically disadvantaged youth and adults who lack a work history, individuals dishonorably discharged from the military, and others.” The service can be provided for employees that are already employed but may need bonding to “(a) prevent being laid off, or (b) secure a transfer or promotion to a new job at the company.” The term “ex-offender” as it is used by the FBP in relation to eligible individuals is used broadly to include “anyone with a record of arrest, conviction or imprisonment, and anyone who has ever been on probation or parole.”

Procedure

In order to receive the benefit of the program, employees should fill out a one-page fidelity bond certification form. In order to do so, the employer will first determine whether or not the potential employee is “at-risk” and also determine how much insurance coverage may be necessary based on the amount of money or business equipment to which the potential employee will have access. The remainder of the streamlined form requires information about the business—specifically, the name and address of the organization and contact information; the name and address of the job placement agency used, if any; and the name and social security number of the employee to be covered by the bond.

Disadvantages

The Federal Bonding Program is a program that is relatively business-friendly, but it could be improved. It boasts a streamlined process—only a one-page form to be filled out—and it provides bond insurance for up to $25,000 for at least six months. The

16 http://www.bonds4jobs.com/highlights.html
17 Ibid.
18 Ibid.
19 http://www.ds4jobs.com/program-background.html
one-page form can either be mailed in or taken to a local office for instant bond issue and there is a support line which employers may call for assistance. In addition to the relative ease, the insurance coverage is provided free of charge. While the FBP provides a great benefit for businesses which condition the bond for initial employment, retention, or promotion, it may only provide a marginal incentive for businesses hiring ex-offenders otherwise. As far as the promoting or hiring of ex-offenders in situations where the bond is not required, business owners may view the bond unnecessary because if they felt an employee had potential for dishonest acts, they will likely not hire the individual altogether. It is also unclear whether or not the bond covers unemployment taxes imposed against an employer if dishonest acts lead to a termination of employment, which is a factor that the employer may consider.
Illinois State Tax Credit

Program Outline

Under the Illinois Revenue Code, title 35 of the Illinois Compiled Statutes, employers are able to claim a tax credit for wages paid to ex-offenders, as well. Section 216 is titled “credit for wages paid to ex-felons” and provides for just that. Businesses may claim up to $600 per taxable year for the wages paid to each qualified employee. The credit is allowed for five percent of qualified wages, up to the maximum tax credit. An employer is allowed to claim the credit for each taxable year and for each qualified employees. “Qualified wages” are defined as:

wages that are subject to federal unemployment tax... [it] does not include any amounts paid or incurred by the employer for any period to any qualified ex-offender for whom the employer receives federally funded payments for on-the-job training... and includes only wages attributable to service rendered during the one-year period beginning with the day the qualified ex-offender begins work for the employer.20

Eligibility

Under this section, a “qualified ex-offender” is limited to an individual who “is an eligible offender, as defined under Section 5-5.5-5 of the Unified Code of Corrections, was sentenced to a period of incarceration in an Illinois adult correctional center, and was hired by the taxpayer within one year after being released from an Illinois adult correctional center.”21 Section 5-5.5-5 of the Unified Code of Corrections specifies that an “eligible offender” is one who was “convicted of a crime” excluding offenses or attempts related to sexual offenses, arson, child murder, and violence against children; it further excludes offenders that have been convicted more than two felonies, a “Class X felony,” “aggravated driving under the influence of alcohol, other drug or drugs,... aggravated domestic battery, or a forcible felony.”22

Procedure

The procedure for claiming the “credit for wages paid to ex-felons” does not require pre-screening or certification, as does the WOTC. The Illinois credit is accounted for when filing state tax returns and can be credited against the business’ tax for the year the wages were paid or if the credit “exceeds the tax liability for the year, the excess may be forwarded and applied to the tax liability of the 5 taxable years following the excess credit year.”23 This tax credit has been available since 2007 and the enacted bill that

21 35 ILCS 5/216(c)(1)-(3).
22 730 ILCS 5/5-5.5-5 (2010).
23 35 ILCS 5/216(d).
created the act lacked a sunset clause\textsuperscript{24}, so it continues to be available until repealed by the state legislature.

\textit{Disadvantages}

The Illinois tax credit for wages paid to ex-felons is an incentive that promotes such action, but is unclear in one aspect. While the title of the section of the Illinois statute uses the term “ex-felon”, it is used interchangeably with “ex-offender” throughout the text of the section, and the definition provided for “ex-offender” within the section and a different section which is referenced does not limit a “qualified ex-offender” to a person that was convicted of a felony. In fact, the definition of the “qualified ex-offender” seems more applicable to an ex-offender convicted to either misdemeanors or a felony, within certain limits. Though, possibly improperly titled, the section—or specifically the legislators that passed the provision—clearly had prejudices against sex offenders, violent offenders, and other specified classes of felons. While it is reasonable for legislators to not want to be perceived as funding the employment of child murderers or rapists, the exclusion of the certain felons should be noticed.

\textsuperscript{24} IL LEGIS 94-1067 (2006)
Illinois Small Business Job Creation Tax Credit

Program Outline
In order to promote the creation of jobs on a state-wide level, Illinois legislature passed the Small Business Job Creation Tax Credit Act\textsuperscript{25} which incentivizes the expansion of businesses. The tax credit available is not specific to the employment of ex-offenders, but is one that may be used by employers who decide to employ ex-offenders to fill newly-created positions. The highlights of the tax credit are that for every new eligible full-time position created during the specified period and retained for one full year, the business will be able to claim a $2,500 credit on withheld tax. This tax credit does not require that the employee hired fit any characteristic, rather the focus is strictly on the new, full-time position.

Eligibility
To be eligible, the business must create at least one full-time position for an employee, who works a minimum of thirty-five hours a week and earns at least $13.75 an hour, during the period of July 1, 2010 to June 30, 2011.\textsuperscript{26} To meet eligibility, the company must have a net increase of Illinois full-time employees, and it is not required that the employee that filled the full-time position be retained for the year, so long as the position is maintained and “a different new employee is hired as a replacement within a reasonable time for the same position.”\textsuperscript{27} Further the business must be located in Illinois and “[be] engaged in interstate or intrastate commerce and [have] no more than 50 full-time employees, without regard to the location of employment of such employees [on July 1, 2010].”\textsuperscript{28} There are two main exclusions for individuals that may able to fill the new positions—a person that was previously employed in Illinois by the business and a person that has an ownership interest, either directly or indirectly or is related to someone who does.\textsuperscript{29}

Procedure
In order to claim the tax credit which may be available for every qualified new full-time position, the business must register with the Illinois Department of Commerce and Economic Opportunity (DCEO) on or after the date employment began\textsuperscript{30}. Through registration, the business will seek a certificate from the DCEO for each new position to verify eligibility. After the full year which the new full-time position was created and filled, the business should apply to the DCEO for the credit; the availability of the credit

\textsuperscript{25} IL Legis 96-888 (2010)
\textsuperscript{26} “the net increase in the employer’s full-time Illinois employees is maintained for at least 12 months.” 35 ILCS 25/25(a) (2010).
\textsuperscript{27} 35 ILCS 25/25(f)
\textsuperscript{28} 35 ILCS 25/10 (2010)
\textsuperscript{29} Ibid.
\textsuperscript{30} which can be done at www.JobsTaxCredit.illinois.gov
is limited based on a maximum of $50,000,000 of all credits awarded, thus is available on a first-come, first-served basis.\textsuperscript{31}

\textbf{Disadvantages}

For the Illinois Small Business Job Creation Tax Credit, a point of improvement is that the requirement that eligible wages be at least $13.75 per hour excludes entry-level, low-skill jobs. The $13.75 per hour requirement is nearly double the federal minimum wage of $7.25 per hour\textsuperscript{32} and is 78\% more than the minimum wage in Illinois of $8.25 per hour.\textsuperscript{33} While the purpose of the higher wage requirement may be to promote better wages, the fact that there is a substantial difference in the qualified wage and the minimum wage will likely mean that positions created for this program will be less likely available for ex-offenders.

\textsuperscript{31} 35 ILCS 25 / 35 (2010)
\textsuperscript{33} 820 ILCS 105/4(a)(1)
Tax Increment Financing Program

**Program Outline**

The local Tax Increment Financing assistance program (TIF) is a city initiative that was created with the intent to leverage pooled incremental increases of property tax revenue raised in particular TIF districts for bonds for the benefit of public and private ventures in the district from which the funds were raised. There are currently over 150 TIF districts\(^{34}\) throughout the city; while, the TIF districts do not cover the entire city, they are located throughout the city.

This program deserves consideration for the efforts of hiring ex-offenders because of the amount of potential funding available to an eligible business. In a report by the Cook County Clerk, it is estimated that the Chicago TIF districts raised almost $520 million\(^{35}\) in 2009. During the years 2000-2008, TIF assistance totaled $1.5 billion.\(^{36}\) Assistance for commercial and industrial projects for the nine years averaged 20.76% and 21.77%, respectively.\(^{37}\) Assistance for those types of projects was as high as 65% of the cost of a commercial development and 55% of an industrial project.

**Eligibility**

For a redevelopment project—“a public and private development project in furtherance of the objectives of a redevelopment plan”—to receive financial support from TIF it must, among many other requirements, be within one of the TIF districts. These districts are designated by the area having at least the minimum number of characteristics defined by statute based on the type of area; simply stated areas qualify as a TIF district if the area meets the requirements of a “blighted area,” a “conservation area,” an “industrial park conservation area,” or “a combination of both blighted areas and conservation area.”\(^{38}\)\(^{39}\)

Tax Increment Financing should be evaluated for the purpose of seeking funding for employment for individuals re-entering into society from prison because (1) the stated declarations of TIFs statewide and in Chicago match many of the goals of the employment of returning ex-offenders, and (2) the areas to which these individuals return are at many times the same locations designated as TIF districts or redevelopment project areas. Planning a program that incorporates re-entry with re-

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\(^{35}\) $519,715,715.20


\(^{38}\) 65 ILCS 5/11-74.43(p) (2010).

\(^{39}\) “areas within a one-half mile radius of an existing or proposed Regional Transportation Suburban Transit Access Route station” may be deemed a redevelopment project area, but are outside of this paper’s focus
development can take many forms, and some of those forms will be discussed herein, but they are not limited to those discussed. Any program that incorporates re-entry training and/or employment will have to be developed with the assistance of city officials—like all other TIF-assisted programs—and thus can be modified to meet the requests of city officials involved throughout the approval process.

The Illinois Act that created TIF, the Tax Increment Allocation Redevelopment Act, included legislative findings and declarations for the Act. One of the declarations is:

in order to promote and protect the health, safety, morals, and welfare of the public, the blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas.

In Chicago’s Tax Increment Financing assistance Program, development projects must be consistent with the specific redevelopment plan for the area in which it is located. These redevelopment plans are “comprehensive program[s]... intended... to reduce or eliminate” the factors that qualified the area as a TIF district initially – these factors characterized the area as a “blighted area,” a “conservation area,” or some combination of the two or an “industrial park conservation area.” The application for the assistance indicates that the projects should intend to attain public benefits, and that a higher degree of benefits correlated to a higher likelihood of assistance. The application provided examples of public benefits including:

- creation of affordable housing
- creation of new permanent jobs
- creation of new retail choices in an underserved neighborhood
- rehabilitation of a historic building
- catalyst for a new private investment in a neighborhood
- re-occupancy of a vacant building
- elimination of blight
- incorporation of environmentally-friendly features
- increased sales tax revenue
- increased property tax revenue
- job-training opportunities

The parts of Chicago that re-entering prisoners generally return to are those that are “blighted” and likely already a TIF district. If an area is not part of an existing TIF district, there is a process through which a developer, community organization, or

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40 65 ILCS 5/11-74.4-1, et. seq. (2010)
41 65 ILCS 5/11-74.4-2(b)
42 65 ILCS 5/11-74.4-3(n).
43 City of Chicago TIF Application 2/06 page 3
individual can work with the local alderman to have the area designated as one, so long as the characteristics above for a “blighted area,” a “conservation area,” an “industrial park conservation area,” or “a combination of both blighted areas and conservation areas” can be shown. “Blighted area” is defined as:

any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where... improved, industrial, commercial, and residential buildings... are detrimental to public safety, health, or welfare because of a combination of 5 or more of the following factors:

- dilapidation
- obsolescence
- deterioration
- presence of structures below minimum code standards
- illegal use of individual structures
- excessive vacancies
- lack of ventilation, light, or sanitary facilities
- inadequate utilities
- excessive land coverage and overcrowding of structures and community facilities
- deleterious land use or layout
- environmental clean-up
- lack of community planning
- [the assessed value of the area] has declined for 3 of the last 5 calendar years...

“Conservation area” is defined as an area that is one that is not yet a blighted area but possesses 3 of the blight characteristics and is in danger of becoming a blighted area. Generally speaking, these areas of blight or near-blight are also those to which ex-offenders and prisoners will return.

**Proposal**

A plan involving employing re-entering prisoners and/or ex-offenders can certainly take many forms, but I propose that a plan (a) involve a business that is interested in a redevelopment project that will have a store location or warehouse and will be involved with developing training programs for returning prisoners that are expected to return to the district after they are released; (b) involve a business that will have a presence in the redevelopment project, train and employ the individuals that are expected to return to the redevelopment project area while they are in prison, and ultimately employ these individuals upon release; or (c) include working with a business or organization that expects to train and hire returning prisoners after they are released. In all options, a business could claim other government incentives (like those discussed

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44 65 ILCS 5/11-74.4-3 (a)(1)((A)-(M)
in this paper) and potentially other grant funding, such as through the Second Chance Act.

In the first proposition, a business — likely the anchor for a redevelopment project including commercial and mixed-use projects — could work with the Department of Corrections to specifically target prisoners that will return to the TIF district and coordinate to train those individuals before they are released so that upon return they can begin employment. Through this option, businesses receive the benefit of financial assistance for its development and a population of potential employees that are already trained. Involvement with the Illinois Department of Corrections (“IDOC”) will be required for identifying potential candidates and during the training process. This option could include making the vocational and skill-building programs offered inside prisons more efficient for the targeted prisoners to meet the demands of the jobs available. In this proposition, the business-employer, would develop the training program, specify a curriculum, or even develop the desired training model with the likely trainer of the cohort so that the job-skills training conducted will meet the expectations of the business.

In the second option, a greater involvement with the Illinois Department of Corrections is required. Here, identification of eligible prisoners that meet the qualifications is set by the business, including past experience, aptitude, and most importantly, the location to which they are likely to return is the initial step. Vocational training is then created to match the job skills required to carry out the tasks of employment while in prison and after re-entry. During the training process, the business would employ the prisoners in a part of the facility that is dedicated to the program and, perhaps, leased to the business. At the end of the program, and towards the end of the prisoners’ terms, the business would have had the opportunity to evaluate program participants and can consider the program graduates for positions available upon reentry.

While businesses in Illinois are not currently training and employing prisoners, other states are currently involved with the federal Prison Industry Enhancement (PIE) program. In the PIE program, private industries operate within or near prisons, though many do not transition prisoners into employment after their release. Under this proposal option, businesses could train and hire individuals within a prison and provide employment upon release to a location within the redevelopment project where training and employment incentives could be further sought for the employment of ex-offenders.

In the third option, a business could contribute to the public benefits involved with hiring returning prisoners without having to be as involved with IDOC. A business associated with a redevelopment project could utilize programs that connect returning prisoners and ex-offenders to employment opportunities in their businesses. Through working with organizations that are present in prisons and those in communities, the business can identify and consider hiring returning prisoners and/or ex-offenders that are specifically trained to work in the business’ market, without having to be present within prisons. Through this option, employers could train suitable candidates upon reentry for positions present at the financially-assisted redevelopment projects, resulting in their employment.
In any of the three options, a case in favor of incorporating the employment of ex-offenders with a redevelopment project should bolster the project and improve its chances of being approved. The benefits for employing re-entering prisoners and may even be one of the primary public benefits. A redevelopment project involving returning prisoners would truly improve the project area and would include these residents in directly solving the problem of blight. Also, in either of the proposed options, the redevelopment could contribute to the problem of rampant unemployment for this population and help eliminate blight of social welfare. Whereas many well-intentioned programs simply prepare returning prisoners for employment that is non-existent, the proposed options would lead to their training and hiring, and would do so directly with committed businesses partners.

In addition to funding for the redevelopment, it may be possible to link the training and employment of the returning offenders to another TIF program which focus on employment—TIFWorks. TIFWorks provides funding for the training of employees within TIF districts so long as certain criteria are met. A business may be eligible for the program if it is:

- It is located in an eligible TIF district
- Training will make them more competitive
- Training fulfills specific work force need
- The business is willing to set measureable goals and report on impact and performance after training.

According to the city of Chicago, $11.5 million has been granted to business since 2003 through TIFWorks. Funding for employee training can be used for new or current employees of a business. In the information provided about the program on-line, examples of the types of training include:

- Negotiation and sales
- Technology skills
- Leadership and management
- Safety
- Communication and language skills
- Training to support new products, machinery, or technology.

The type of work that a returning prisoner would likely obtain with a business envisioned for one of the proposed options should qualify for one these types of training or should be similar enough to seek TIFWorks funding.

Incorporating a redevelopment project with programs focused on training and employing of returning prisoners for Tax Increment Funding assistance creates a situation where everyone involved benefits. The ex-offenders are provided employment for a living wage, and they improve their chance of avoiding recidivism; the business(es) involved will benefit from a workforce of individuals trained to their specifications and substantial financing for their project—which will not have to be paid back; the

46 Ibid.
community benefits from the redevelopment project, improvement of blight, and returning prisoners that are able to contribute to the community’s revival; the city and state receive higher taxes from the redevelopment project property and sales taxes. It is unclear if a project as herein proposed has been attempted, but given the possible benefits, it should be. If carried to fruition, it would result in the redevelopment of a community like no other.