

Mark V. Holden, Koch Industries, Inc.
Testimony in front of Ohio Judiciary on SB3
Wednesday - May 15, 2019

Chairman Eklund, Vice Chairman Manning, Ranking Member Thomas, and members of the Senate Judiciary Committee -

On behalf of Koch Industries and Freedom Partners Chamber of Commerce, thank you for having me here today. It is an honor to discuss the importance of criminal justice reform. We applaud Ohio for its leadership in civil asset forfeiture reform, community alternatives to prison, probation reform, and laying the foundation for occupational licensing reform that remove barriers to give people a fair chance at a second chance for employment, housing, licenses, and other essential needs.

For many years, Koch has worked with bipartisan coalitions for a criminal justice system that is more fair, effective, and just. Reforming the criminal justice system is key to a free, open, and safe society founded on the rule of law and the Bill of Rights.

Our focus in criminal justice reform is on public safety, equal rights, and equal justice, and second chances for individuals who are trying to redeem themselves.

We want to end the inequities in our two-tier justice system that provide the rich and connected better treatment than everyone else, especially the poor.

This system leads to many unjust outcomes, and it ends up overwhelmingly hurting the people who can least afford to endure it, often without enhancing public safety and instead making communities less safe.

We believe SB 3 can effectively address the ineffective and counterproductive trend of incarcerating people with addiction issues. The reclassification of low-level drug possession as a misdemeanor is an important component to better address the addiction crisis. It would help stem the revolving door of people with addictions cycling in and out of state prisons.

A felony conviction and a prison sentence for someone who suffers from addiction and a substance abuse disorder doesn't help the individual become better. People with addiction and substance abuse disorders need treatment, not prison. Otherwise, they leave prison without addressing the key issue that led to their incarceration. They return to society worse off and facing immense barriers to recovery. Because of the collateral consequences to a criminal conviction, a felony conviction is a major impediment to people returning to society getting jobs, housing, education, and other essential needs.

As many as one-third of Americans have a criminal record – roughly the same number as those with college degrees – and almost one in two has a family member who has been incarcerated.

A 2017 Wharton study estimated that, nationwide, time in prison and felony records drain \$87 billion from our annual gross domestic product every year.

There are more than 1,100 collateral consequences in the Ohio Revised Code, according to the Ohio Justice and Policy Center. Of these, more than 850 limit access to jobs, including more than 250 that do so in specific occupations and 600 that block other paths through licensing, contracting, and more.

According to the Ohio Justice & Policy Center's report published in December 2018, "Ohio's expansive collateral sanctions limit access to more than one in four jobs statewide, cost individuals an estimated \$3.4 billion in foregone wages in 2017." In fact, the report found the typical Ohioan seeking work after a felony conviction lost \$36,479 in 2017.

I believe you all can do better, and we must do better to improve our communities and give returning citizens real second chances.

Though Ohio's three-year recidivism rate (30.73% in 2013) is currently lower than the national average, the Ohio Department of Rehabilitation & Correction estimates 2 million citizens, roughly 17% of the state population, has a felony or misdemeanor conviction.

And according to the Ohio Justice and Policy Center, drug-related crimes constituted 25.5% of all felonies resulting in prison sentences in Ohio in 2014. Drug convictions accounted for 38.9% of all Ohio women sent to prison in 2015, and 25% of men.

There is a better way. In a 2013 RAND report commissioned by the Department of Justice, 43% of people who participated in an education program while incarcerated had lower odds of recidivating and finding work when released from prison. In fact, every dollar invested in correctional education, saves nearly six dollars in reincarceration costs over three years. Those who benefit from these in-prison programs also appear to be far more likely to find a job after their release, and the social stability that comes with it. If we focus on helping people re-enter, our communities will be stronger, safer, and more prosperous.

We all are more than the worst thing we have ever done.

People who have paid their debt to society should be allowed to re-enter society as productive citizens—not continually pay for a mistake made on their worst day. That is one reason why Koch has been a second chance hiring employer for decades. It makes good business sense to seek the best talent available, with or without a criminal record.

To ignore a potential candidate merely because he or she has a criminal record is short-sighted in our humble opinion. With 1 in 3 people with a criminal record in this country, it doesn't make sense to ignore 1/3 of the potential applicant pool.

In addition, Koch partnered with the Society of Human Resource Management (SHRM) in developing a second chance hiring toolkit to help other businesses successfully employ people with criminal records. SHRM and Koch also have sponsored research that shows an

overwhelming number of hiring managers and human resource personnel support second chance hiring. In addition almost 80 percent of consumers will support and patronage companies that hire the formerly incarcerated.

With over 7 million unfilled jobs nationally and the almost 700,000 people returning to society every year across the USA, this presents a golden opportunity for those seeking a second chance, for employers needing more people to fill jobs, and for a better and safer society. It is a win-win-win proposition.

In conclusion, Ohio has an opportunity to become one of the leaders in the nation on this issue.

We thank you for making many positive reforms and encourage you to continue along this path. Enacting this legislation would be another major step in building a stronger, safer, and more prosperous Ohio. Thank you, I am happy to answer any questions you may have at this time.