



# **Fair Chance Hiring/ Second Chance Hiring Program Initiative Update**

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# Background

- In brief, the Denton Chamber of Commerce partnered with the City of Denton on listening sessions to address initial concerns regarding the proposed ordinance. At the time of discussion,
  - Feedback included general opposition.
  - Frequent concerns were impacts on competitiveness and lack of a clearly defined need for an ordinance.
- The Denton Chamber of Commerce Board of Directors issued a letter of opposition, including the request for partnership as opposed to ordinance.

# Proposed Program

After listening sessions, business and community feedback, and organizational considerations, the Denton Chamber of Commerce proposes the following program to address the rate of employment and retention of employees for justice-involved individuals seeking employment in Denton:

- **Second Chance Hiring Quarterly Workshops for Business Owners** – Host quarterly workshops (with recorded virtual option based on need) to engage Denton businesses in opportunities to understand benefits and/or incentives to hire justice-involved individuals. 2 main focus areas:
  - Recoup wages through tax credits: Work Opportunity Tax Credit is the federal tax credit available to employers for hiring individuals from certain targeted groups who have consistently faced significant barriers to employment.
  - Fidelity Bonding: Details on next twps.
- **Marketing** – Availability of member businesses to list “Second Chance Hiring Friendly” indicator on Denton Chamber website.

# Breakdown of Work Opportunity Tax Credit

Breakdown of Work Opportunity Tax Credit (WOTC)

- The Work Opportunity Tax Credit program offers tax credits based on employee retention and their qualified wages during the first year of employment. For-profit employers can receive a 25% credit for 120 to 399 hours worked, and 40% for 400+ hours. Non-profit employers can receive 16.25% for 120 to 399 hours, and 26% for 400+ hours.**



Target Group	Wage Cap	For-Profit 25%	For-Profit 40%	For-Profit 50%
Long-Term Family Assistance recipients (1st Year)	\$10,000	N/A	\$4,000	N/A
Long-Term Family Assistance recipients (2nd Year)	\$10,000	N/A	N/A	\$5,000
TANF recipients	\$6,000	\$1,500	\$2,400	N/A
Ex-felons	\$6,000	\$1,500	\$2,400	N/A
Designated community residents	\$6,000	\$1,500	\$2,400	N/A
Vocational rehabilitation referrals	\$6,000	\$1,500	\$2,400	N/A
SNAP recipients	\$6,000	\$1,500	\$2,400	N/A
Supplemental Security Income recipients	\$6,000	\$1,500	\$2,400	N/A
Long-Term Unemployment Recipients	\$6,000	\$1,500	\$2,400	N/A
Summer Youth program participants	\$3,000	\$ 750	\$1,200	N/A

# Proposed Program

Through the Texas Workforce Commission (TWC), the fidelity bonding service helps certain job applicants who have a traditionally had a harder time getting and keeping a job. TWC offers this free service to make companies feel more comfortable when hiring people who may face challenges. This bonding is like an insurance policy. It protects the company if the worker does something dishonest, like theft (as an example from TWC).

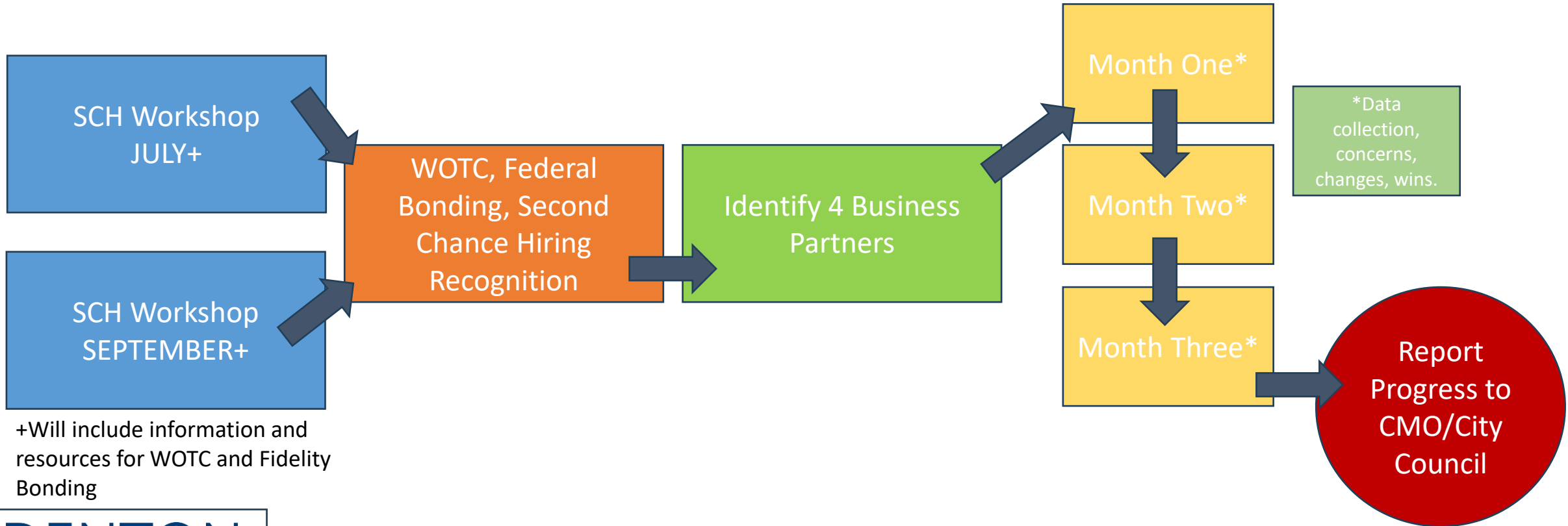
- **How it works–**
  - The fidelity bond is free for six months. After six months, bonding becomes the companies' responsibility.
  - The coverage is typically for \$5,000, but can be more, and there is no deductible to pay.
  - There are no forms to fill out and no long processing time.
  - The coverage can start almost right away.
  - We, the Denton Chamber, will walk businesses interested through this process, breaking down barriers and illuminating American's Hidden Workforce.

# Proposed Program

- **Eligibility for Fidelity Bonding Includes:**

- People who have been involved with the justice system, like those who have been arrested, on probation, or have a police record
  - Additionally: People with a history of poor credit, Veterans who were dishonorably discharged, People on public assistance, People with a history of substance abuse, Disadvantaged youth who don't have a work history, Anyone who was not approved for fidelity bonding through other bonding systems
- People who are self-employed are not covered by this bond. This bond only applies to specific employers and workers. These bonds do not give coverage for poor work skills, work injuries or accidents.

# Proposed Program



+Will include information and resources for WOTC and Fidelity Bonding

# Next Steps -

- The Denton Chamber of Commerce will host two quarterly workshops (July, September – both prior to fiscal year end), with goal of 4 businesses participating in some aspect of Second Chance Hiring initiative.
- After 3-month window per workshop, provide data back to City Manager's Office for City Council report from engaged businesses on the following:
  - Engagement in WOTC or Fidelity Bonding (if selected)
  - Change in hiring methods, policies, or processes with justice-involved employees in mind
  - Increase in willingness to list "Second Chance Hiring Friendly" on website, additional methods of engagement
- Add all resources, information, and current applicable incentives for second chance hiring on Denton Chamber website.
  - Recruitment of companies with assistance of Texas Workforce Commission, local/regional relationships
  - Evaluate and retool based on initial feedback and employers need, continual improvement.



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# Next Steps -

- Proposed Programs
  - The proposed programs will require additional time to pilot and collect data.

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# Questions?