

# POLICY BRIEF

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**Goodwill**  
INDUSTRIES of KENTUCKY

[www.goodwillky.org](http://www.goodwillky.org)



## Letter from Goodwill President & CEO, Amy Luttrell

Goodwill Industries of Kentucky is a statewide organization that assists Kentuckians to overcome the circumstances that have trapped them in poverty and build better lives. We join with community partners throughout the state to help people to achieve stability, build skills, and enter careers that will allow them to support themselves and their families. We have learned that many individuals living in dire circumstances such as addiction, homelessness, and extensive legal backgrounds are, with the right supports, able to overcome these challenges and lead productive lives.

In 2022, Goodwill set out to better understand the policy landscape that affects the people we serve and makes it more difficult for them to escape poverty. We convened an internal team and tasked them to examine four key policy areas:

- Issues affecting justice-involved individuals
- Housing
- Issues affecting young adults who are at risk
- Public benefits and the “benefit cliff”

Our policy team conducted research, consulted other stakeholders and experts, and met regularly with leadership to prioritize public policy issues for advocacy. The results of that work can be found in the following pages.

This work is far from complete, but provides a foundation for conversations with policy makers and other community stakeholders. We believe that working together on these policy issues we can do more to reduce the number of Kentuckians who are trapped in poverty and build a stronger economy for all Kentuckians. We look forward to working with you to achieve that goal.

A handwritten signature in black ink, appearing to read 'Amy Luttrell', with a stylized flourish at the end.

Amy Luttrell  
President/CEO

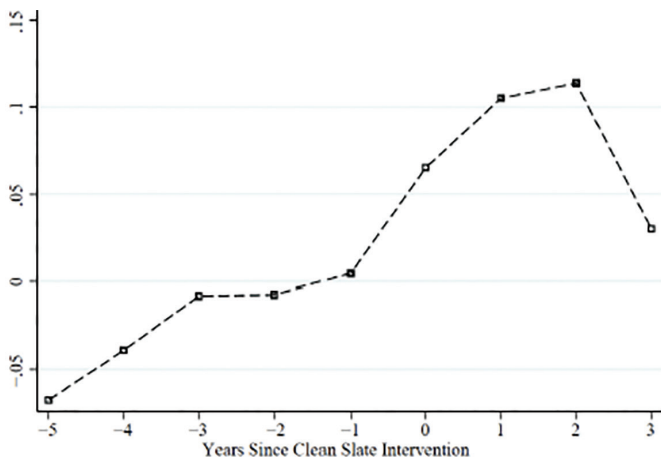
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## JUSTICE INVOLVEMENT, EXPUNGEMENTS, PROBATION & PAROLE

Since the passage of HB40 in 2016 in Kentucky, after 5 years, individuals with certain eligible offenses can apply to have their records expunged. (KRS 431.073) Current research points to a marked improvement in job prospects, income, and civic engagement for those individuals who have had their records expunged. However, due to the costs involved, lack of awareness of the program, or an inability to access the legal services necessary to petition for expungement, studies show that on average less than 10% of those eligible ultimately get their record expunged (Prescott). In 2024 two pieces of legislation were introduced to make the process automated under Kentucky law, and while those bills ultimately did not pass, lawmakers should continue to look at the issue and craft legislation that addresses the concerns of stakeholders while promoting access to expungement as a tool for our citizens.

One of the most compelling arguments for automatic expungement is economic. Considerable social and employment stigma exists for those with criminal records, regardless of whether they ultimately resulted



Prescott, J.J. "Expungement of Criminal Convictions: An Empirical Study

in a conviction or are related to the particular position someone is applying for. Reducing the barriers to expungement improves employability, increases wages, and broadens the tax base. A report from the US Chamber of Commerce (US Chamber) showed within three years

Within three years of a record expungement average employment rates went from 75% to approximately 85%, and earnings grew by a third, from \$4000 below baseline (Selbin), to almost \$2000 above

of a record expungement average employment rates went from 75% to approximately 85%, and earnings grew by a third, from \$4000 below baseline (Selbin), to almost \$2000 above, comparing the income level for that cohort that was studied prior to expungement to that same group two years post expungement. A 2019 University of Michigan study showed an average wage increase of 23% over the first year, rising slightly to 25%

According to The Marshall Project 70 million people in the United States with some kind of criminal record. According to The Sentencing Project Kentucky's incarceration rate is approximately 17% higher than the national average (411/100k, vs 350/100k). So at 70 million with criminal records that is on average 21% of people in the US, and with a 17% correction for KY's higher rates of incarceration means 24.6% of Kentuckian's with some kind of criminal record, or just over 1.1 million people.

in the second year. As Kentucky continues to reform its tax system, policymakers should be encouraged to look for as many ways as possible to broaden the tax base by increasing the number of its citizens in the workforce. As of October 2023, according to the St. Louis Federal Reserve, Kentucky's labor force participation rate is 57%, or 46th out of 51 (St. Louis Fed). More worryingly, this trails the average of the surrounding 7 states at 61.92% with only West Virginia having a lower rate (St. Louis Fed). In order to get Kentucky on par with our neighbors, we need to add an additional 155,966 people to our current labor force. Getting more of our citizens back into the workplace is one of the most effective ways at our disposal to broaden the tax base. In Kentucky there are approximately 1.1 million adults with some kind of criminal record that would appear on a background check. If only 10% of those eligible for expungement (110,000) saw the projected increase in earnings according to the study in the Journal of Criminal Law and Criminology, that is an extra \$220 million a year in projected wages, and the associated tax revenue to go with them.

There exists a need to balance any reforms with the effects on the general population, as well as recidivism amongst those who have had their records expunged. Current research points to the positive social impact these policies have on recidivism rates, showing that those who have had their records expunged commit criminal offenses at lower rates than the general population. A 2019 University of Michigan study published in the Harvard Law Review found that justice-involved individuals who obtain expungement have extremely low rates of reoffending, comparable to the general population (Prescott). These comparably low rates of recidivism, especially given that the populations involved (younger, male, and impoverished) typically show higher rates of justice involvement post-expungement than the average person to start with, show that there is little public safety interest in the continued barriers to civic participation that a criminal record presents. In fact, under the two bills most recently introduced in the Kentucky General Assembly to automate the expungement process, law enforcement and the courts would still have access to criminal records for specific purposes, including the consideration of future offenses. If anything, the increased employment opportunities afforded by record expungement should alleviate some of the barriers that this population faces, with a policy paper released by the

R Street Institute pointing to a 2020 survey of inmates where 33% shared that increased wages would have prevented their incarceration (Smith). Other opportunities that expungement provides include restoration of voting rights, the ability to be more involved with an individual's child's education, and better access to housing. These provide much needed supports to an individual and their family units that will further reduce recidivism.

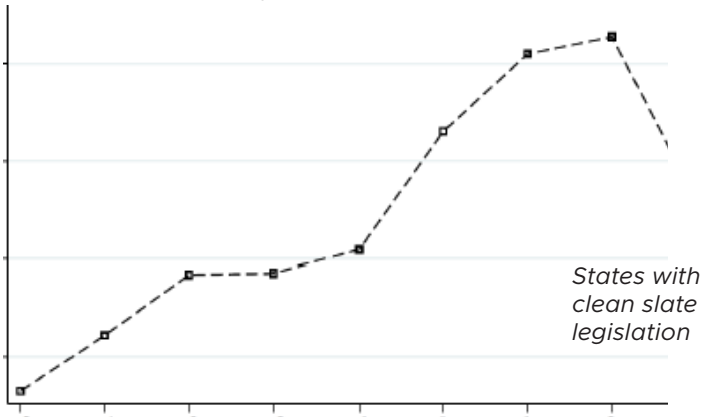
Since 2018 twelve states have passed some form of "Clean Slate" legislation, allowing for automatic expungement of criminal records after a certain period of time. Under Kentucky's current statutes eligible persons must petition the court for an expungement and pay additional fees in order to be granted the petition. Under a KY Supreme Court decision, those who are declared indigent may have their fees waived, but that is inconsistently applied across the Commonwealth. Beyond the statutory hurdles, Goodwill of Kentucky and our partners, the various Legal Aid Societies, have battled delays in the process due to an already overwhelmed court system and a system that is extremely labor intensive. Furthermore, while the imposition of fees itself is not an unreasonable expectation, judges are already granted the ability to waive fees for those unable to pay, and anecdotally often do. Automating the process will decrease the administrative burden on the courts and improve outcomes for eligible individuals. Non-profit organizations such as Code For America are already working with other states to provide the technical assistance necessary for these records to be identified and expunged. Finally, all due consideration should be given to the security of records prior to expungement to prevent the private sector from circumventing the process and making overly broad public record requests to capture criminal record data prior to expungement.

According to a 2018 Prison Policy Initiative there were nearly 63,000 Kentuckians on probation or parole (Wang). For individuals on probation and parole, one barrier to employment is the need for regular check-ins with parole officers, drug tests, and court appointments that make work schedules difficult or impossible to accommodate. In the book *Untapped Talent* Jeffery Korzenik details ways other states have worked with employers to accommodate these requirements in the workplace in the least disruptive way possible. For employers to be able to successfully recruit and retain a workforce, deference to employer needs should be allowed for those on court ordered supervision. While it would be ideal for employers to offer accommodations to those individuals, there is no "one size fits all" solution given the variety of environments in which they may be employed.

A 5-year study from Johns Hopkins Hospital of over nearly 500 hires showed a lower turnover rate for the first 40 months of employment for those with a criminal background, as opposed to those without (Paulk). The

**In fact, 85% of HR leaders say individuals with criminal records perform the same, or better than, employees with no criminal records. (SHRM)**

study also pointed to the need for additional wrap around support beyond simple "ban the box" policies, including career coaching and working without outside partners. In fact, 85% of HR leaders say individuals with criminal records perform the same, or better



than, employees with no criminal records (SHRM).

People who are employed are less likely to reoffend. More importantly, the quality of a job has a larger impact on the likelihood of recidivism. (Uggen) In his book, *Untapped Talent*, Jeffery Korzenik differentiates the models of hiring for justice involved individuals, and the so called "disposable employee" model is the least successful, owing to the lack of investment in the employees required to insure successful hiring (Korzenik). While programs like the Work Opportunity Tax Credit are well intentioned, employers who see this population as below market rate labor are unlikely to reap the benefits of true second chance hiring.

**Policies should be adopted by the Department of Corrections to increase usage of this application, including review of qualifications of those under supervision to expand to a larger population.**

In 2021 the introduction of the Kentucky Offender Management System (KOMS) Client Portal App allowed offenders on low or administrative supervision with Probation and Parole to use an alternative method of reporting (DOC). Policies should be adopted by the Department of Corrections to increase usage of this application, including review of qualifications of those under supervision to expand to a larger population. The legislature should convene a working group to review the use of these tools, and solicit input from the business community on what challenges they face, with the goal of providing direction to the Department of Corrections in the form of a joint resolution or legislation.

## JUSTICE-INVOLVED PARTICIPANT STORY

**Melvin Robards** came to Goodwill in 2013 after being incarcerated. “I was actually referred here by my parole officer at the time...I had been locked up for six and a half years.” Melvin was referred to Goodwill’s reentry programming at the East Broadway Opportunity Center, and was eventually connected with a facilitator who referred him to the retail stores for employment. “I kept in contact with [my career coach] Tom because it was my first job since being released, and really my first job as an adult. When I got to the store the rest of the staff included people who had backgrounds or had come from similar situations. This made me feel a little more at ease transitioning back into the workforce.”

Melvin’s interaction with the justice system started at a young age when making bad choices is not uncommon. “In 2008, I was sentenced to 15 years for multiple drug charges. Around 15 or 16, I started selling drugs. I had been in trouble a few times leading up to this but nothing that resulted in any consequences.” He grew up in an environment where this conduct was commonplace. “The people who I was associating with at the time, everyone was involved in the same thing, and it was lucrative. To the point where I never really wanted to work. I had no intentions of working.”

Because of this Melvin didn’t have steady employment to fall back on, nor work experience to draw from. “I worked at a few fast-food restaurants and a factory, and in total, I had four different jobs from 16 to 23, but none lasted longer than a month.”

Coming to Goodwill was Melvin’s first experience with a true fair chance employer that had experience serving the reentry community along with the ability to provide wraparound supportive services to its employees. While many Goodwill employees start off in entry level positions, the culture is an important part of what attracts people to the organization.

Melvin’s experience at Goodwill showcases the transformative impacts of supportive workplace environments that go beyond financial incentives. Reflecting on his journey, he remarks, “I found different opportunities [with other organizations] but after having a conversation about the unique culture [at Goodwill] it was like, the money is important, but this is an environment where I can grow.” The organizational culture shapes the experience of justice involved individuals and can impact the success an individual has in the organization. Melvin states, “Some companies place a stigma on someone with a background, but working for a company who embraces it is part of the reason why I chose to stay with Goodwill.”

The moment an application is submitted, justice involved individuals are hit with the reality of the barriers and hurdles that lie ahead on their journey to reintegration. Their background often prevents them from progressing

through the hiring process, in turn not giving them the opportunity to highlight the skills and benefits they can offer the employer. Melvin recalls his journey to obtaining gainful employment. “I didn’t know the type of barriers or the type of hurdles that you would face by having something on your background. While I was looking around at other places, all that kept coming up was ‘Do you have a felony? How old is it?’ and a lot of employers wouldn’t even give you a chance because of your background.”

Even for someone who is willing to accept accountability for their actions there are collateral consequences that can last far beyond the initial sentence. In 2016 Kentucky passed House Bill 40, which allowed for expungement of some misdemeanors, as well as a handful of non-violent felonies. While the process for obtaining an expungement in Kentucky is beset by delays in court processing, and fees that can present a barrier to obtaining the order, Goodwill has committed resources to helping people achieve expungement. While it is not a panacea for employment for justice involved people, it is an important tool to help address some of the collateral consequences.

“Having a record is definitely punitive. It affects not just employment, but housing, being able to go on school trips with your children, even where you can travel, it affects every aspect of life. Aside from that just knowing that the record is there, I’m like a different person now, completed my sentence, no trouble since then, regardless I know that I still have a background. Even though it’s not a reflection of who I am now, at all.”

Organizations that truly embrace Fair Chance Hiring can also attract people who want to give back to their communities. “When I learned more about the mission and how Goodwill was able to help people coming out of prison or people dealing with substance abuse, it made me want to stay around, especially considering my mother and father come from social work backgrounds.”

People of all backgrounds can understand that mission-based work helps to give them purpose in their careers. “Each year watching Goodwill grow regarding what they offered and the assistance they could provide for justice-involved individuals kept me involved and sparked a passion within me. I wanted to be part of the company because I was watching these reentry initiatives. Goodwill was one of the first companies, from my perspective, to take that path.”



Melvin Robards

When companies embrace Fair Chance Hiring and give their employees the opportunity to succeed, they are paid back multiple times over with the ambition and success of those employees. “I met Dennis Ritchie, Goodwill’s Senior Director of Reentry, when we were both working in the retail stores. One day he called to let me know about LifeLaunch, which was a grant funded program to help people 25 and up who were returning from incarceration. I actually took a significant pay cut to come and work with him in this grant because it was really something that I could see myself pursuing as a career.”

Marvin is now the Senior Manager for Grant Funded Programs at Goodwill’s Young Adult Opportunity Campus, known as “The Spot”. He has been able to grow his career at Goodwill while giving back to the community. “This position allows me to help people who have gone through the same issues, have the same backgrounds, and come from the same place as I did. It was rewarding.” Melvin was able to leverage that work experience into a new role, as Goodwill began serving disconnected and at-risk young adults. “I transitioned into a career coach position for the IGNITE program. It was rewarding to work with people who have been through the same things I’ve experienced as an adult, but even more so to work with younger people where you have a chance to be a positive influence on the rest of their life and change their trajectory.

People reentering society from incarceration face multiple challenges to joining the workforce and leading productive lives. Part of Goodwill’s outreach efforts include hosting “Reentry Simulations” for those in the community to learn what it is like for someone coming out of incarceration, including one for the Kentucky General Assembly in the summer of 2023. Even that experience pales in comparison to what individuals like Melvin have faced, and that is what makes him an ideal manager and mentor for our employees. “When it comes to addressing the barriers people face, I think it is just about trying to be empathetic and helping to get someone through their process. It can be overwhelming to try to balance work, recovery, court conditions, drug testing, probation and parole appointments and various other obligations while dealing with the initial shock of reentering.” This extends to people who are in recovery from substance use disorder with justice-involvement as well.

“As a manager it took learning more about what it takes for someone to be successful in recovery. People are a work in progress. Mistakes happen, slip ups happen, and not being so quick to shut someone out or dismiss someone who is struggling with addiction. A lot of times reentry comes with substance abuse, especially here in Kentucky, the majority of the incarcerated population are people who’ve struggled with substance abuse. So just being aware of the struggles people face is crucial.”

Some employers are still concerned with the financial risk of Fair Chance Hiring, or believe they lack the resources to do so effectively. But as Melvin points out, it is no different than training any other workforce, and the return on investment is often even greater. “You have to invest in your workforce. If you want to get the best employee that you can, you have to invest in them.” Still those employees may face other barriers to their success, so to ensure their investment goes as far as possible it is essential to partner with community organizations like Goodwill to address those barriers.

“Housing for somebody who has a background is a barrier. Not only is it hard to find employment, but a lot of places won’t rent to you. The ones that do often are in areas where the most crime occurs, so it puts you back into a bad environment. Another issue is transportation. You don’t have the best access to everything using public transportation. A lot of the companies that we call Fair Chance are in areas that are hard to reach by public transportation.”

Even though everyone Goodwill meets is not necessarily ready to begin the employment piece of their reentry journey, managers like Melvin are able to use their skills and lived experience to guide them on the path.

“It really comes from being somebody who is a returning citizen. I am able to sit down with someone to have a conversation and get a better read on where someone is mentally, and where someone is in that journey. Then you have to be honest with them and let them know if you’re not ready right now, we can connect you to people to help move you along in the journey and then you can circle back for employment. A lot of the time that is where you end up with the more passionate employees, because they see themselves and all of the people we serve.”

However, with empathy, also comes accountability. Whether it is to your employer, the conditions of your release, or your recovery treatment, Melvin believes accountability is an important part of the overall process

“Accountability is going to be key when you are dealing with anybody, especially people who have been in the justice system and have had to manipulate the system or found ways to kind of take advantage of situations to survive. It is important to have someone who is aware of that and can basically call you on it, and let you know that I see it. Without the accountability there’s no reason for someone to even want to try to change.”

## YOUNG ADULTS

In his 2023 State of the Commonwealth address Gov. Beshear specifically called out the need for “educational opportunities, mental health counseling, addiction treatment, and wrap-around services” in response to recent issues within the Department for Juvenile Justice facilities. An opportunity exists to provide those services to young adults to help avoid justice involvement in the first place. Even for the population that will be incarcerated, additional support is needed post-release to interrupt the cycle of homelessness and justice-involvement.

Studies show that justice-involved youth see a short-term increase in employment, likely tied to probation and parole requirements, but a long-term decrease in employment prospects tied to a substantial reduction in formal schooling. Incarcerated individuals are 26% less likely to graduate high school than non-arrested individuals (Hjalmarsson, 2008). Incarcerated young adults are also more likely to drop out of the labor force entirely (Apel & Sweeten, 2009). This combined with a precipitous

**Kentucky’s age-adjusted labor force participation rate of 61.6 trails 6 out of 7 surrounding states, with only West Virginia trailing at 59.3 percent**

drop in the labor force participation rate for 16-19 and 20-24 year-old age groups of -20.0 and -8.8 percentage points respectively over 2000-2020, as reported by KY Stats, further compounds Kentucky’s existing workforce participation woes (Cunningham, 2022). In fact, Kentucky’s age-adjusted labor force participation rate of 61.6 trails 6 out of 7 surrounding states, with only West Virginia trailing at 59.3 percent (Ibid). While the COVID-19 pandemic saw

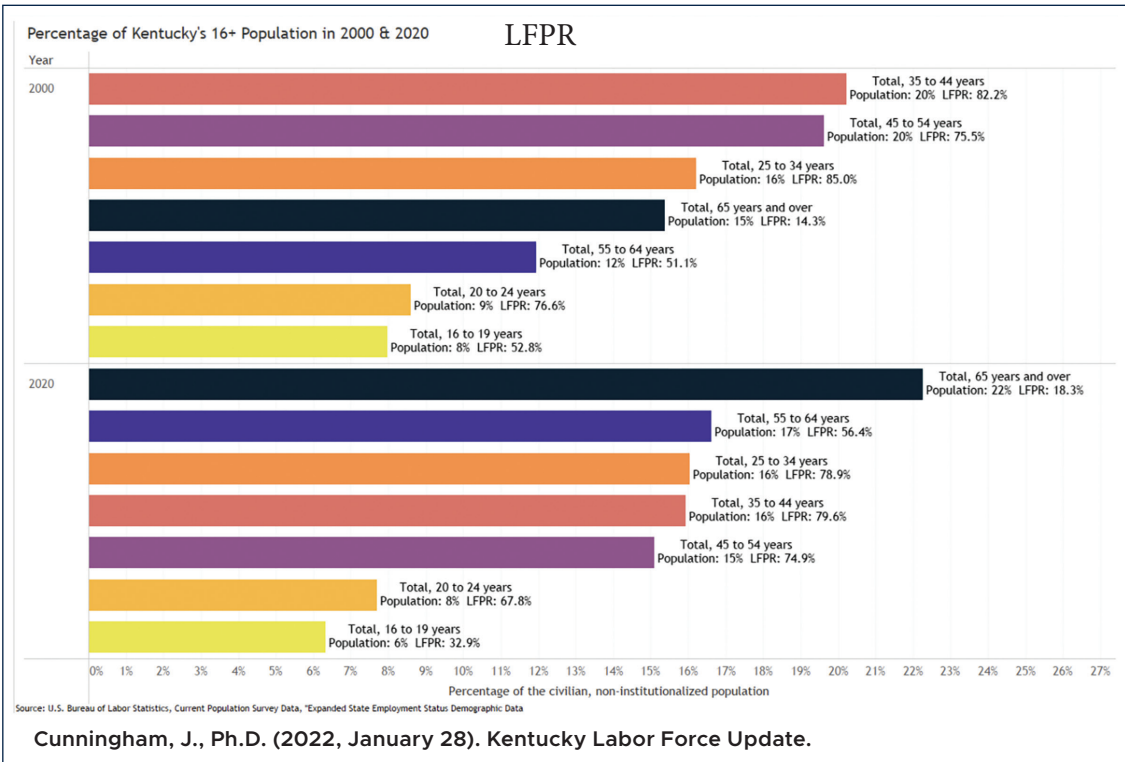
more older adults exiting the workforce the young adult labor force is not replacing them at a rate to keep up. Along with the benefits to society from greater workforce participation, robust young adult programming has impacts on recidivism while being a net positive in state and local budgets. “In 2020, despite more than a half-decade of falling youth arrests and declining rates of youth incarceration since 2014, 40 states and Washington, D.C. report spending at least \$100,000 annually per confined child, with some states spending more than \$500,000 per youth per year.” (Justice Policy Institute, 2020.). For the time period that data was available, Kentucky reported spending \$100,740 a year on juvenile incarceration. Legislative leaders are on record in support of reforms

to the juvenile justice system that addresses violent crime, while promoting expanded use of diversion programs for non-violent offenses. “Detention is ineffective. It is expensive. And it produces even worse conduct.” Said Sen. Whitney Westerfield (R-Fruithill) in response to the current model of youth detention. Furthermore, current research points to an increase in risk-taking and reduced attentional performance after only 3 months of confinement. (Meijer et al., 2018)

Another avenue to explore for reducing juvenile detention

is to improve access to housing for youth. According to a study of runaway and homeless youth nearly 44% have been jailed or imprisoned, and 62% reported they have been arrested at some point (Coalition for Juvenile Justice). Researchers cite evidence that shows offenses committed by young adult homeless are crimes of survival, and when offenders are released without proper arrangements for their housing, they return to a cycle of re-offending to meet their basic needs (Self, 2021). Creating stable housing programs for young adults is one way to interrupt the cycle of justice-involvement and homelessness and reduce criminal activity.

There are leading indicators of young adult

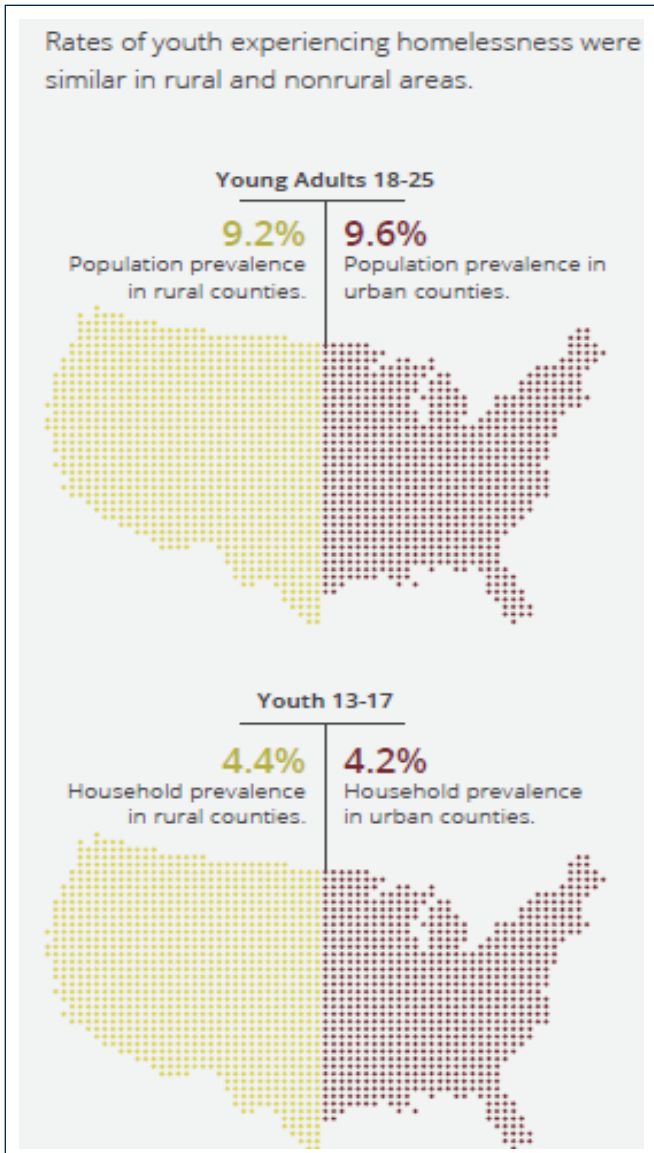


Cunningham, J., Ph.D. (2022, January 28). Kentucky Labor Force Update.

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homelessness that need to be addressed along with housing interventions. According to Voices of Youth Count, amongst young adults that have reported “explicit homelessness” in the 12-month study period, those without a high school diploma or GED were 346% higher risk of housing instability. For those with an annual household income of less than \$24,000 a year, the rate is 162% (Morton et al., (2017).

The problem of young adult homelessness is not an exclusively urban problem, with a Voices of Youth Count Report that 9.2% of young adults in rural communities, unaccompanied by a parent or guardian, experience

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some form of homelessness (couch surfing, shelters, running away from home, or being kicked out of their home) compared with 9.6% in urban areas (Morton et al., (2017). However the challenges facing young adults in rural communities are unique in that they report higher incidences of “couch-surfing” as opposed to staying in shelters, by a factor of two to one. (Ibid) The problem is especially pronounced amongst young adults who have foster care experience with a report from the Annie E. Casey Foundation showing that 1 in 3 will be homeless or face housing instability at some point (AECF, 2023).

**Policymakers should work to expand access to workforce readiness programming targeted at Young Adults**

To address the factors that lead to justice-involvement amongst young adults, and improve Kentucky’s workforce participation rate, policymakers should work to expand access to workforce readiness programming targeted at young adults. Goodwill offers a program in partnership with KentuckianaWorks called “The Spot” a young adult campus in the Louisville area. This is a model that can be scaled as needed to serve other communities across the commonwealth by partnering with local workforce boards and community colleges. Additional funding will be needed to support these programs and industry-recognized credentialing for participants. Where available, funding will also be needed to provide transitional supportive housing for young adults experiencing homelessness. This model is consistent with other Goodwill programming that emphasizes the need for wraparound services for the populations we serve. The need is even greater in rural communities, where programs that previously relied on Medicaid funding closed due to inconsistent enrollment and funding streams. (Fletcher, 2019)

For individuals who have not been able to access these services, and have found themselves involved with the justice system, policymakers should implement consistent guidelines for young adult diversion programs statewide to address sentencing disparities. In 2020 the Urban Institute studied reforms to KY’s juvenile justice system that directed more youth into diversion programs showing the program offered high success rates, with 9 out of 10 successfully completing the program, and no statistically significant change in recidivism (Harvell et al., 2020). Given the success of these programs in reintegrating young adults back into society, the model should be applied consistently statewide, and data should be collected so policymakers can make informed decisions on their effectiveness in reducing recidivism.

## YOUNG ADULTS PARTICIPANT STORY

Originally from Louisiana, **Akeim** and his family were forced to move to Texas after Hurricane Katrina ripped through their community in 2005.

Not long after, Akeim fell for a girl who lived in Kentucky. After experiencing multiple family issues, he wanted to find a way to be with her – and that turned out to be a bicycle. He rode from Texas all the way to Kentucky. All total, it was a five-day trip that turned his hobby of cycling into a passion.

Although he was finally with his girlfriend, he knew he had to begin providing for himself. After his apartment complex raised his rent, he became homeless at 19 years old. That led him to Louisville, where he was connected with resources for homeless individuals.

“I had nowhere else to go,” he said.

He was set up at a safe space and later a single room occupancy (SRO) facility, where he has stayed for more than a year. He said, “Most of the people in there keep asking me, ‘Why are you in here?’” To which he responds, “‘Because of other people.’”

After finding a place to stay, neighbors at the SRO told Akeim about The Spot: Young Adult Opportunity Campus, a free career resource hub for Louisville youths ages 16-24. It was there Akeim learned about turning his passion for cycling into a career.

“I started having more fun with it, more than it just being a form of transportation,” he said. “When I got here to the Spot, they asked me, ‘Would you like to focus on that as a career?’ I said, ‘It can be a career!’”

Akeim was connected with Kathryn, a career coach at the Spot – a partnership of Goodwill Industries of Kentucky and KentuckianaWorks – who guided him through the many job-readiness trainings available there, such as soft skills training, career pathway exploration, digital and financial literacy, resume writing, mock interviewing, personal branding and more. She also connected him with Goodwill’s Last Mile to Work program, which supplies used bikes to employees or clients who may need them. The program helped Akeim land an internship at Middle of Town Cycling.

After researching what cyclists do to be successful, Kathryn even helped Akeim set up a fundraising account to help fund his cycling career. Akeim is currently saving up to compete in the Indy Cycloplex this April.

“I did all the classes I could without losing time on the bike,” he said. “Those classes helped me continue to have



Akeim

food, a source of income. ... (Kathryn) has been one of my biggest supporters. It’s like having my very first fan. It was enlightening to know that there are people out there that will support me, so long as I support myself.”

Akeim said he found a family he’d never had in the Spot, and also Ridenfaden, a group of Germantown-based cyclists that get together to ride on a weekly basis. John, the first person Akeim met in the group, said he’s been a welcome part of their family.

“There’s been times where Akeim has needed a lot of help,” John said. “A number of our members have stepped in to help him out in situations where, either there’s a lack of nutrition, or having a place to get cleaned up or help find things that were stolen. It takes a village – we take care of our own people.”

Akeim has completed all his courses at the Spot and now, with his support system behind him, is following his dream of becoming a professional cyclist. And he has a message for individuals who have experienced similar challenges.

“For people who are struggling to keep doing what they want to do,” he said, “don’t hesitate. ... Hesitation leaves you with the thought you can’t do it at all.”

## HOUSING

According to the Coalition for the Homeless more than 11,000 Louisville residents experience homelessness over the course of a given year, a number that is on the rise. According to 2020 data from the Department of Housing and Urban Development an estimated 4,011 Kentuckians experience homelessness on any given day. A recent study in January of 2023 counted a total of 581 unsheltered individuals in Louisville, up from 243 for the same time period in 2022 (Aulbach). Our community's homeless population is not a monolithic entity, and the

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### Estimates of Homelessness

**2,991** individuals

**993** people in families with children

**223** unaccompanied homeless youth

**328** veterans

**670** chronically homeless individuals

A robust response to the housing crisis requires interventions that move individuals into long-term stable housing situations and includes provisions for emergency housing, along with the need for supportive housing that allows for the development of skills and resources to achieve permanent, and independent, housing. (HUD) Workforce safe housing programs, such as that offered by Goodwill, offer a bridge that many need between emergency housing and independent housing, but Federal funding opportunities have been limited to “Housing First” models.

challenges they face are manyfold. Like the challenges, solutions are varied and there is no “one-size fits all” methodology to address our housing crisis. A robust response to the housing crisis requires provisions for emergency housing, along with the need for supportive housing that allows for the development of skills and resources to achieve permanent, and independent, housing (HUD). Workforce safe housing programs, such as that offered by Goodwill, offer a bridge that many need between emergency housing and independent housing, but Federal funding opportunities have been limited to “Housing First” models. When correctly implemented “Housing First” as a model offers low barrier access to housing and supportive services, but may fail to adequately address the needs of those in recovery or with justice-involved backgrounds. A study by UCLA showed that the homeless population is three times as likely to report a mental health issue and eight times as likely to experience substance use disorder (Rountree). In 2023 Congressman Andy Barr (KY-06) reintroduced the Housing Promoted Livelihood and Ultimate Success (Housing PLUS) Act (Barr). The legislation was introduced after Rep. Barr met with constituents in Frankfort and heard about their experiences with supportive housing models and the success they had in achieving permanent housing. For unhoused individuals, the opportunity exists for workforce-safe housing programs that provide wraparound services such as job training, financial coaching, peer support services, outpatient substance use disorder (SUD) treatment and work programs to accelerate the transition into stable housing. However, in order for these programs to grow and meet demand substantial funding changes need to be made.

In 2023 the Kentucky General Assembly passed House Bill 248, sponsored by Rep. Samara Heavrin. This bill creates a framework for regulating what is known as “Recovery Housing” to address the needs of individuals leaving substance use disorder treatment in need of stable workforce safe housing (KRS). With this new regulatory framework, the opportunity exists for providers who offer wraparound services to operate housing that

addresses the mental and physical health conditions that led an individual to homelessness in the first place. Combined with proposed reforms at the federal level directing HUD to shift funding to providers offering multiple models of care, Kentucky can begin to address homelessness in rural and urban communities. With the passage of HB248, the Kentucky Cabinet for Health and Family Services will be better able to allocate Medicaid funding to providers who have been vetted and certified

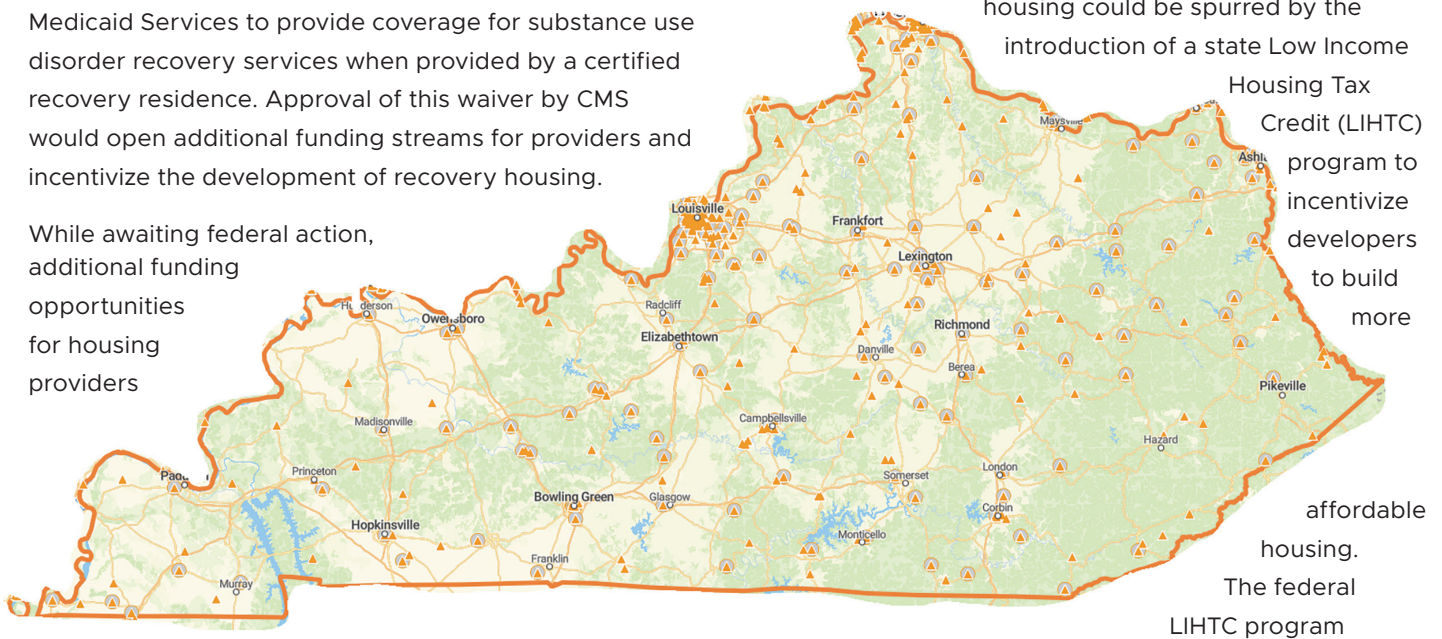
With the passage of HB248 in 2023, and the crossover between the affected populations of those in recovery housing and with justice-involved backgrounds, policymakers should explore opportunities to create a similar certification, allowing property managers an affirmative defense in the event a negligent leasing claim is brought.

by nationally recognized accrediting bodies. The law directs the Department for Medicaid Services to pursue an 1115 waiver through the Centers for Medicare and Medicaid Services to provide coverage for substance use disorder recovery services when provided by a certified recovery residence. Approval of this waiver by CMS would open additional funding streams for providers and incentivize the development of recovery housing.

While awaiting federal action, additional funding opportunities for housing providers

prioritize those that serve people with SUD, which have pre-trial diversions, or those with a previous criminal record (ODCP). In their recommendations Pew stated that the funds should be awarded only to organizations that meet the National Association of Recovery Residences standards for recovery housing, aligning with HB248. A 2006 NIH study found that those with stable housing are less likely to relapse and overdose, making safe and supportive housing a vital component of Kentucky's efforts to combat the substance use disorder epidemic we face (Sherman). Additionally, further investment and reforms need to be made to the DBHDID revolving loan program to ensure that funds are available to providers that serve the justice-involved population, without excluding other populations. A 2020 study by the Kentucky Injury Prevention and Research Center found less than 20% of Recovery Houses surveyed will accept residents with a justice-involved background (Kirby).

Along with government loan funds, private investment in housing could be spurred by the introduction of a state Low Income Housing Tax Credit (LIHTC) program to incentivize developers to build more



affordable housing. The federal LIHTC program

State Low Income Housing Tax credits Properties, Novogradac

exist at the state level. In a 2021 report to the Office of Drug Control Policy (ODCP), Pew Charitable Trusts recommended

that the Department for Behavioral Health, Development, and Intellectual Disabilities (DBHDID) expand a revolving loan fund to allow access to recovery residences and

was created by the Tax Reform Act of 1986 and gives state housing authorities the ability to issue tax credits for the construction of rental housing for low-income households. According to HUD, as of June 2023, there are currently 840 LIHTC-funded residences across Kentucky, with approximately 29,500 units. This falls short of the estimated 30,000 units needed in Louisville alone according to The Coalition for the Homeless.

**A 2020 study by the Kentucky Injury Prevention and Research Center found less than 20% of Recovery Houses surveyed will accept residents with a justice-involved background.**

According to the Affordable Housing Resource Center, twenty-four states offer some state-level variation of the Federal LIHTC program (HUD). One advantage state-level funding models offer is the ability for policymakers to be more responsive to the needs of their localities. While some states simply opt to model their program after Federal requirements, others, such as Indiana, have allocated their funding by region in order to ensure equitable distribution of the available funds.

Once out of recovery housing, two additional policies have been identified that would aid in the transition to permanent housing. One would be the introduction of liability protections for landlords who rent to justice-involved individuals. In 2021 the Kentucky Chamber of Commerce advocated for a certificate of employability for individuals leaving incarceration, to provide an affirmative defense for employers who hire justice-involved individuals

**Evicted: Poverty and Profit in the American City” Matthew Desmond shares that “in-formal” evictions outnumber judicial evictions 2-1**

in the event a negligent hiring claim was brought (KRS). With the passage of HB248 in 2023, and the crossover between the affected populations of those in recovery housing and with justice-involved backgrounds, policymakers should explore opportunities to create a similar certification, allowing property managers an affirmative defense in the event a negligent leasing claim is brought. The effect is twofold in that it helps to prevent frivolous claims brought against property owners, but also could assuage the concerns of insurers and bring lower rates for properties that serve a justice-involved population. In April of 2022 Secretary of Housing and Urban Development Marcia Fudge instituted an agency-wide review of programs to ensure they are inclusive of people with criminal justice records, and the resulting recommendations were published in April of 2023 (HUD). These updates would ensure that HUD-affiliated housing and Public Housing Agencies (PHAs) are not

automatically denying an applicant for housing, other than where prohibited by Federal law. They are also directed to disregard criminal history unlikely to bear on fitness for tenancy such as arrests, expunged records, older convictions, and convictions not involving violence or harm to persons or property. Housing providers should also use individualized assessments to determine if an application truly poses a risk and provide applicants the opportunity to provide evidence of mitigating factors before a decision is made. State policymakers should carefully consider the proposed federal rules when considering reforms at the state level in order to ensure that compliance requirements for housing providers are the least burdensome possible and avoid stifling development.

In his 2016 book, “Evicted: Poverty and Profit in the American City” Matthew Desmond shares that “in-formal” evictions outnumber judicial evictions 2-1. In these cases, simply the threat of eviction, and the collateral consequences that come with that judgment, is often enough to see tenants forced out of their homes (Desmond). While recent pilot projects, administered by Develop Louisville and the KY Equal Justice System, creating an eviction mediation program have been undertaken in Lexington and Louisville, data from these projects is still forthcoming (Loosemore). A similar pilot project in the South Bronx borough of New York City, the Housing Help Program, had an estimated cost of \$450,000 a year but saved the city \$737,376 in estimated shelter costs alone (Seedco). This pilot and similar interventions that reduce the long-term impacts of evictions are a net benefit to the public in terms of safety, property value, and tax expenditures without unduly impacting property owners’ rights.

## HOUSING PARTICIPANT STORY

**Jarod Goodwin** came to Louisville from Eastern Kentucky seeking substance abuse treatment from the Healing Place. His story is likely familiar to the many people in Kentucky whose lives have been impacted by addiction. “It was in October of 2020... because the way I was doing things just really wasn’t working out. I had lost a couple of jobs in a row, my physical health declined, and I had emotionally, and mentally declined. I went through The Healing Place program, and I am now a staff member there.” After completion of the recovery program, Jarod sought out housing but faced challenges with his background, so he was referred to Goodwill. “I participated in Goodwill’s job readiness and barrier reduction initiatives leading to acceptance in Goodwill’s housing program, where I resided for around six months. Subsequently, I graduated from the housing program and moved into an unsubsidized apartment as I worked at The Healing Place. Today I continue to practice recovery and life is good.” Through his experience, he learned that recovery is not just one event but a continuing commitment to sobriety and that giving back by serving others is part of the recovery process.

When it came to the foundation Jarod needed to reintegrate into society, he felt that Goodwill’s model of support and accountability within their housing program was essential to his success in recovery. “A lot of places that I called...weren’t necessarily appropriate for someone who had already done a long-term treatment program.” Through Goodwill’s housing program, Jarod was able to obtain safe and subsidized shelter for six months with attached programmatic requirements.

“I saw a lot of my peers complete treatment and move out without any layers of accountability. So, while in Goodwill’s sober living environment I still had to attend meetings and take drug tests. It is a good feeling when you can walk in and pass a drug test.” Along with this accountability, the wrap-around services that Goodwill provides helps people transition into independent housing. “A Goodwill Housing Coach sat down with me and showed me how to budget and how to calculate the actual cost of things such as apartments.” Working with a Goodwill Housing coach gave Jarod the confidence to succeed. “At the end of the day, I always left my coach’s office knowing that they cared about me, and they were in my corner, which meant a lot but also knowing they’re still going to hold me accountable.

Even with strong programming, wrap-around services, and accountability, barriers remain to affordable housing for those in recovery or with justice-involved backgrounds. During the interview Jarod shared an example of this, “I worked with an individual who had almost 10 years sober and had completed parole five years ago and because she had a felony trafficking conviction, even though she had been working for a nonprofit for 10 years assisting numerous others in recovery and had a clean record since then, she was still unable to find housing. When you have a background, it doesn’t matter how much money you make, or all the progress you have made, landlords just hang up the phone.”

There is a crisis in affordable housing for people in recovery and with backgrounds that make it difficult to obtain housing even with stable employment. Even

with Jarod securing gainful and stable employment he was met with challenges to obtaining affordable housing that enables him to be successful in recovery and is in alignment with

his values. “At \$17 an hour the best apartments that I could find by myself, were not a step up, and would have placed me in an unhealthy environment.” Jarod was able to use Goodwill’s Housing program to help bridge that gap and make the connections he needed to be successful. “The real game changer for me came from networking within the program and finding a roommate to split bills with who had the same ideas and values that I had. I think connecting like-minded people that have similar histories and struggles and are now on the same wavelength and getting independent housing together is a crucial cog in reintegrating.”

Other barriers to reintegration and recovery exist that are not financial or policy-related, like the ability to live with a pet, which is a real-life issue that people encounter when trying to find housing. A sense of community and relationships is a key factor for individuals to be successful on their recovery journey. Pets can offer a variety of benefits for individuals in recovery including but not limited to, accountability as Jarod stated earlier, companionship and a decrease in stress and anxiety. According to Jarod “Having a pet added an extra layer of complexity to my housing search but was crucial in my recovery. There is accountability in pet ownership. I’ve got to care for myself to care for my dog. I’ve got to feed, walk, and groom her. The companionship in addiction recovery is huge because addiction is a lot about isolation. In times I don’t necessarily feel like calling somebody, even though I probably should, or going to a meeting, I can walk my dog and I can still have a connection with something that I have a relationship with.” But finding those opportunities can be a challenge for someone in low-income housing. “If I had lost her in that moment, that could have been a sobriety-threatening moment. If I would have had to give her up versus finding housing that would have been sobriety threatening.”

Many Kentuckians are in similar situations to Jarod where housing is a barrier to success. Finding safe and affordable housing that allows individuals to work and recover is crucial for the growth of our state. Goodwill wants to address this barrier head-on and make successful pathways for reintegration to citizens across the Commonwealth which in turn will strengthen our economy, communities, and workforce.



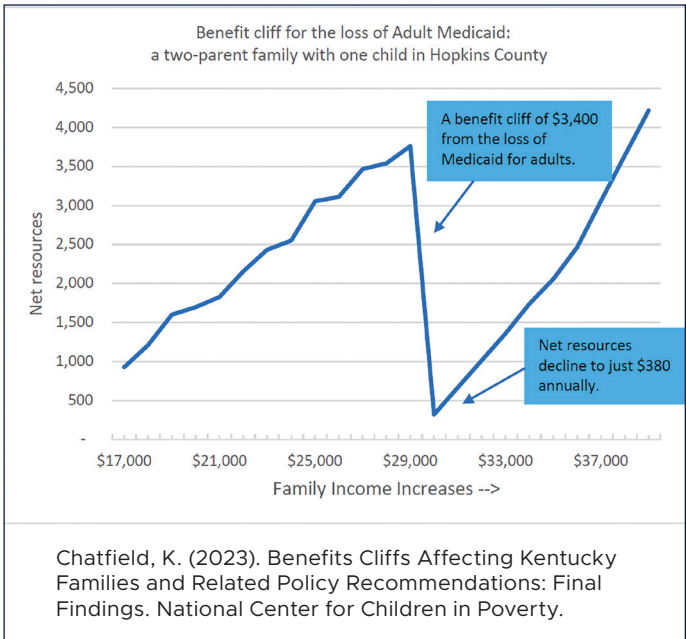
Jarod Goodwin

Congressman Morgan McGarvey

## PUBLIC BENEFITS

In the 2022 interim sessions of the KY General Assembly a Benefits Cliff Task Force was convened, chaired by Rep. John Dixon and Sen. Jason Howell, to provide recommendations to their colleagues. This effort builds on previous work done by the legislature to address our workforce needs and the need for public benefits to be sustainable, and to incentivize a smooth transition away

A recent poll conducted by the Prichard Committee and United Way of Cincinnati shows that a majority of Kentuckians, regardless of political affiliation, support increased funding for childcare.



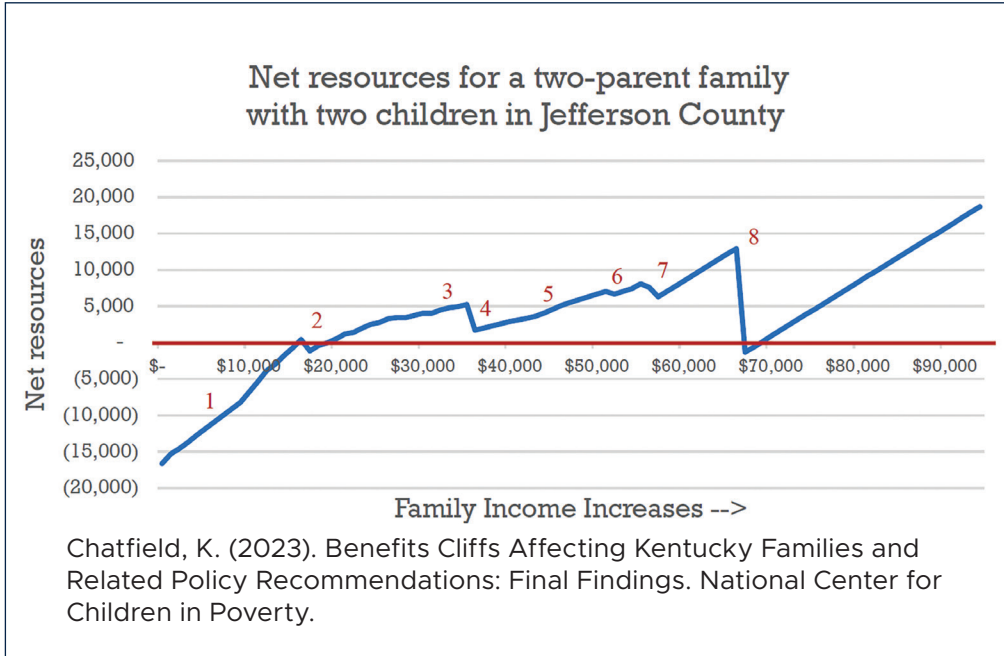
working parents out of the labor force in order to fill a childcare gap that well-structured, and funded, benefits programs are capable of addressing. A recent poll conducted by the Prichard Committee and United Way of Cincinnati shows that a majority of Kentuckians, regardless of political affiliation, support increased funding for childcare (Ladd, 2023). According to a report by the Kentucky Chamber of Commerce, in reviewing US Census data there are roughly 45,000 Kentuckians who have exited the workforce due to lack of affordable childcare (2022). This translates to nearly a full percentage point in

45,000 Kentuckians who have exited the workforce due to lack of affordable childcare.

from these programs as a recipient attains an improved job status. This task force took testimony from state agencies, non-profits and the business community, and policy experts in an attempt to identify the most pressing needs to address the benefits cliff while encouraging recipients to stay engaged in the workforce.

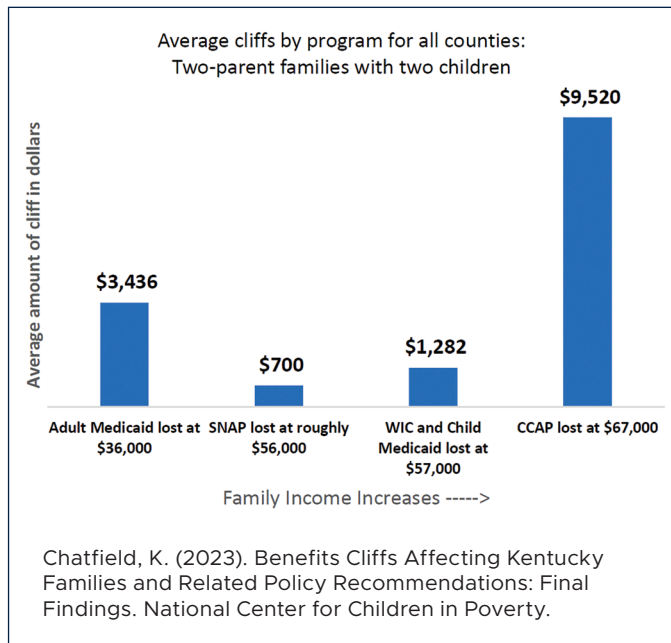
Kentucky's workforce participation rate, or according to the Bipartisan Policy Institute between \$2.1 and \$3.2 billion of lost economic activity annually (2021). While the need is not distributed evenly across the state, with counties in eastern KY reporting higher rates in poverty and therefore families eligible for the Child Care Assistance Program, even in the most populous counties of Jefferson and Fayette the eligibility rates are only slightly lower than the statewide average (Weston, 2023).

In their findings the task force identified four key areas where benefit cliffs exist, Adult Medicaid, Supplemental Nutrition Assistance Program (SNAP), Kentucky Children's Health Insurance Program (KCHIP), and the Child Care Assistance Program (CCAP).



One of the most pressing concerns amongst policymakers is access to affordable childcare. With the expiration of pandemic era supports for childcare providers and working families, Kentucky faces a crisis that will further degrade our workforce participation rate by drawing

Of note the task force recommended that CHFS review public benefits programs with a focus on a “tiering” of benefits reduction, within the limits allowed by the federal appropriations that fund these programs, and present their findings to the legislature. While the federal appropriations that fund these programs may place limits on their delivery, policymakers have the opportunity to engage with their federal partners to advocate for change. The Kentucky Cabinet for Health and Family Services worked with the Kentucky Center for Statistics and the National Center for Children in Poverty to analyze the benefits cliff and provide recommendations. Their report covered four cliffs that most impact Kentuckians, specifically Adult Medicaid, the Supplemental Nutrition Assistance Program (SNAP), the Kentucky Children’s Health Insurance Program (KCHIP), and the Child Care Assistance Program (CCAP). These programs impact broad segments of our populations, and considerable investment of tax dollars.



As of September 2023 the Kentucky Cabinet for Health and Family services reports just over 1.6 million Kentuckians are enrolled in Medicaid, and total annual spending of \$14.6 billion in FY22 (2023). According to the St. Louis Federal Reserve, as of June of 2021 there were just over 625,000 Kentuckians receiving SNAP benefits, with only 65% of eligible households receiving benefits according to the US Department of Agriculture, which places Kentucky in the bottom quartile of participation. With regard to the participation in WIC Kentucky averages 52.9% participation as of 2020, with 102,700 enrolled. However the greatest need, and most pronounced benefit cliff, can be traced to the Childcare Assistance Program. According to Susan Perkins Weston of the Prichard

Committee, there are roughly 125,000 children who should be eligible for CCAP benefits, but only 26,000 currently do so (Weston, 2023). This means that only 21% of Kentucky’s low-income children benefit from the program, exacerbating the workforce issue that lack of access to affordable childcare can cause.

While participation rates in Medicaid, SNAP, WIC, and CCAP have reported declines in recent years, one bright spot is the number of Kentuckians who file for, and receive, the Federal Earned Income Tax Credit, or EITC. This is a refundable tax credit, meaning that in the event the credit is higher than taxes owed a refund of that overage would be due to the taxpayer. The amount of the credit scales with income and number of dependents, and phases out gradually at higher income levels. In 2022 486K Kentuckians received an Earned Income Tax Credit, totaling \$1 billion, or an average of \$2,110 per filer (IRS). At the direction of the legislature the Cabinet for Health and Family Services and Department of Revenue have worked to increase awareness of the EITC and improved access to the Volunteer Income Tax Assistance program by partnering with non-profits and other organizations.

One area that remains for Kentucky to address is enrollment in Medicaid for those incarcerated and awaiting trial, and those that are approaching release. Provision of those benefits for these populations would improve access to substance use disorder and other behavioral health treatments, and smooth reentry into the workforce. These individuals are often disproportionately low-income, and may have complex conditions. While Medicaid is currently prohibited in statute from rendering services to those that are incarcerated, there exist opportunities under what are known as Section 1115 waivers for Kentucky to improve access to care. Currently six states, including Kentucky, have waivers pending before the Centers for Medicare and Medicaid Services to allow for inmates to be enrolled in Medicaid prior to release. In April of 2023 the US Department for Health and Human Services released guidance for states applying for waivers under the Medicaid Reentry Section 1115 Demonstration Opportunity, identifying it as a major priority for the current administration under HHS Secretary Xavier Becerra (2023). As of January 2023, California became the first state approved under this waiver. According to the US Department of Justice approximately 37 percent of people in state/federal prisons and 44 percent of people overall had a history of mental illness (Bronson & Berzofsky, 2017). Connecting people pre-release with a Medicaid provider can ease the handoff to another healthcare provider who can continue to treat the person post-incarceration. Furthermore, those incarcerated who have a substance use disorder are at an increased risk of overdose after



reentry, with studies showing that the risk is 100 times greater within the first two weeks of reentry (Binswanger et al., 2007).

A report from the National Center for Children in Poverty (NCCP) and the KY Center for Statistics (KY STATS) contained recommendations that policymakers can adopt to address each of the four benefit cliffs the task force identified (NCCP, 2023). This comprehensive report made a number of policy recommendations based on analysis of KY Stats “Family Resource Simulator” and possible scenarios that could lead to families electing to avoid benefits cliffs by “parking” their wages at a certain level to avoid triggering a cliff, or seeing a substantial reduction in benefits that puts a greater strain on family resources.

Goodwill reviewed these recommendations and supports the following changes in delivery of public benefits, believing that these reforms would begin to address the challenges families face, while ultimately promoting self-sufficiency for program recipients.

- 1. Lower copayments for low-income families using subsidized childcare to no more than 3% of earnings until family earnings of \$17,000, and gradually increase to 7% of earnings until family earnings reach 85% of state median income.**
- 2. Extend the exit income threshold for subsidized child care to 125% of state median income.**
- 3. For families between 85% and 125% of state median income, require copayments that steeply increase as earnings grow, so as families approach the exit threshold the cost is the same as private care**
- 4. Encourage more families who are transitioning off Medicaid to enroll in silver-level qualified health plans, which have no required premium contributions under 150% of the federal poverty line**

In order to address Kentucky’s childcare shortage, the General Assembly should continue to invest in new and innovative ways to support providers and employers who

**Centers for Medicare and Medicaid services should approve Kentucky’s 1115 waiver application, which would allow people who are incarcerated in state and county facilities to receive coverage for treatment.**

offer childcare as a benefit. In 2022 Kentucky passed HB499, introduced by Rep. Samara Heavrin (R-Leitchfield) to create a public private partnership for employers to create childcare assistance and match it with state dollars. However, as the program was initially billed as a pilot uptake has been slow, due to feedback from employers that the uncertainty around its renewal has led to hesitancy to create a new benefit that may not be sustainable long term. HB499 as a policy is workforce oriented and scales the benefit to the populations with the most need. Another program states have begun to experiment with is the creation of a private insurance option for paid family leave. In 2024 Kentucky passed House Bill 179, which creates a new class of private insurance for paid family leave that employers can offer as a benefit. This approach creates an incentive for employers in the tight labor market to attract candidates and importantly offers a way for new families to ease the transition back into the workforce after a qualifying event, whether that is the birth or adoption of a child or other life events. In order to cover the gap of adoption of new employer provided childcare benefits, the General Assembly must also stabilize the Child Care Assistance Program through investment of General Fund dollars. This will bridge the gap from expiring federal subsidies and allow Kentucky employers and community-based organizations the time to address the crisis, while promoting parents reentering the workforce.

For those inmates that need treatment for Substance Use Disorder the Centers for Medicare and Medicaid services should approve Kentucky’s 1115 waiver application, which would allow people who are incarcerated in state and county facilities to receive coverage for treatment. A waiver is required due to the existing Inmate Exclusion Policy under Medicaid, however Congress could amend the statute to allow for states to cover those that are incarcerated, but not yet convicted, affording those individuals their due process and insuring continuity of care. Legislation introduced by Rep. David Trone (D-MD)

**In 2024 Kentucky passed House Bill 179, which creates a new class of private insurance for paid family leave that employers can offer as a benefit.**

**Finally, the Cabinet for Health and Family Services and the Education & Labor Cabinet should explore integrating their existing programs under a single administrative unit in state government.**

would address this problem, as well as provide grants to the states to implement the changes. This legislation would allow for Medicaid to cover adult pre-trial detainees. Congress has already passed legislation, as part of the Fiscal Year 2023 funding package, that would allow juvenile detainees to receive Medicaid coverage pre-conviction, but further amendments to federal statute would be needed to address adults. This bill has drawn bipartisan support, and a similar bi-partisan bill has been introduced in the Senate by Senator Bill Cassidy M.D. (R-LA).

Finally, the Cabinet for Health and Family Services and the Education & Labor Cabinet should explore integrating their existing programs under a single administrative unit in state government. This would reduce administrative overhead, centralize resources in one cabinet to insure more consistent decision making make it easier for community-based organizations to share feedback on the implementation of programs so that legislative oversight can be more effective. In line with the original recommendations of the Public Benefits task force, Kentucky should look to enact legislation that would encourage the cabinet to partner with Community Based Organizations in the delivery of programs and services that reduce the effect of the benefit cliff. The cabinet should also review existing programs that would benefit from a partnership with community-based organizations that could connect recipients with resources in their communities to facilitate the transition off of assistance. For programs needing explicit federal guidance, the General Assembly should adopt a concurrent resolution urging Congress to research and adopt changes to the Workforce Innovation & Opportunity Act allowing states more flexibility in delivery of employment and job training programs.

**the General Assembly should adopt a concurrent resolution urging Congress to research and adopt changes to the Workforce Innovation & Opportunity Act**

## BENEFITS COURTNEY PARTICIPANT STORY

Courtney Decker found her way to Goodwill a little over six years ago. “I came through the [Goodwill] programming, trying to get on my feet and trying to regain custody of two of my children. Goodwill gave me a sense of security, helping me throughout my whole process, not only with housing but with resume building ... I started with Goodwill in retail while I was pregnant with my last child and Goodwill is an integral part of my success story.”

Even with full-time employment and the supportive services Goodwill was able to offer, including housing and transportation, there was still a key piece of the puzzle missing. “Childcare was essential to me being able to grow in my career so I could support myself and my kids,” said Decker, who continued, “I probably wouldn’t have been employed if I didn’t have access to childcare.” As Courtney advanced in her career and earned more income, she also realized that her family would lose access to their childcare without the Childcare Assistance Program for Families. “If I take that promotion, I might lose my childcare. I am paying for two children, and that is \$407 a week. I am left with not enough to be able to pay my bills. What do you do? Do you stay where you are, or do you try to struggle and persevere for as long as you can?”

This problem is common for parents with young children and is compounded by a series of sudden benefit reductions, known colloquially as a ‘benefits cliff’. While childcare assistance presents the largest cliff for most families, the effects of losing Medicaid, nutrition (SNAP), and other assistance can present too large of a hurdle for families to clear.

“I would not have the job I have today without childcare assistance. I am an expungement specialist at Goodwill Industries of Kentucky and travel the state of Kentucky hosting clinics with the rest of the team assisting individuals with the process of expungement so that they can also get quality jobs. There are days I leave home at 6:30 in the morning, so being able to take my children to daycare is essential for my job. On the other hand, without employment, I would not have the medical benefits to take care of my own mental and physical health.”

The impact of these cliffs is not just tied to our workforce participation rate but stifles opportunities for people to advance their careers and elevate themselves out of poverty, which policymakers have identified as the goal of these benefits programs in the first place. However, lack of awareness limits access to these benefits, with only 65% of Kentuckians eligible for SNAP and just 52.9% of those eligible for WIC taking advantage of that program. Worryingly, the Childcare Assistance Program has an even lower participation rate, with only 21% of eligible children enrolled.

Courtney believes if more people had access to these programs, and the effects of the cliffs were mitigated, the Commonwealth would see the positive effects almost immediately. Courtney stated, “Some people have no idea that they even qualify for childcare subsidy because they think that having a job disqualifies them, especially younger parents. I think the system having such great consequences on families can even encourage individuals to be dishonest. If I get a raise I have to recertify for

childcare benefits or Medicaid; now I have to be nervous about getting a raise because is it going to affect my benefits. I am not only having to pay for medical benefits, all out of pocket, but also childcare benefits and I think some people cannot overcome this. In the end, it is simple- without those programs I would not have a job because I would not be able to financially take care of my family.”

With the lack of awareness around availability coupled with income limits on benefit eligibility, people are less likely to pursue opportunities. Moreover, multiple state agencies managing similar programs create another issue surrounding benefits: a lack of consistency for participants.

An example of this struggle comes from Courtney, “Just this past year I received a raise, and received mileage reimbursement. The mileage has to be counted as income as well. You must recertify [for benefits] every single year and there is an income threshold. I was going to be making \$100 more each paycheck but was in fear of losing my childcare because I was now making over the income guidelines for the benefit due to the raise.” While Courtney navigated these multiple programs across different units of state government, she had to maintain her full-time employment. “It is stressful because it is hard to contact someone on the phone. This causes you to take time off work to be able to physically travel to government buildings to figure all this stuff out ... it is a very time-consuming process and affects your employment and performance at work. It would be easier if it were all under one umbrella and there were benefit specialists available to answer calls.”

Greater efficiency in the delivery of benefits would lead to people having the time to pursue their education, advance their careers, and ultimately transition away from benefits due to their increased job status.

Courtney concludes with final thoughts on her struggle, “With improvements to this process I would be able to advance in my career and not have the everyday stress of wondering if I am going to have access to childcare or access to medical benefits. I would be able to sustain myself without benefits.” Without these programs and benefits, Courtney could see a scenario in which she has to take a step back from the workforce to care for her family. “So, what do you do? Do you stay home with your kids and live off government assistance for the rest of your life, or do you maintain employment? I made my choice to work but it has been a struggle.” Courtney’s journey reflects the challenges faced by many citizens striving to overcome barriers and build a stable life, and sensible reforms to our public benefits programs will enhance their efforts to improve their lives.



Courtney Decker

## APPENDIX A

### Citations

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According to March 2023 data from the Bureau of Labor Statistics current Labor Force participation rate is 2,042,066 for 3,550,017 eligible Kentuckians, to increase from 57.5 to 61.9 would be a 4.4% increase, for a total of 2,198,032. [https://data.bls.gov/timeseries/LASST210000000000006?amp%253bdata\\_tool=XGtable&output\\_view=data&include\\_graphs=true](https://data.bls.gov/timeseries/LASST210000000000006?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true)

According to The Marshall Project 70 million people in the United States with some kind of criminal record. According to The Sentencing Project Kentucky's incarceration rate is approximately 17% higher than the national average (411/100k, vs 350/100k). So at 70 million with criminal records that is on average 21% of people in the US, and with a 17% correction for KY's higher rates of incarceration means 24.6% of Kentuckian's with some kind of criminal record, or just over 1.1 million people.

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