



Written Testimony of Gregg Keesling, President of RecycleForce®

House Committee on Education and Labor
Higher Education and Workforce Investment Subcommittee

*Workforce Innovation and Opportunity Act Reauthorization:
Examining Successful Models Employment for Justice-Involved Individuals*

June 15, 2021

Chair Wilson, Ranking Member Murphy, and members of the Subcommittee, thank you for inviting me to testify today. My name is Gregg Keesling and I am the President of RecycleForce, a 501(c)(3) social enterprise delivering comprehensive recycling services to businesses in order to provide life-changing employment opportunities for formerly incarcerated individuals.

What We Do

RecycleForce is an R2- and RIOS-certified recycler providing environmentally sound solutions for managing end-of-life electronics, equipment, retail returns, and IT assets. RecycleForce works with businesses and global organizations that are invested in sustainability and committed to reducing waste. In addition to delivering environmentally sound recycling, RecycleForce provides businesses the opportunity to diversify and enhance their corporate social responsibility portfolios. Businesses aligned with RecycleForce support one of the largest and most successful re-entry programs in the country.

We have a specific focus on those deemed medium- to high-risk for returning to crime. We do this because previous research and randomized control trials (RCTs) demonstrated that our type of model can have the greatest cost-effective impact for society and government by serving the medium- to high-risk population. Everyone we employ and serve is under active criminal justice oversight, meaning they have various requirements as part of their release from prison which, in the early days of release, make a normal work schedule difficult. Most must pay fines and fees to help cover the cost of their oversight. This includes everything from random drug testing to electronic monitoring. Many have restrictions on travel (nearly all must gain permission to work outside the county of residence) and must attend meetings with

parole/probation when required. These oversight mandates are placed on individuals yet they are required to be employed as well. Such restrictions are needed to address public safety, as many whom we serve have a propensity to return to crime, so oversight is needed but so is work. To help manage the oversight for public safety and also the need for employment, we have created a specific model that allows people to earn and learn. One of our clients, Andrew, said it so well: “When I came home, I had to choose between bettering myself and getting an income and being compliant with oversight. Getting into the RecycleForce program allowed me to do both.”

We use grants and the revenue we generate from recycling to help men and women rebuild their lives with job training, gainful employment, and comprehensive social services. We do this by paying a subsidized wage – known in the field as a transitional job, distinct from more traditional on-the-job training as that term is understood in WIOA. Our model is different. We use the model we have developed with the support of USDOL/ETA’s REO system for a specific population and for a limited period. We believe that the best way to approach public safety is through gainful wage-paying employment. As Father Greg Boyle with Homeboy Industries says, “Nothing stops a bullet like a job.”

RecycleForce provides four to six months of transitional employment in its ABC Model: **Any job – Better job – Career.**[™] “Any job” is a federally subsidized transitional job at RecycleForce immediately upon release and then, as oversight is stepped down and individuals are deemed more trustworthy, they transition to a “Better job.” The better job is an unsubsidized temporary or temp-to-perm position secured through our alternative staffing agency Keys2Work. The “Career” component of the model occurs with permanent employment paying at least a living wage in an industry in which the training received at RecycleForce can help propel the worker up the career ladder.¹

This model has proven especially important with the City of Indianapolis-Department of Public Works (DPW). Public Works includes waste management, work in the parks, forestry and storm water management, litter clean up, and graffiti abatement. Our sister agency Keys2Work contracts with the City’s DPW, which to date has led to 41 individuals being hired into AFSCME union jobs –the “C” phase of our model. Just this week we learned that, due to various retirements, the union has 40 open positions for which those in the “B” phase of our model are eligible for to compete. Both our former and current Mayor have played important roles in opening Public Works jobs to those with felony backgrounds, even those deemed higher risk. While some crimes still make people ineligible, the expansion of eligibility and the willingness of

¹ [RecycleForce ABC Model](#)

our City-County Council to work with our Mayor and the AFSCME union have been so instrumental in opening up living wage opportunities.

Our menu of workforce services includes OSHA 10, Resource Conservation and Recovery Act training, and warehouse safety training. We offer a credential for successful completion of 100 hours of training on Powered Industrial Trucks recognized by the logistics field. We also work with the local community college to offer college credits for completing a Certified Logistics Associate credential. Additional training focuses on hazardous materials, HAZWOPER 40, and EPA 608 – all important for the growing recycling field.

Our trainings are very focused on the industries that will hire those we serve. In addition to the Public Works jobs described, Indianapolis and central Indiana are home to many logistics firms. In many ways we are the Silicon Valley of Logistics –everyone from Walmart to Amazon. Our location in the heartland is known as the Cross Roads of America. It is a major reason so many logistics firms are here. But these distribution centers also process retail returns and recalls. We have worked with the Consumer Product Safety Commission (CPCS) on a number of large recalls. One notable one was the “Gree” recall. RecycleForce worked with CPCS and the distribution centers which had the recalled product in their warehouses to recycle over 180,000 of these units.² Recalls slowed in 2017 but today they are back on pace. We recently completed a recall of acne masks and also helped distribution centers with recalled Smart TVs.

Changes in our economy during the pandemic and the rapid growth of the logistics sector in Central Indiana have caused a significant labor shortage. The companies we work with have outsourced much of their labor but have also relaxed their hiring practices related to those with felony backgrounds. Never has there been a more robust market for those with felony backgrounds in my 25 years in this work. The future is bright for those coming home from prison in Central Indiana.

One example is Amanda. She was referred to us after release from prison. She had several drug felonies. While she did well at first, she developed a significant substance use disorder that caused her to be violated –not a new crime but what is called a technical rule violation. Amanda failed a mandatory drug test and was sent back for several months. Upon her return, she was given a second chance at RecycleForce. She obtained substance treatment with our on-site drug counselors, completed her trainings, and today works for Piper Logistics making \$15 per hour. Amanda is featured in this video done by LISC about our program [RecycleForce](#)

²[Gree Recalls 12 Brands of Dehumidifiers](#)

it is important to understand the wraparound services we provide to facilitate successful re-entry to civil society. They include professional and peer mentoring, high school equivalency and literacy instruction, housing resource assistance, driver's license reinstatement, substance use disorder treatment and mental health counseling, re-establishment of child support, financial literacy, and tax preparation assistance. Many banks, most notably KeyBank, play a very important role in helping these new wage earners to become bankable.

Inherent in RecycleForce's ABC Model is a concept that is foreign to both normal business operation and traditional workforce development – moving the best workers on to other employment and keeping those who, for various reasons, are the least productive. In an employment social enterprise (ESE), there is always tension between the business and the program. A commitment to transitioning the best workers quickly is one way that RecycleForce manages this tension. Some employment social enterprises believe that the business must run the program. At RecycleForce, we believe that the program drives the business.

Some ESEs prefer to pay stipends over wages because it is less expensive to manage. Unemployment Insurance (UI) rates can rise over the course of a grant. For most businesses and non-profits, reducing these employer costs is a priority. However, wages contribute to safety net programs like UI and Social Security. Because we are doing work that can cause injury, carrying Worker's Comp insurance is also important. Our ESE has higher costs than most, but this is simply a business cost and is built into the model.

Another important reason to pay wages using federal subsidies under WIOA grants is that a portion of these grants become monetized in the form of local, state, and federal payroll taxes, including paying into those same safety net programs.

Transitional Jobs and Employment Social Enterprise

WIOA itself does not say much about transitional jobs (TJ). It defines TJ as a type of time-limited work experience and a "career service" combined with comprehensive support services for persons with barriers to employment. Sec. 134(d)(5) limits a local workforce board's spending on TJ to 10%. TJ is also authorized as a statewide activity at the Governor's discretion.

The Final Rule states that the Department will provide further guidance and technical assistance on transitional jobs programs, including best practices. This is important because the employment social enterprise (ESE) model as a framework for transitional jobs is not well understood and WIOA re-authorization could help to expand both the value and utilization of ESE through demonstration and focused research.

The Department did fund the Enhanced Transitional Jobs Demonstration (ETJD) (2018),³ a randomized control trial in which Recycleforce is the one program identified to have “increased individual employment and earnings and reduced recidivism,” thereby accomplishing the primary goals of the program. Our model warranted a cost benefit analysis. We were the only ESE that had earned revenue in this study. Each of the seven sites received an average of \$7,800 per client in federal support, but RecycleForce also generated revenue so the researchers developed a methodology to determine the average amount of revenue generated per client. That revenue was added to our contract support to make a cost per participant of just over \$11,000. We had the highest cost per of all the models studied. Yet even with this higher cost per, for every dollar invested, our model returned \$1.20. The value of the output of the subsidized job is also a benefit to government, as it allows RecycleForce to provide more services than it would otherwise be able to. This is a key component of the wage paying ESE model and the research to date indicates potential for replication.

The Reentry Employment Opportunities (REO) program authorizes Research and Evaluation projects under WIOA Section 169 for justice-involved youth and adults who were formerly incarcerated. We recommend more intentional use of randomized control trials (RCTs) across these types of programs. They are the gold standard for understanding what works and for whom. Just as in vaccine trials, there is a need for a control group and a treatment group so interventions can be better measured for impact. Such trials help us understand if programs work and whether they are cost-effective, leading to refinement of program processes, components, and enhancements. We feel strongly that the use of RCTs is important for the advancement of this field. WIOA reauthorization of REO should include rigorous research and RCT studies.

Transitional Jobs and Work Experience for Out of School Justice Involved Youth

While most of the 2,000 people we have served are adults over 24, with a median age of 37, we have also partnered with our local Workforce Board to serve WIOA Out of School Youth 18 - 24 (about 200 over the past several years). One disparity is that youth in general receive less subsidized time in Work Experience than we normally provide in our adult transitional jobs program. Short-term Work Experience (as understood in WIOA) is a sound approach for out of school youth without criminal justice involvement, but for the higher risk out-of-school youth who have already become involved with criminal justice, the shorter time is not appropriate. For these individuals, Work Experience needs to be longer and the delivery of services better aligned with criminal justice oversight. Out-of-school/justice-involved youth 18 - 24 are perhaps the hardest to serve population of all, but they also have the most promise. Society has much

³[The Enhanced Transitional Jobs Demonstration: Reducing Recidivism and Increasing Opportunity – Benefits and Costs of the RecycleForce Enhanced Transitional Jobs Program](#)

to gain by converting these youth into productive citizens and available workers to grow our communities and economy before they end up spending years and decades in our prison system. It is the right thing to do in so many ways and I hope, in further conversations, to talk in more detail about the expansion of services to justice involved youth.

Recommendations

1. Provide Reentry Employment Opportunities (REO) funding as a permanent part of WIOA but also make sure discretionary grants with rigorous research components are still available.
2. Narrow the focus of REO funding to medium- and high-risk individuals as determined by oversight agencies. Low-risk persons are best served by American Job Centers.
3. Provide direct funding for Employment Social Enterprises tied to transitional jobs programming.
4. Expand the use of randomized control trials to study and develop best practices.
5. Expand Work Experience to better serve the needs of out-of-school/justice-involved youth.

Thank you for the opportunity to share these comments. We look forward to further dialogue with the Subcommittee on the central role of workforce services in facilitating the successful re-entry of formerly incarcerated persons to civil society and doing so as a crime reduction strategy. Finding ways to grow our labor force while also curbing the rise of crime is one of the most important things we need to do to improve our country.