

TESTIMONY OF

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EXECUTIVE VICE PRESIDENT
CLARK CONSTRUCTION GROUP, LLC

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE,
AND THE DISTRICT OF COLUMBIA

HEARING ENTITLED:
AN EXAMINATION OF FEDERAL EMPLOYMENT PRACTICES/POLICIES ON
HIRING EX-OFFENDERS

June 10, 2008
2:00 P.M.
Room 2154 Rayburn House Office Building
Washington, DC 20515

Chairman Davis, Ranking Member Marchant, Members of the Subcommittee,

My name is Bill Calhoun and I am Executive Vice President for Clark Construction Group LLC.

Founded in 1906, Clark Construction Group, LLC is today one of the nation's most experienced and respected providers of construction services, with over \$2 billion in annual revenue and major projects throughout the United States. In 2007 we ranked thirteenth in the United States on the Engineering News Record Top 400 list.

We perform a full range of construction services throughout the United States from small interior renovations to some of the most visible architectural landmarks in the country, such as the Washington National's ballpark, FedEx Field, and the DC Convention Center locally, to the McCormick Place Convention Center in Chicago, the Los Angeles County/University of Southern California Hospital in Los Angeles, and Brooke Army Medical Center in San Antonio, Texas. The foundation of all of our construction work is a solid relationship with both public and private clients who have the confidence to rely, time and again, on our experience, financial strength and in-house expertise to make their vision a reality and a commitment to the communities within which we work.

We approach each project with a cooperative mindset, working with clients, architects, subcontractors and the community toward the common goal - successful project delivery. Our diverse construction portfolio and specialized divisions and subsidiaries ensure that each project is matched with appropriate resources and expertise. Through technical skill, preconstruction know-how and self-performance capability, we anticipate project challenges, develop solutions that meet clients' objectives and ultimately deliver award-winning projects. In this way, our work today continues to meet the stringent standards of safety, quality and integrity, which have been the Company's core values since its founding in 1906.

In the Washington, DC, area, Clark self performs concrete and foundations work. That means we hire direct hourly labor to perform the work. In addition, Clark's subsidiary, Shirley Contracting Company self performs highway and bridge work in the Washington, DC, metropolitan area. Other work disciplines are, for the most part, sub-contracted.

This Subcommittee requested that Clark address the issue of our experience hiring ex-offenders as part of our workforce. As I just mentioned, we set and maintain stringent standards for safety, quality and integrity. These apply to our entire workforce. As a result, ex-offenders do not get a pass for poor behavior or poor work. They must meet the same high standards for doing the job as every other employee of our company. Having said that, I would like to use Shirley Contracting Company as an example of why and how we began employing ex-offenders and how that process has evolved into a successful program over these past seven or eight years.

The Highway & Bridge construction division of Shirley Contracting encompasses the roadways and bridges we travel on in the Washington metropolitan area, but nowhere

more so than in Fairfax County, Virginia, the home of Shirley Contracting. From a simple turn lane on Fairfax County Parkway to the complex Springfield Interchanges, Shirley Contracting Company has been a key player in helping improve Virginia's roads and bridges. Shirley Contracting maintains a field labor force of 300 to 700 depending upon its workload.

Fairfax County is a very competitive labor market, especially for unskilled, physically demanding work such as road and highway construction. We compete for unskilled job applicants against companies such as McDonalds, Walmart, Costco, jobs at the mall and other unskilled job employers. While we pay more, our work is physically demanding and it is out in the heat and the cold. In a very competitive job market with low unemployment, maintaining a full workforce complement can be difficult. It was this set of challenges that initially led us to look at ex-offenders as another potential source of labor.

When we first started working with ex-offenders, I cannot say that the program was a roaring success. Just one out of every ten ex-offenders stayed more than 60 days. You should note that we do not just hire someone and say go to work. Applicants must complete an application, pass a fitness for duty or drug test and provide proof of eligibility to work. We provide safety training, job training and orientation, safety equipment, work equipment, supervision and oversight. We provide health insurance, dental insurance, life insurance, 401K, additional training, and opportunities for promotion. The first 30 to 60 days involve a substantial investment of time and money on our part in each of our employees. Beyond the poor retention rate we were also using a substantial amount of time of our HR staff to run the ex-offenders program.

However, we did not give up after our initial poor results. Our HR staff and Highway and Bridge Supervisors sought to understand why our retention level was so poor. We learned a few things about our ex-offender employees. Sometimes it was as simple as giving them an alarm clock to ensure they got up in the morning. Other times it was more complicated. For many, if not most of the ex-offenders, they no longer had a valid driver's license. A vehicle to drive was an even greater challenge. The simple ability of getting transportation to the job site in a manner that did not violate their parole presented a challenge for many. Additional problems we discovered were many of the ex-offenders had their first paycheck garnished for court costs, fines, back child support or other liens. As a result, they may have earned a good wage but ended up with only \$15 or \$20 after taxes and garnishment. Working for two hard weeks for \$15 or \$20 was not very motivating to these ex-offenders. Yet, as we began to understand some of the challenges, we started to work with the ex-offenders and the Courts to come up with solutions to these and other challenges so they could continue to meet their legal obligations and also have enough money to live.

Much of our success can also be credited to several outstanding programs, VASAVOR (Virginia Serious and Violent Offender Re-Entry Initiative), Skill Source and OAR (Opportunities, Alternatives and Resources). Each of these programs have done a great job of referring qualified applicants to us who are willing and able to work hard and

follow the rules that all of our Shirley and Clark employees must abide by. They have worked with the ex-offenders to come up with ride sharing and even provided vehicles to get to job sites. VASAVOR has even started providing Bonding for some ex-offenders, a real benefit from our prospective. In addition, we work with the Alexandria Seaport Foundation, a group which works with at-risk youth. In Virginia, all prisoners to be paroled or released back to Fairfax County are returned to the Fairfax County Jail 45 days before release. During these 45 days they are assessed and determined if they are VASAVOR qualified. If so, they are assigned a number of services including a case worker that determines work skills. VASAVOR then may contact us regarding potential applicants. In recent years we have even gone into the Fairfax County Jail to hold a job fair with VASAVOR qualified inmates.

As a result of these programs and our becoming more skilled at working with ex-offenders, our retention rate has improved from one in ten when we first started hiring ex-offenders to six in ten today. This six in ten number mirrors our general employment retention rates. We still have to monitor which jobsites ex-offenders are working at. We make sure that sex offenders are not working on road projects near schools. These are liability issues that you would not normally be concerned with, yet it comes with the territory of being a responsible employer and a good public citizen.

As with any construction workforce, the number of total employees as well as ex-offenders rises and falls with the workload. Currently we have about 35 ex-offenders employed in the Highway and Bridge Division. This is not a constant number. This summer we expect to add more ex-offenders in our Highway and Bridge division with somewhere between seven and ten percent of our workforce of that division to be made up of ex-offenders, including violent and long term ex-offenders.

Today we have a number of ex-offenders that have been with our companies for three or more years. Some have moved into skilled positions, at least one is a supervisor. At Clark we believe that all our employees can and do contribute. In a few cases we have placed an ex-offender on a leave of absence and held the job for that person because due to reasons unrelated to his employment he was returned to jail for a minor parole violation. We have learned to work with our ex-offender employees just as we would work with any other employee.

Our employees have good jobs, pay taxes, work to vest in the company's retirement system, vest in the future. As I said at the beginning, our employees, all of our employees, work today to meet the stringent standards of safety, quality and integrity, the company's core values.

Thank you for the opportunity to tell you what we at Clark and Shirley are doing. I will be happy to answer any questions you may have.