



**Kentucky Chamber**  
Center for Policy & Research

# **WORKING TOWARDS** **RECOVERY**



**OVERCOMING KENTUCKY'S**  
**WORKFORCE & SUBSTANCE USE DISORDER**  
**CHALLENGES**

**MAY 2023**



# Executive Summary

This new report from the Kentucky Chamber Center for Policy and Research illustrates how Kentucky's substance use disorder crisis suppresses workforce participation and negatively affects economic growth. While substance use disorder is indeed a major public health challenge, its workforce and economic impact cannot be overlooked. Kentucky has one of the lowest rates of workforce participation in the nation, which serves to limit the state's potential for attracting high-quality jobs and investment. Numerous factors contribute to Kentucky's low workforce participation rate, but one of the most significant is the prevalence of substance use disorder. As this report demonstrates, fully addressing the substance use disorder crisis is critical to building a stronger workforce and a stronger Kentucky economy.



## Some of the key highlights from the report include the following:

More than a quarter million Kentuckians meet the criteria for SUD according to government survey data, and drug overdose deaths have increased by 118 percent over the past decade.

Kentucky's workforce participation rate is one of the top 10 lowest in the nation and has been steadily declining over the past 20 years.

Substance use disorder is a leading cause of falling workforce participation nationwide, with opioid use accounting for as much as 43 percent of the decline among men and 25 percent among women.

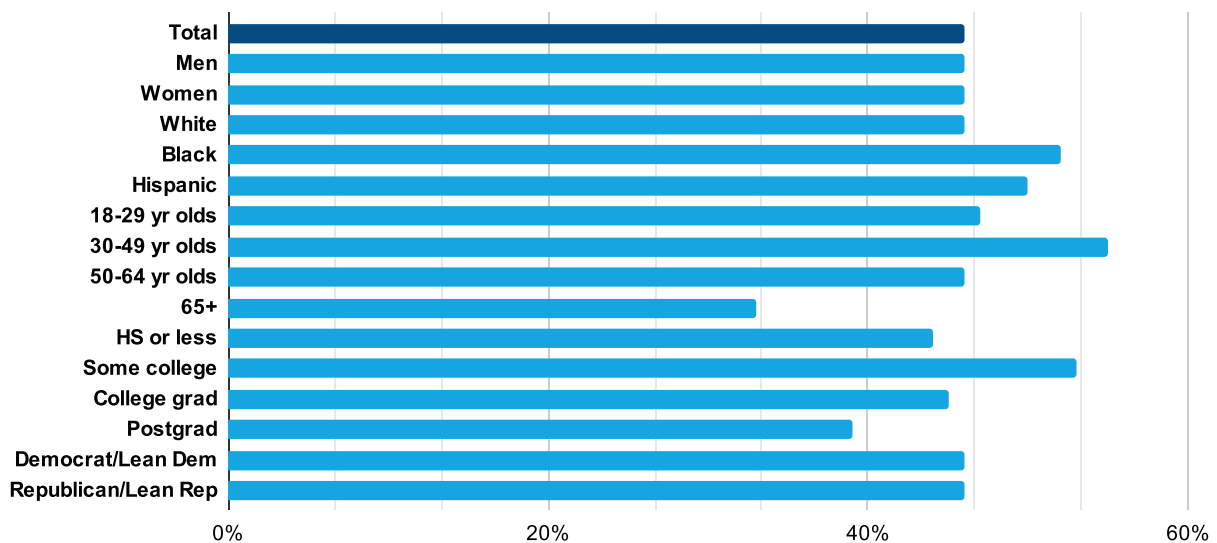
Kentucky has implemented important policy solutions in recent years but needs to build on them with priorities such as increased access to treatment and recovery resources, criminal justice and reentry reforms, access to housing, and fair-chance employment opportunities.



# Introduction

Familiarity with substance use disorder (SUD) is a common part of American life. Survey data shows that 46 percent of Americans have a family member or close friend with a current or past addiction. Familiarity with addiction is, in fact, something that unites America. It cuts across gender, age, race, educational attainment, geography, and even political party affiliation. These are not just stories captured in news headlines or reports – they are real experiences unfolding daily in every state, county, and corner of the United States, including Kentucky.

## Share of U.S. Adults with a Family Member or Close Friend who "is or has been Addicted to Drugs," 2017



Source: Pew Research Center



The Commonwealth's history with SUD is well-known. Dozens of reports have been produced on the topic, including one by the Kentucky Chamber in 2017. Government agencies, nonprofits, private-sector businesses, partnerships, and initiatives have emerged to tackle the challenge. Nonetheless, addiction remains part of our story. As this report demonstrates, there are signs that it has worsened since COVID-19.

Often missing from discussions of SUD in Kentucky is how this crisis impacts workforce challenges. Kentucky has the seventh lowest workforce participation rate in the nation and has seen a 20-year-long decline in the share of adults actively participating in the workforce. This dynamic has served as a drag on Kentucky's economic potential for decades and threatens to jeopardize the state's economic future. SUD is not the sole cause of Kentucky's workforce challenges, but there is good reason to believe it is a major driver. Consequently, policymakers and business leaders should view Kentucky's SUD crisis not only as a public health issue but also as a significant barrier to building a strong Kentucky economy and growing our workforce. These two challenges – as well as their solutions – are closely interconnected.



“... policymakers and business leaders should view Kentucky's SUD crisis not only as a public health issue but also as a **significant barrier to building a strong Kentucky economy and growing our workforce.**”

This report unravels the recent history of SUD in Kentucky, studies the damage it has caused to our workforce and economy, and suggests policy solutions to build on recent progress. It tells this story through research, data, and the perspectives of local business leaders, treatment and recovery professionals, law enforcement, and survivors who have faced addiction and lived to tell about it. To gather these unique perspectives, the Kentucky Chamber launched the Kentucky Comeback Tour in the summer of 2022. This tour involved candid, small-group conversations about the challenges of SUD in communities across the Commonwealth. The analysis below incorporates direct feedback from Comeback Tour participants and the results of live polling conducted during each stop.







The intertwined challenges of substance use disorder and low workforce participation are not going to resolve themselves on their own. They represent two of Kentucky's greatest barriers to a brighter future. Working to overcome them is a worthwhile endeavor. Using common sense, listening to what research and experts tell us, and keeping an open mind are critical to tackling Kentucky's SUD crisis and, in turn, reversing the state's long-term workforce trends.

## KENTUCKY COMEBACK

The Kentucky Comeback initiative, created by the Kentucky Chamber of Commerce, traveled across the state to connect those that are interested in getting involved in transforming Kentucky's approach to criminal justice reform and substance use disorder recovery.

Leaders of the Kentucky Comeback initiative discussed policies that have been implemented, as well as additional steps that Kentucky must take to address these issues and make meaningful, long-term change. The presentation also allowed attendees to provide input on issues relating to criminal justice reform and substance use disorder.



[www.kentuckycomeback.com](http://www.kentuckycomeback.com)



# The Scale of the **Substance Use Disorder Crisis** in Kentucky



## Four Key Takeaways

Overdose deaths among Kentucky adults have significantly increased since COVID-19.

Approximately 266,000 Kentucky adults in 2019 met the criteria for SUD in government surveys.

Only a small fraction of Kentucky adults who meet the criteria for SUD successfully obtain treatment. 236,000 Kentuckians were classified as needing but not receiving treatment in 2019.

SUD among adults has ripple effects across communities, impacting children, family, friends, neighbors, and others.

Qualifying the impact of SUD on the lives of Kentuckians can best be understood through the stories of survivors and their families. Testimonials from these individuals underscore the chaos, disruption, and despair that accompany addiction. Survivors who participated in the Chamber's Comeback Tour spoke of stealing from family members and friends, quitting or losing jobs, selling household items and family heirlooms, missing out on milestones in the lives of their children or losing contact with them altogether, enduring symptoms of withdrawal from a prison or jail cell, and fracturing relationships with loved ones. On the other side of these stories are numerous examples of survival, recovery, and success that highlight the resilience and tenacity of Kentuckians who fell into the depths of addiction but managed to climb their way out.

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## KEYWORDS

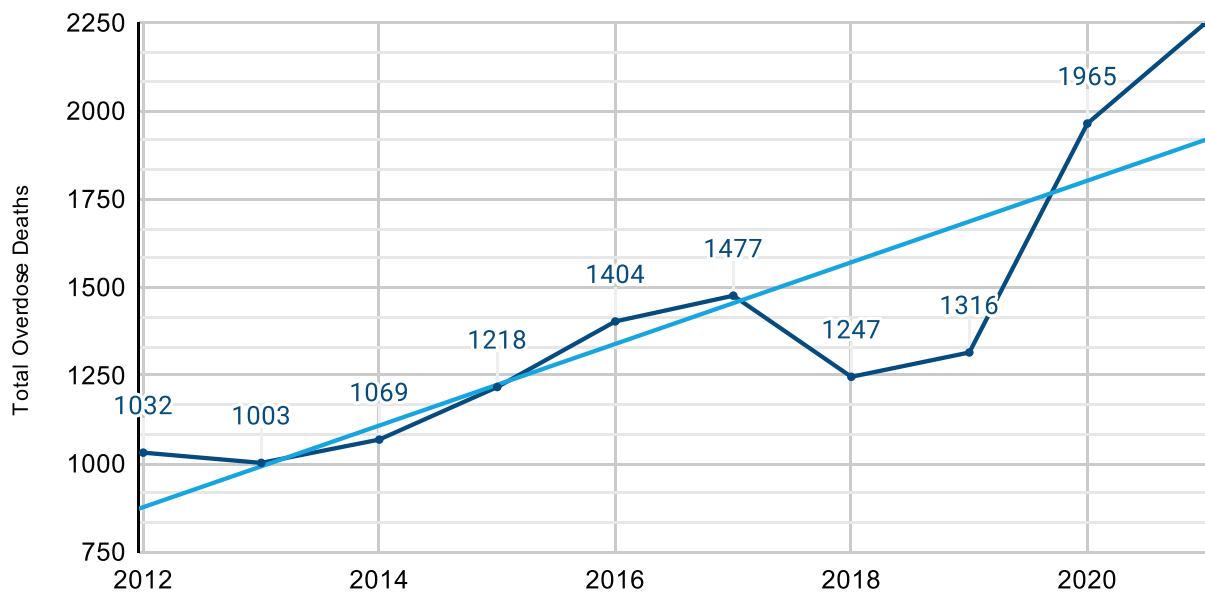
**Substance use disorders (SUD)** occur when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet major responsibilities at work, school, or home.

**Addiction** is defined as a chronic, relapsing disorder characterized by compulsive drug seeking, continued use despite harmful consequences, and long-lasting changes in the brain.



While the stories of survivors and their loved ones help us understand the impact of SUD on life in Kentucky, data helps us to quantify it and come to grips with the scale of this crisis. One place to start is with overdose deaths. The Kentucky Office of Drug Control Policy (ODCP) has been tracking and reporting the number of overdose deaths in the state since 2013. According to ODCP reports, overdose deaths have been trending upwards in Kentucky since 2012, despite a temporary drop in 2018. These deaths rose 49 percent in 2020 and continued climbing in 2021 by 14.5 percent. 2021 marked the first time that ODCP had documented more than 2,000 overdose deaths: 2,250 Kentuckians, a 118 percent increase in the nine years since 2012.

## Kentucky Overdose Deaths, 2012-2021



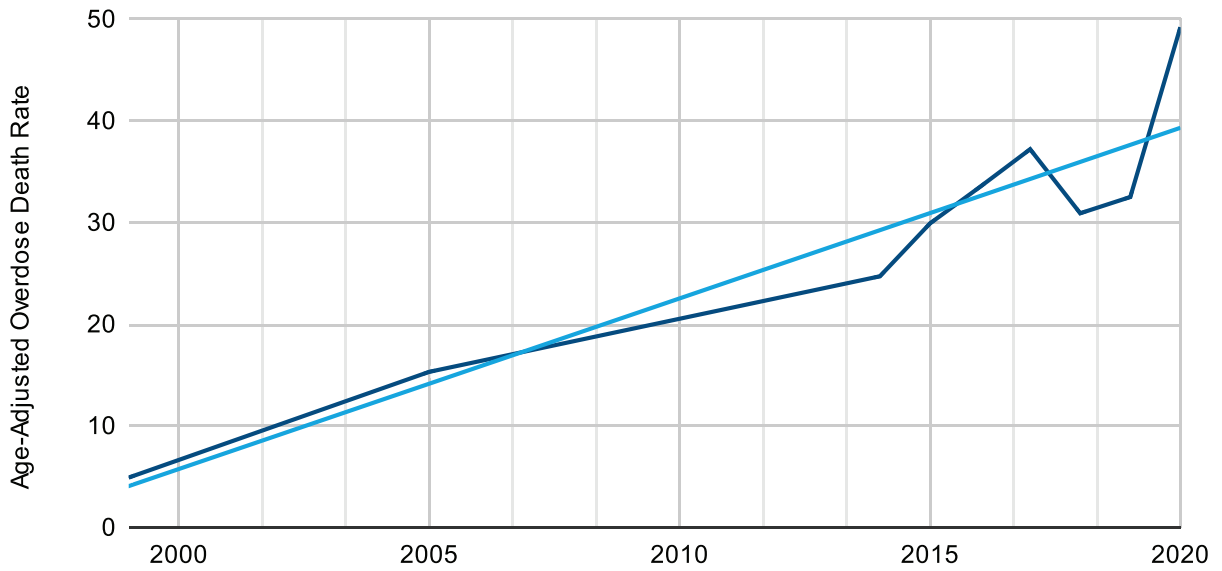
Source: Kentucky Office of Drug Control Policy



"2021 marked the first time that the Kentucky Office of Drug Control Policy had documented **more than 2,000 overdose deaths: 2,250 Kentuckians**, a 118 percent increase in the nine years since 2012."

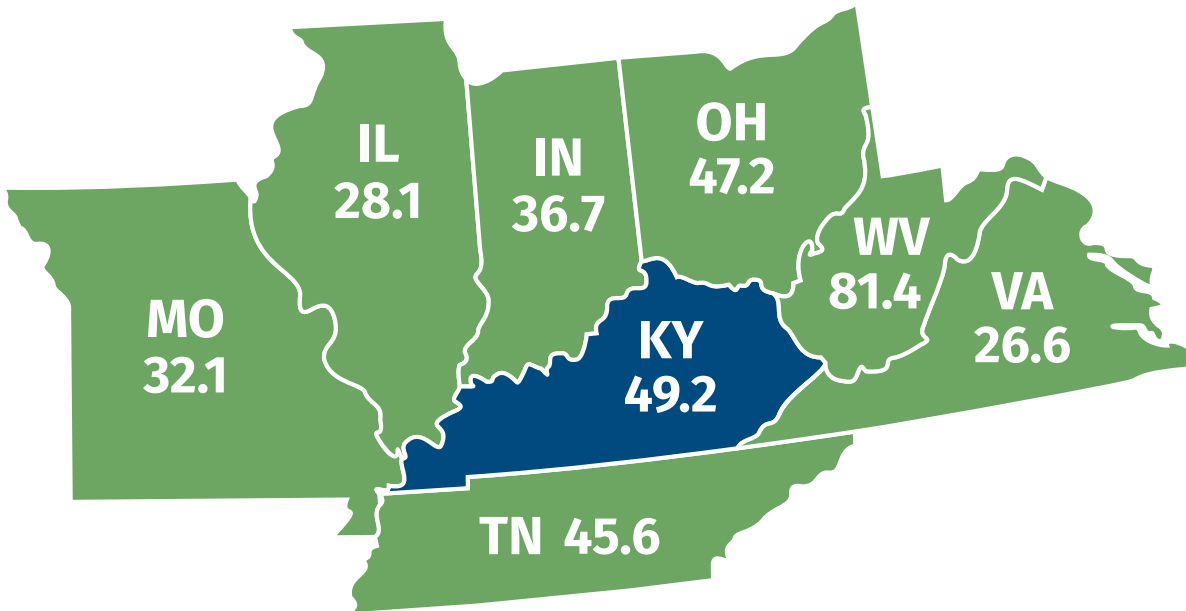
According to the Centers for Disease Control and Prevention (CDC), Kentucky had the second-highest overdose death rate in the nation in 2020, at 49.2 per 100,000 residents. This was second only to West Virginia and a six-state jump from 2019. Data for 2021 had not been released at the time of this report.

## Kentucky Age-Adjusted Overdose Death Rate (per 100,000), 1999-2020



Source: CDC

## Map of Regional States with 2020 Overdose Death Rates (per 100,000 residents)



Source: CDC

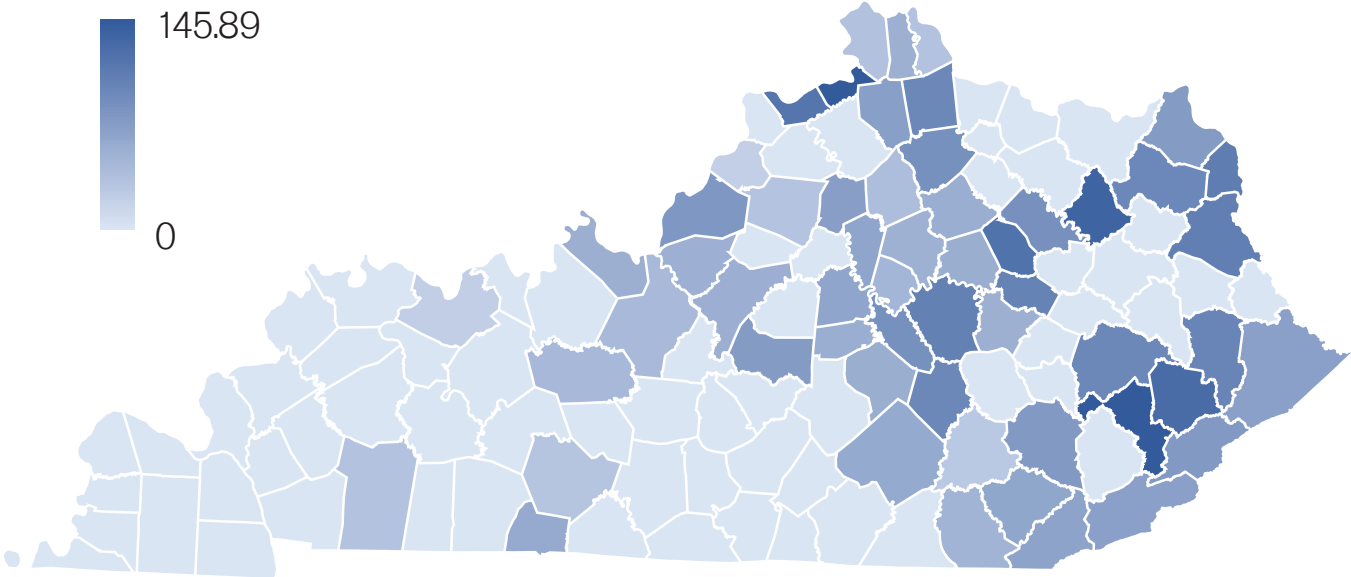


| Top 10 Lowest Overdose Death Rates, 2020   | Top 10 Highest Overdose Death Rates, 2020  |
|--|--|
| <ol style="list-style-type: none"> <li>1. South Dakota <b>10.3</b></li> <li>2. Nebraska <b>11.3</b></li> <li>3. Texas <b>14.1</b></li> <li>4. Iowa <b>14.3</b></li> <li>5. Montana <b>15.6</b></li> <li>6. North Dakota <b>15.6</b></li> <li>7. Idaho <b>15.9</b></li> <li>8. Kansas <b>17.4</b></li> <li>9. Wyoming <b>17.4</b></li> <li>10. Georgia <b>18</b></li> </ol> | <ol style="list-style-type: none"> <li>1. West Virginia <b>81.4</b></li> <li>2. <b>Kentucky 49.2</b></li> <li>3. Delaware <b>47.3</b></li> <li>4. Ohio <b>47.2</b></li> <li>5. Tennessee <b>45.6</b></li> <li>6. Maryland <b>44.6</b></li> <li>7. Louisiana <b>42.7</b></li> <li>8. Pennsylvania <b>42.4</b></li> <li>9. Maine <b>39.7</b></li> <li>10. Connecticut <b>39.1</b></li> </ol> |

Source: CDC

Who were these Kentuckians who died from overdoses in 2021, and what more do we know about the nature of their deaths? ODCP data helps shed light on these questions. In 2021, the vast majority of these individuals – 73 percent – were between the ages of 25 and 54. Looking at demographics, 88 percent were white, while 10.2 percent were Black. For comparison, U.S. Census data shows that 87.1 percent of Kentucky’s population is white and 8.6 percent is Black. Kentuckians who died by drug overdoses in 2021 came from all corners of the state, including both urban and rural areas. One in four overdose deaths in 2021 occurred in Jefferson County, the state’s most urbanized county; but the rural counties of Estill, Gallatin, Perry, Rowan, and Knott had the highest rates of drug overdose deaths per 100,000 residents.

### Kentucky Overdose Deaths per 100,000 Residents by County, 2021



Source: Kentucky Office of Drug Control Policy, 2021 Overdose Fatality Report  
County rates based on deaths of less than 10 were suppressed

Fentanyl was identified in 73 percent of drug overdose deaths in Kentucky in 2021, which represents a 16 percent increase from 2020, according to ODCP. The National Institutes of Health (NIH) describe fentanyl as “a powerful synthetic opioid that is similar to morphine but is 50 to 100 times more potent.” It is increasingly being found mixed with other drugs such as heroin and methamphetamines. Synthetic opioids like fentanyl have become the most common drugs involved in overdose deaths, according to the NIH. In its 2021 report, ODCP cited a “rise in illicit fentanyl” as one of the key reasons for the recent surge in overdose deaths in Kentucky.

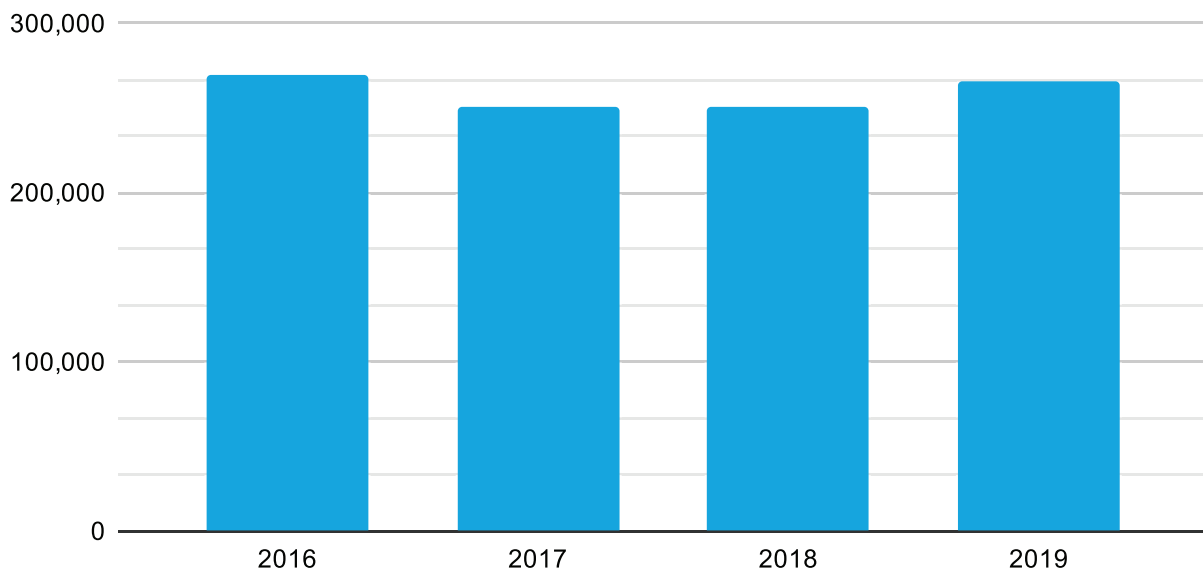


“Fentanyl was identified in **73 percent of drug overdose deaths** in Kentucky in 2021.”

Overdose deaths tell only part of the story of SUD prevalence. Another source of information is an annual survey conducted by the Substance Abuse and Mental Health Services Administration, or SAMHSA, which is a division of the U.S. Department of Health and Human Services. SAMHSA has been administering the National Survey on Drug Use and Health (NSDUH) since 1971 and began calculating state data in 1999. It is a key resource for studying addiction and drug use throughout the nation.

The most recent NSDUH report for states comes from 2019. Data for 2020 was temporarily available but recalled due to methodological concerns related to data-gathering during the height of the pandemic. In 2019, NSDUH estimated that 266,000 Kentucky adults met the criteria for SUD. Nearly 80 percent of these Kentuckians were above the age of 26. The 2019 estimates for Kentucky were roughly in line with the past four years, showing consistent estimates of more than a quarter million Kentucky adults meeting the criteria for SUD.

### Kentucky Adults (18+) that Met the Criteria for SUD , 2016-2019



Source: National Survey on Drug Use and Health



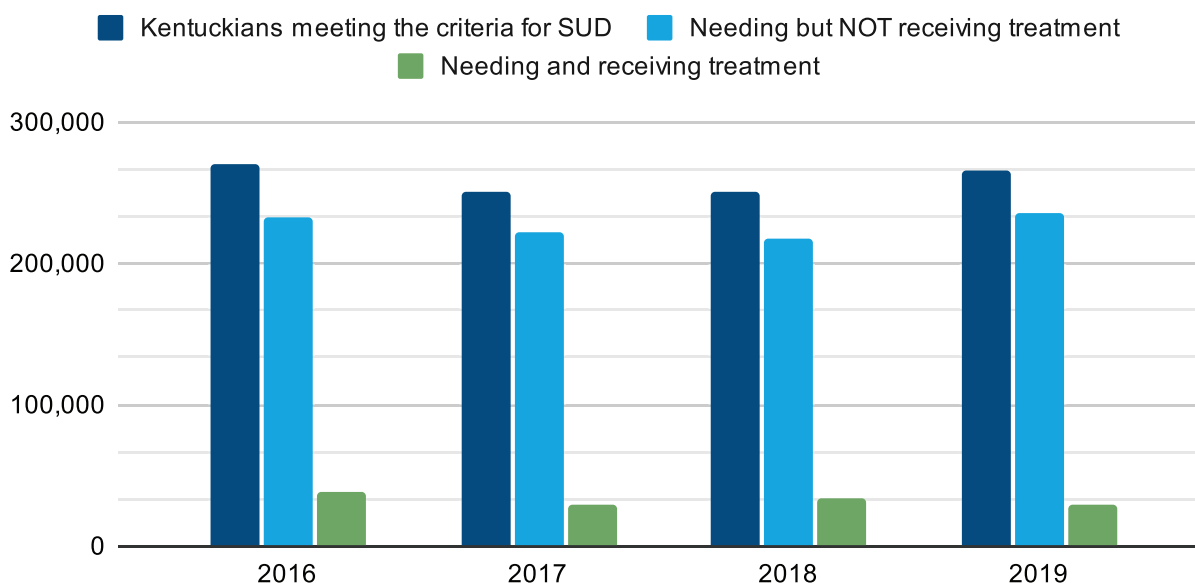


“In 2019, NSDUH estimated that **266,000 Kentucky adults met the criteria for SUD.**”

Many Kentucky Comeback Tour participants stated that the NSDUH estimates appeared low. This is always a possibility given that this estimate derives from surveying and self-reporting and is based on specific definitional criteria. Even so, a quarter-million Kentuckians is still an astonishing number. To put this number into perspective, this is 11 times the capacity of Rupp Arena and 12 times the capacity of the KFC Yum! Center.

A vital part of this story is the large share of Kentuckians classified as needing treatment but not receiving it. NSDUH data shows that while 266,000 Kentucky adults were estimated to have met the criteria for SUD in 2019, 236,000 Kentuckians were classified as needing but not receiving treatment at a specialty facility (a drug or alcohol rehabilitation facility, a hospital, or a mental health center). This means that perhaps only 11 percent of Kentucky adults needing treatment actually received it in 2019. Between 2016 and 2019 the number of Kentucky adults needing but not receiving treatment consistently outnumbered Kentucky adults needing and receiving treatment.

### Success in Accessing Treatment Among Kentucky Adults, 2016-2019



Source: National Survey on Drug Use and Health

It is critical to remember the ripple effects of addiction. The impact of this disease spreads well beyond the individual, especially when children are involved. 12.3 percent of children below the age of 18 – roughly 8.7 million – are estimated to live in a household with at least one adult with a substance use disorder. This is a national estimate. Adjusted for Kentucky, this equates to roughly 125,000 children. Academic research is increasingly demonstrating a heightened risk of substance use disorder later in life for children who grow up in households with SUD. Children raised in households with SUD tend to experience developmental delays, are deprived of basic health needs and routine health care maintenance, have greater risks of mental and behavioral health disorders, receive lower lifetime earnings, and are forced to cope with higher levels of trauma, stress, and anxiety than children in non-SUD households.



# How the Substance Use Disorder Crisis **Contributes to Kentucky's Workforce Challenges**



## Four Key Takeaways

Kentucky has one of the lowest workforce participation rates in the nation and, throughout 2022, had more than two open jobs for every unemployed worker seeking employment.

Adults with SUD participate in the workforce at far lower rates than the general population, and researchers believe SUD has been a key driver of falling workforce participation rates throughout the nation.

Justice involvement further reduces employment and workforce participation outcomes for adults with histories of addiction.

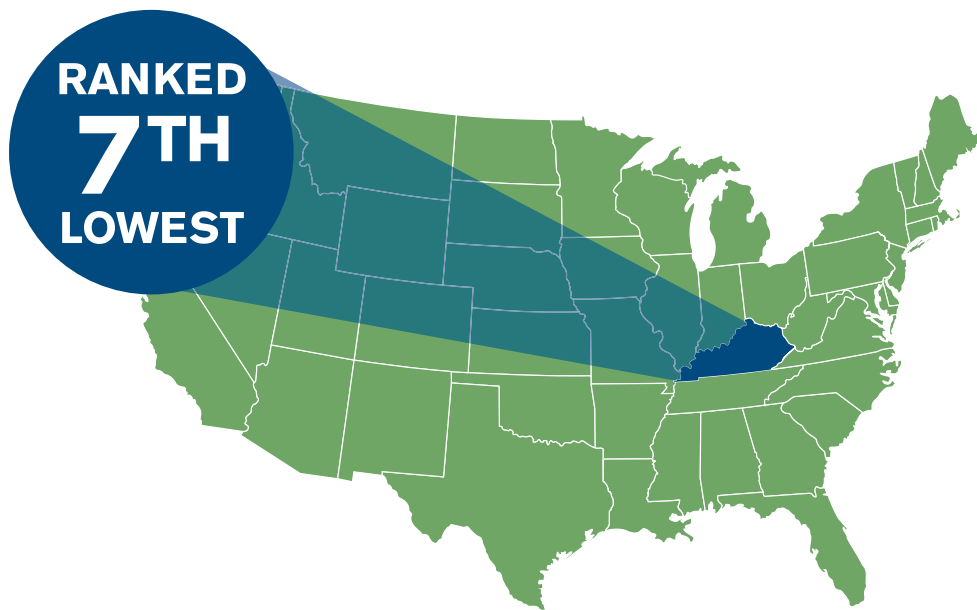
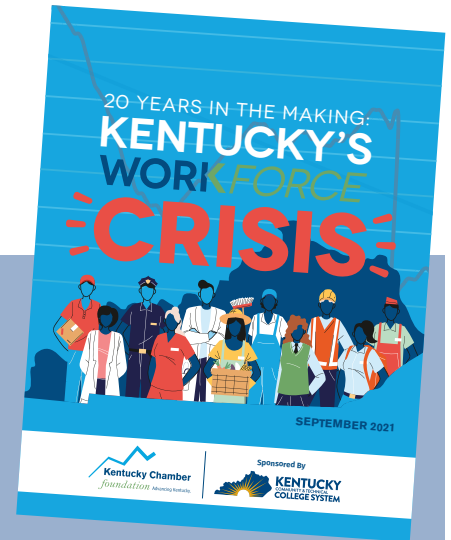
Employment has been shown to be a critical ingredient in supporting successful recovery and reentry, as well as preventing relapse.



In September 2021, the Kentucky Chamber Foundation released a report titled “20 Years in the Making: Kentucky’s Workforce Crisis.” This report examined two decades of labor market data and academic literature to highlight the severity of Kentucky’s workforce crisis, its impact on the economy, and its different causes. Two of the key focal points of that workforce report were the state’s low workforce participation rate in comparison to the nation and other states and Kentucky’s long-term trend of declining workforce participation throughout the 21<sup>st</sup> century.

As of November 2022, workforce participation in Kentucky – the share of adults working or actively looking for work – was lower than the national average and that of almost every other state in the nation. At 57.5 percent, Kentucky’s workforce participation rate was four points below the nation and the seventh lowest among all 50 states. This is a key reason why, throughout much of 2022, Kentucky had more than two open jobs for every unemployed worker looking for a job. As highlighted in another recent report from the Chamber, the challenge of low workforce participation is likely to grow as more jobs come to Kentucky through major economic investments announced in 2021 and 2022. This trend of increased demand for labor and fewer and fewer workers is leading to an unsustainable economic dynamic that will harm Kentucky’s long-term prospects for growth.

The report can be accessed on the Kentucky Chamber’s website, [www.kychamber.com](http://www.kychamber.com).

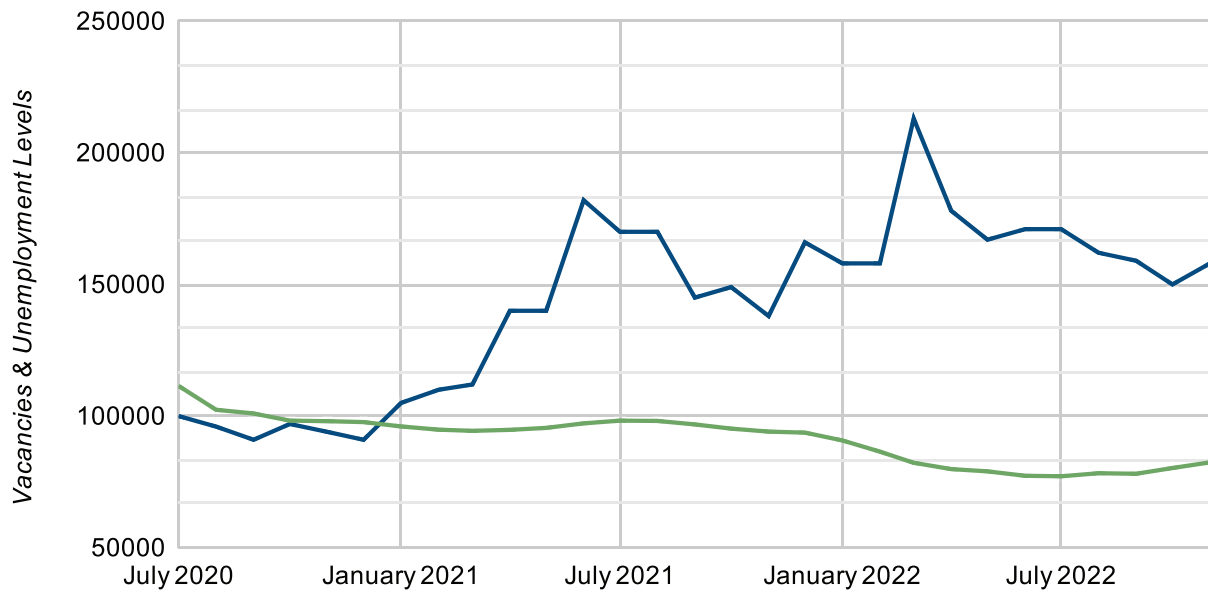


Source: Bureau of Labor Statistics



Kentucky has the **seventh lowest** workforce participation rate in the nation at **57.5 percent**.

## Kentucky Job Vacancies (blue) vs. Unemployment (green), 2016-2019

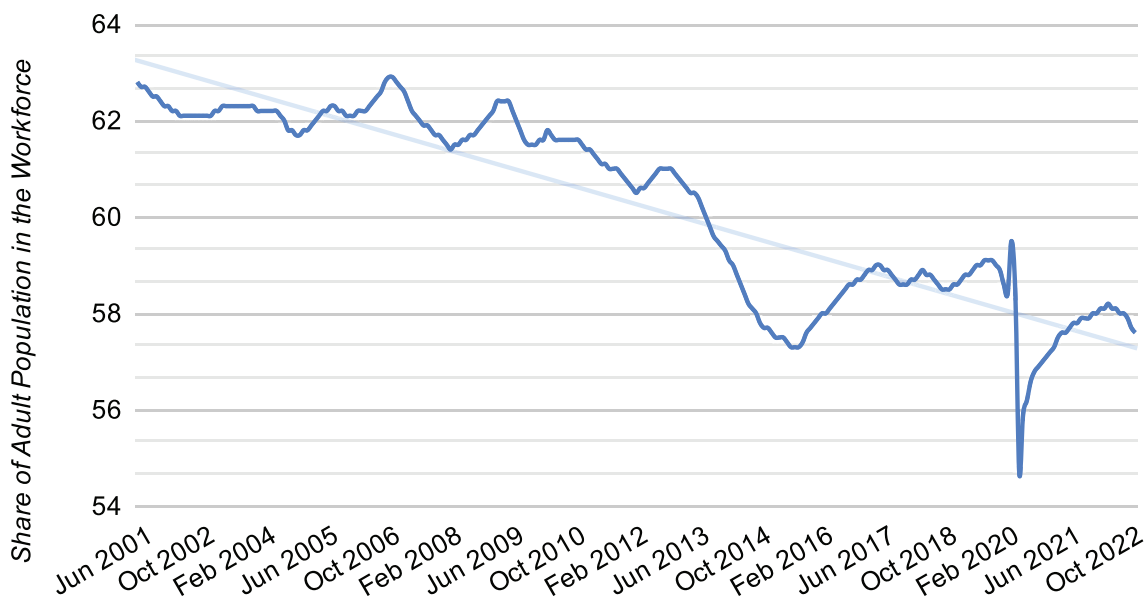


Source: Bureau of Labor Statistics

Kentucky also struggles with “prime-age” workforce participation. Prime-age workers are those between the ages of 25 and 54 – when adults are mostly likely to be actively working. In 2021, Kentucky’s prime-age workforce participation rate was 3.2 percentage points lower than the national average of 81.6 percent. As with broader workforce participation, this is lower than all of Kentucky’s surrounding states, with the exception of West Virginia.

More troubling than the state’s current challenges with workforce participation are Kentucky’s long-term trends. Kentucky’s workforce participation rate has been in a state of decline since the beginning of the 21st century, dropping from 63.4 percent in January 2001 to 57.5 percent in November 2022.

## Kentucky Workforce Participation Rate, 2001-2022



Source: Bureau of Labor Statistics

## Low Rates of Workforce Participation Contribute to Numerous Economic Challenges:

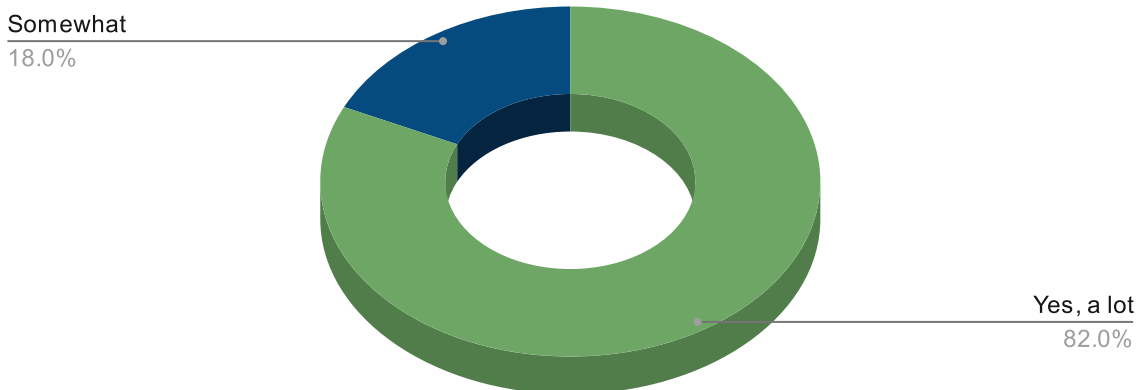
- Less self-sufficiency
- More reliance on public assistance
- Strains on state and local resources
- Employer difficulties with hiring and meeting the demands of customers
- Challenges with business attraction, retention, and expansion

As highlighted by the Chamber Foundation's workforce report, Kentucky's low workforce participation rate is a multifaceted challenge with multiple causes. Solving it requires us to think beyond traditional workforce development strategies like workforce training and education, and reconceptualizing workforce development to emphasize removing barriers to work, like a lack of access to child care, economic mobility disincentives within public benefits programs, and struggles with reliable transportation. Another major barrier to work, however, is substance use disorder.

Comeback Tour participants were deeply familiar with the impact of SUD on workforce participation in their regions. When asked, "Do you think substance use disorder is having an effect on workforce participation in your region," 82 percent responded, "Yes, a lot," while 18 percent responded, "Somewhat." Zero respondents said, "No."



### Do you think substance use disorder is having an effect on workforce participation in your region?



Source: Kentucky Comeback Tour

The perspective of Comeback Tour participants closely aligned with empirical studies. An abundance of research illustrates the toll that SUD has taken on workforce participation both in Kentucky and nationwide. One of the most significant studies on this issue was published by Professor Alan Krueger at Princeton University in 2017. Krueger identified a close relationship between rising opioid prescription rates and falling rates of workforce participation throughout the nation from 1999 to 2015. After controlling for other variables that could affect declining workforce participation, he concluded that increased opioid use may account for 43 percent of the decline in male workforce participation and 25 percent of the decline in female workforce participation during this time period. This has important ramifications for Kentucky, which has seen significant drops in workforce participation rates among both men and women.



Increased opioid use may account for **43 percent of the decline in male workforce participation and 25 percent of the decline in female workforce participation** between 1999 and 2015.

Other studies have reached similar conclusions when it comes to the downward pressure that SUD applies to workforce participation. For example, workforce participation among prime-age workers is estimated to be 13 percentage points lower for individuals with an opioid SUD than the general population and 16 percentage points lower for individuals with a methamphetamine SUD. Prime-age workforce participation in Kentucky was 78.4 percent as of 2021, more than three points below the national average.



Workforce participation among prime-age workers is estimated to be **13 percentage points lower for individuals with an opioid SUD** than the general population and **16 percentage points lower for individuals with a methamphetamine SUD.**



There is evidence that this problem grew worse during the pandemic. In a paper that received national headlines, the Federal Reserve Bank of Atlanta estimated that rising SUD rates may have been responsible for close to a quarter of the decrease in prime-age workforce participation during the pandemic. “These findings indicate that a significant fraction of the decline in labor force participation during the pandemic might be due to an increase in the number of people with a substance-use disorder, a rise likely to have long-lasting effects on the LFPR [Labor Force Participation],” the report’s authors wrote.



**Rising SUD rates** may have been responsible for close to **25 percent of the decrease in prime-age workforce participation** during the pandemic.

A study specific to the workforce impacts of SUD in Kentucky was published by the Center for Business and Economic Research at the University of Kentucky. This study found that opioid abuse reduced employment among prime-age adults by between 23,100 and 55,200 individuals in 2017. Prime-age workforce participation that year was reduced by between 1.3 and 3.1 percentage points.



**Opioid abuse in Kentucky reduced employment among prime-age adults** by between 23,100 and 55,200 individuals in 2017.

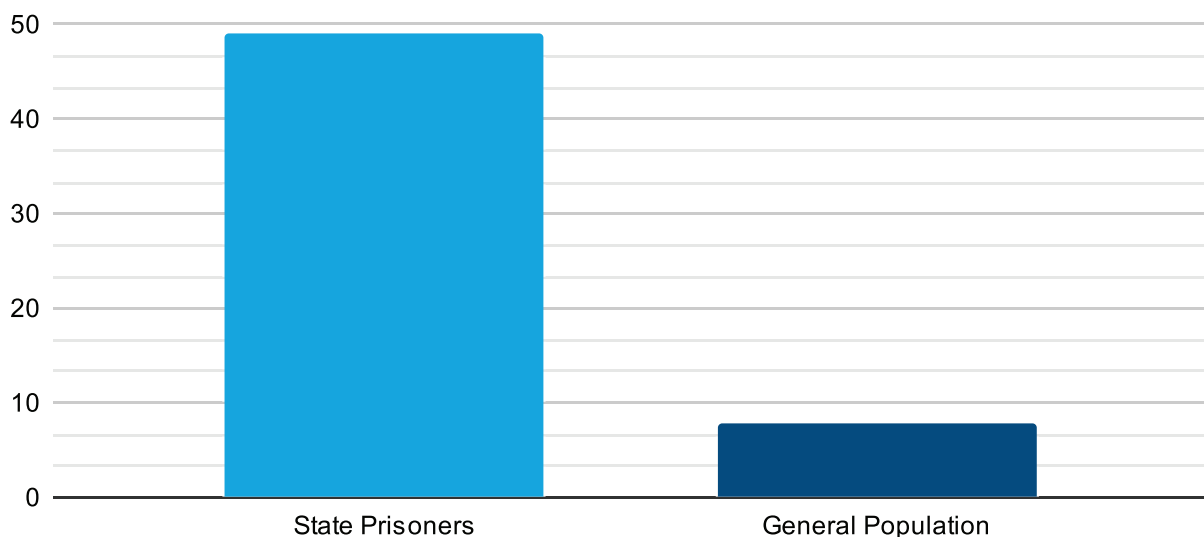
How exactly does SUD lead to reduced workforce participation? Comeback Tour participants noted that addiction interrupts one’s ability to work in various ways. Some reported gradually failing at their jobs due to decreased focus or behavioral problems associated with their addiction. This often led to termination and long spells of joblessness and dependency on others for support and basic life needs. Others quit their jobs and lived a life of addiction out of a car or on the streets. Instances of long-term addiction or addiction that started early in life leave many individuals with little-to-no work history or educational credentials. Many Comeback Tour participants also reported engaging in criminal behavior and eventually spending time in prison or jail. Several participants noted experiencing multiple periods of imprisonment.



“... individuals with SUD are **disproportionately represented in the criminal justice system ...**”

The fact that individuals with SUD are disproportionately represented in the criminal justice system adds an additional layer to the story of how SUD impacts workforce participation. A Department of Justice (DOJ) study from 2021 showed that 49 percent of state prisoners in 2016 met the criteria for SUD. This was six times higher than estimates of substance use disorder among the general population for that same time period.

### Share of Population Meeting Criteria for Substance Use Disorder, 2016



Data on the labor market experiences of formerly-incarcerated individuals is woefully inadequate, but additional Department of Justice research underscores substantial employment challenges within this population. One study examined the employment outcomes of federal prisoners four years after their release in 2010. It found that 33 percent of these former inmates never found any form of employment during this time period. More troubling, however, the employment rate among this group never surpassed 40 percent during this time period. This number is low regardless of the bleak economic conditions of the time period. Although not an apples-to-apples comparison, this trails the average employment rate for the general population during this same time frame by almost 20 percentage points. This gap is all the more staggering given that two-thirds of the study group in the DOJ study were between the ages of 25 and 44, an age group with a national employment rate around 75 percent from 2010 to 2014.

Comeback Tour participants helped shed light on the challenges of finding gainful employment with both a criminal history and SUD in one's background. Several noted significant employment and education gaps in their lives that corresponded with periods of addiction and/or incarceration. Others found many doors closed to them due to social stigmas, employer liability concerns for knowingly-hiring or retaining an individual with a history of SUD or a criminal record, and government regulations outright prohibiting them from being hired in the first place. Participants also noted numerous challenges related to transportation, housing, basic needs such as photo IDs and birth certificates, a lack of interview experience, and scheduling conflicts between community supervision obligations and employment demands.

### **Some of the Key Employment Challenges Mentioned by Comeback Tour Participants with Histories of SUD and Justice-Involvement:**

- Employment and education gaps
- Social stigmas
- Employer liability concerns
- Federal and state prohibitions
- Lack of reliable transportation
- Housing challenges
- Lack of basic life documents such as photo-ID or birth certificates
- Scheduling conflicts between community supervision obligations and employment demands

Pausing to consider the employment challenges of Kentuckians with SUD is important. This report has sought to make the case that addressing SUD in Kentucky can help alleviate the state's workforce challenges, but these issues cut both ways. Employment is a foundational ingredient to successful, long-term recovery. This connection was made abundantly clear by the testimonials of survivors who participated in the Chamber's Comeback Tour. Finding employment, many stated, provided the economic stability and social purpose necessary to maintain a life in recovery and avoid relapse.

Data and research support the stories told by survivors about the role employment plays in successful, long-term recovery. Academic research overwhelmingly illustrates that employment for SUD individuals decreases their likelihood of relapsing, recidivating, or violating community supervision requirements. For example, individuals with SUD who have undergone treatment but failed to secure employment afterwards have been shown to be two to three times more likely to relapse than individuals who found employment. As succinctly summarized by the federal Substance Abuse and Mental Health Services Administration:

For people in substance use disorder (SUD) treatment, gainful employment is strongly linked to better recovery outcomes (Magura & Marshall, 2020). Obtaining and maintaining employment helps clients establish a legal source of income, structure their time, and improve self-esteem, which in turn may greatly reduce substance use and criminal activity. ... But people in recovery who are employed show lower rates of relapse and higher rates of abstinence compared with those who are unemployed (Harrison et al., 2020). The process of finding and keeping a job can be an important part of establishing healthy new behaviors during treatment and recovery. Obtaining advanced education, certification, or licensure can support clients while they establish themselves as a person in recovery (Crutchfield & Güss, 2019). For clients who are employed, being able to improve their employment prospects improves long-term SUD recovery (Sahker et al., 2019).

Increasing employment among Kentuckians struggling with SUD is therefore not just a workforce development strategy; it is also a pathway to overcoming the SUD crisis itself and creating a healthier, safer Kentucky.



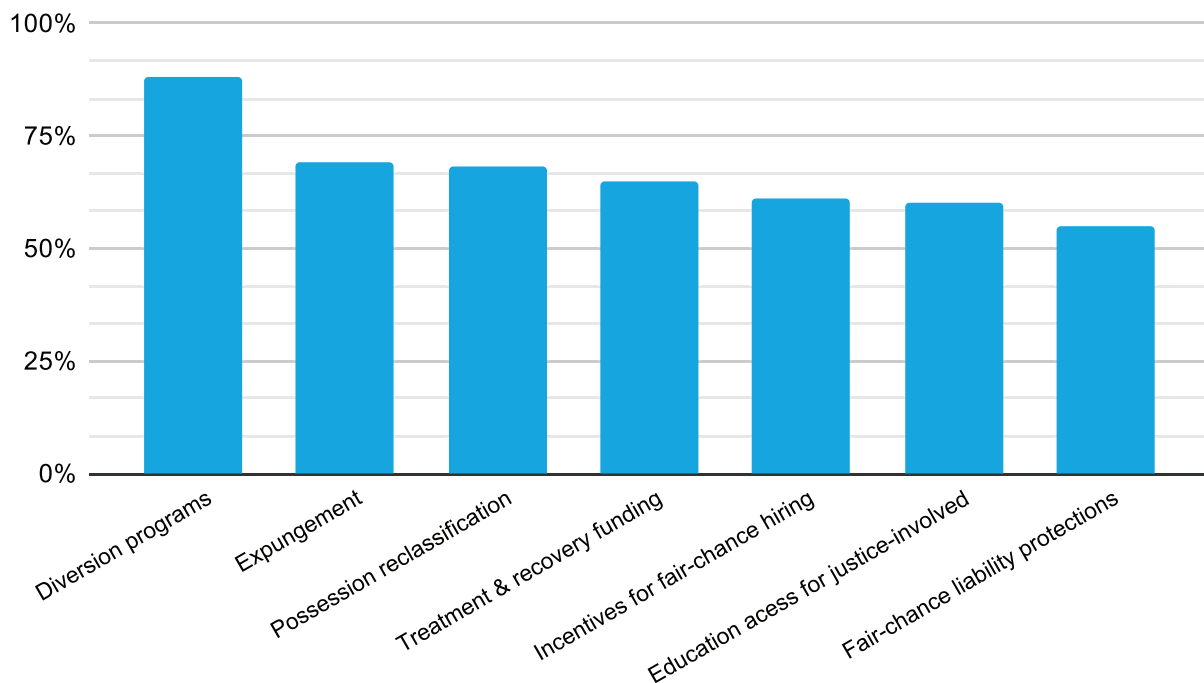


# Policy Solutions

Reducing the prevalence of SUD in Kentucky and increasing workforce participation are significant challenges, but they are not insurmountable. There are roles to be played by the public and private sectors, nonprofits, the medical community, law enforcement, and others. But state leaders and elected officials can intervene in profound ways by allocating necessary public resources, structuring public policy to support recovery, and giving key actors the tools they need to bring about change.

Below are a range of policy recommendations developed through collaborative conversations with Kentucky business leaders, law enforcement, policymakers, treatment and recovery professionals, and SUD survivors. Among Comeback Tour participants, some of the top policy preferences included diversion programs, improved access to expungement, treatment and recovery funding, incentives for fair-chance hiring, and fair-chance liability protections.

## Top Policy Preferences: Kentucky Comeback Tour Participants





Policymakers should study these policy solutions closely and explore how they can become leaders in addressing the Commonwealth's challenges with SUD and, in turn, supporting workforce participation and building a safer, healthier Kentucky. **This is not a comprehensive list of solutions.** Far from it. The SUD crisis is a truly multifaceted challenge that merits a multidisciplinary response from professionals in the medical, vocational, psychiatric, legal, business, law enforcement fields, and beyond. The recommendations that follow represent consensus-driven solutions from the business community that are grounded in research and the perspectives and feedback from Kentuckians who participated in the Chamber's Comeback Tour.

# Summary of Key Policy Recommendations



- Address employment and education gaps
- Increase public funding for prevention, treatment, and recovery services
- Optimize and expand Kentucky's treatment and recovery infrastructure
- Increase access to recovery housing and ensure quality
- Screen more effectively for and treat SUD among justice-involved Kentuckians
- Provide necessary resources for law enforcement
- Stop the flow of fentanyl into Kentucky and the United States
- Improve rehabilitation services for incarcerated Kentuckians
- Increase the odds of successful reentry for Kentuckians exiting incarceration
- Encourage more fair-chance hiring



# Public Funding for **Prevention, Treatment, and Recovery**

Through the state budget, the General Assembly allocates considerable dollars for the purpose of substance use disorder prevention, treatment, and recovery. This includes a mixture of state and federal dollars as well as funds derived from legal settlements. A sizable chunk of these dollars are Medicaid expenditures for treatment. A 2012 analysis by the U.S. Department of Health and Human Services estimated that 1 percent of Kentucky's Medicaid expenditures were attributable to substance use treatment. At that time, this represented approximately \$41 million out of more than \$4 billion in expenditures. This was before the state's Medicaid expansion. In Fiscal Year 21, Medicaid expenditures in Kentucky totaled \$14.6 billion.

While Medicaid expenditures attributable to substance use treatment are a key part of the puzzle, non-Medicaid expenditures are critical to building out an accessible and effective infrastructure for prevention, treatment, and recovery and implementing innovative solutions to the crisis. The table below shows some of the key SUD-related programs and appropriations in Kentucky's most recent budget for Fiscal Year 2023. Studying for ROI and potentially building on these items in future budgets would be a worthwhile investment given the scale of the SUD crisis in Kentucky.



**“Every dollar invested in addiction treatment and recovery programs yields an estimated \$4 to \$7 return in reduced costs associated with criminal activity. When reduced health care costs are added in, that ROI rises to \$12 per \$1 investment.”**

Research confirms that strategic, data-driven investments in fighting SUD have a strong ROI. Every dollar invested in addiction treatment and recovery programs yields an estimated \$4 to \$7 return in reduced costs associated with criminal activity. When reduced health care costs are added in, that ROI rises to \$12 per \$1 investment. Neither of these estimates include savings from increased workforce participation and economic productivity. Due to reduced workforce participation and lost economic productivity, SUD is estimated to cost the U.S. economy about 1 percent of GDP. This equates to about \$209 billion in current GDP nationwide and about \$2 billion for Kentucky's economy.

Strategically appropriating additional public resources to fight SUD in Kentucky aligns with the views of Comeback Tour participants. When asked, "What resources do you think are/would be most critical for combating substance abuse in your community?" 60 percent responded, "Increased capacity for professional treatment and recovery services."

## Key State Program for SUD Prevention, Treatment, and Recovery, *Fiscal Year 2023\**

| Program Description   | Funding   |
|---|---|
| <p>Community Alcohol and Drug Services Program – This program provides SUD treatment, prevention, and education services across the state through contracts with other entities. It is housed within the Department for Behavioral Health, Developmental and Intellectual Disabilities. The Department serves as the State Substance Use Authority and State Opiate Replacement Authority and leads the Kentucky Opioid Response Effort (KORE).</p> | <p>Funding for this program is made up of state and federal dollars. Funding has increased significantly in recent years, rising from just \$36 million in FY2014 to \$97 million in FY23.</p>  |
| <p>Office of Drug Control Policy – ODCP is charged with coordinating the state's response to substance use disorder. It works with various government agencies and private-sector partners to support SUD prevention, treatment, and recovery.</p>  | <p>Funding for ODCP is \$10.7 million in FY23, up considerably from FY14 when it was \$5.7 million and FY15 when it was \$3.8 million.</p>  |
| <p>Justice Cabinet Substance Abuse Initiatives – Since Fiscal Year 2016, the state budget has included funding for Substance Abuse Initiatives, which are appropriated to the Justice and Public Safety Cabinet and overseen and administered by ODCP. These funds are utilized for a variety of different purposes but generally related to ODCP's broader mission of SUD prevention, treatment, and recovery.</p>                                 | <p>The General Assembly appropriated \$10 million in FY16 as a result of Senate Bill 192, passed in the 2015 Regular Session. Lawmakers appropriated \$16.3 million for these initiatives in FY23. FY23 funds include \$1 million to support external reviews of SUD programming administered by the Justice and Public Safety Cabinet.</p> |
| <p>Department of Corrections Substance Abuse Programs – The Community Services and Local Facilities Program within the Justice and Public Safety Cabinet includes appropriations for programs related to treatment and recovery for justice-involved individuals with SUD.</p>  | <p>FY2023 funding for this line-item is \$18 million, up significantly from FY14 when funding levels were set at \$4.5 million.</p>   |

Source: 2022-2024 Budget of the Commonwealth - Volume I - Operating Budget

*\*This is not intended to be an exhaustive list of state-funded programs related to substance use disorder prevention, treatment, and recovery.*

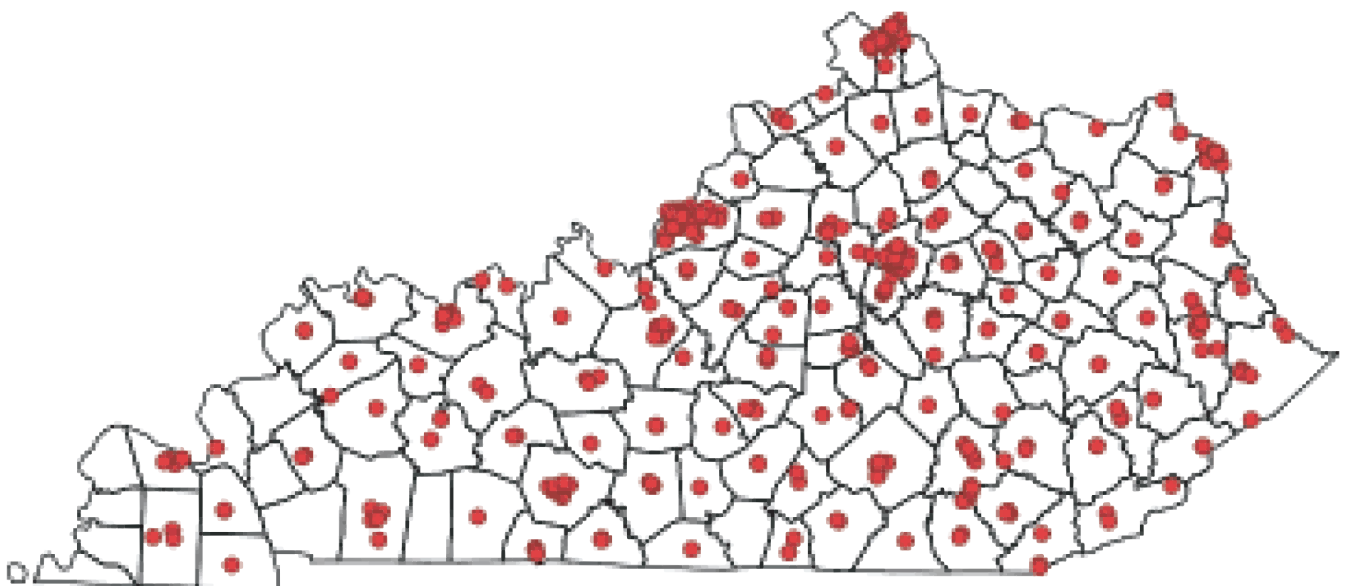




# Optimize Kentucky's **Treatment and Recovery Infrastructure**

Kentucky has a robust treatment and recovery infrastructure, but there is opportunity to optimize it in order to reach more Kentuckians in need of these services. Two key tools can help us paint a picture of Kentucky's current treatment and recovery infrastructure. First, the federal Substance Abuse and Mental Health Services Administration conducts an annual survey of facilities that provides substance use disorder treatment in all 50 states. The National Survey of Substance Abuse Treatment Services, or N-SSATS, collects information and data on these services. The most recent N-SSATS survey tracked 477 substance use treatment facilities across the state. Facilities exist in almost every county of the state, with a few exceptions, especially in western Kentucky.

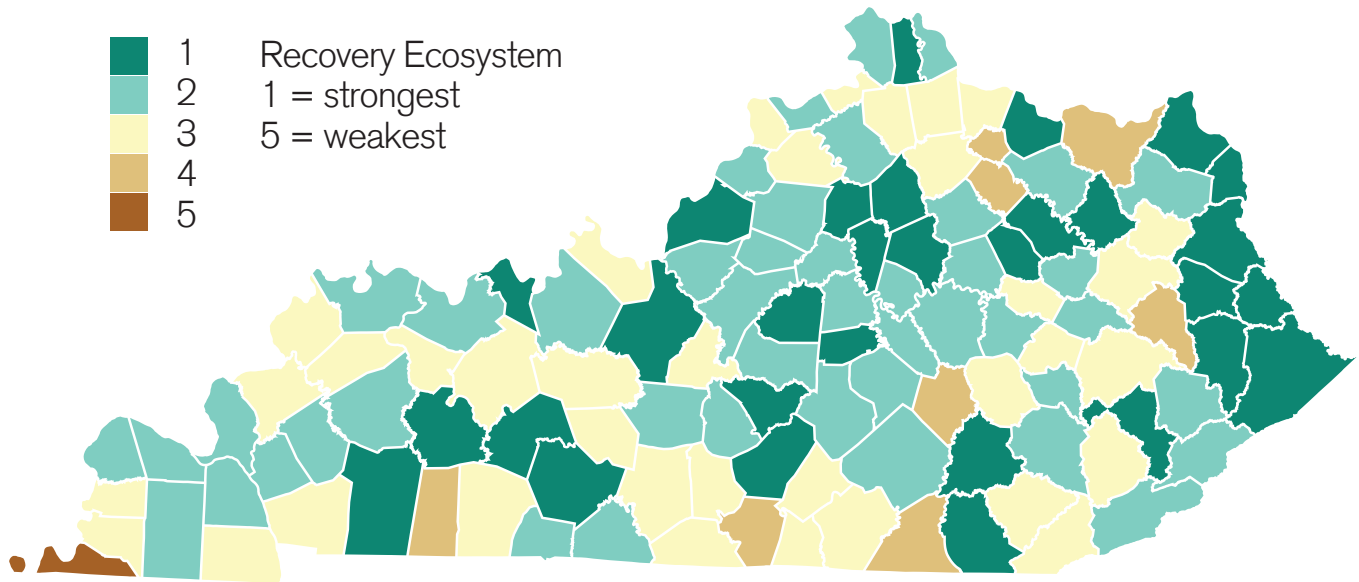
## Location of Treatment Facilities in Kentucky, *March 2020*





Another tool to study Kentucky's SUD treatment and recovery infrastructure is the "Recovery Ecosystem Index," which is a joint collaboration between NORC at the University of Chicago, East Tennessee State University, and the Fletcher Group, Inc. This index was designed to measure the strength of SUD recovery ecosystems across every county in the United States based on factors such as SUD facilities per capita, distances to medication-assisted treatment providers, the availability of Narcotics Anonymous meetings, and presence of drug courts. A look at index scores for Kentucky reveals strong scores for some counties but several gaps as well. Counties like Pike, Johnson, and Floyd received the strongest possible score, while adjacent counties like Magoffin and Lewis received the second lowest score. One county, Fulton, received the lowest possible score. Other low-ranking counties include Todd, Cumberland, McCreary, Rockcastle, Nicholas, and Robertson.

## Recovery Ecosystem Index



Source: Recovery Ecosystem Index (<https://rei.norc.org/>)

The N-SSATS data and the Recovery Ecosystem Index show that, despite the comparatively high number of treatment and recovery facilities, there are clear gaps throughout the state and some counties have far more services than others. N-SSATS, for example, reveals significant gaps among counties in the western part of the state. At minimum, policymakers should set a goal of using data like that presented here to fill in gaps and bring certain areas up to par with the rest of the state.

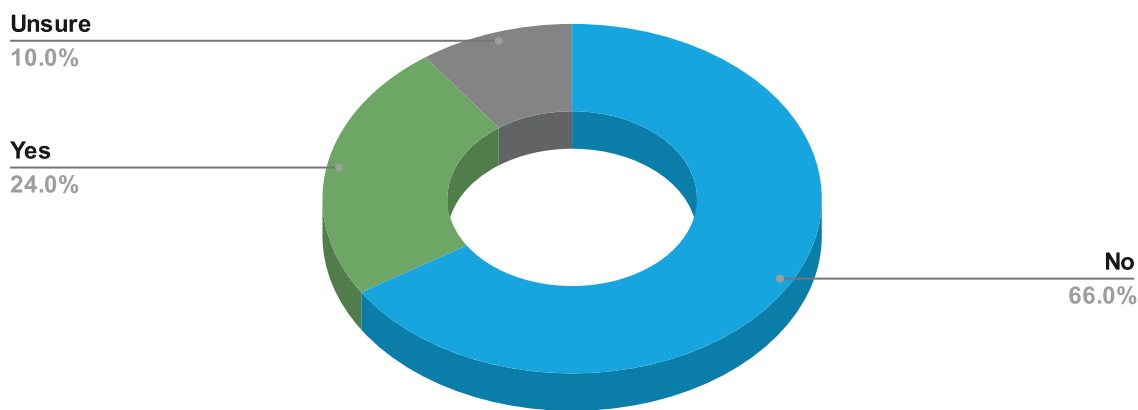


“... barriers such as **awareness, education, and transportation** keep many individuals from seeking treatment.”

Feedback from Comeback Tour participants suggests that location, awareness, and education may matter more than sheer numbers. When asked, “Do you think there are enough resources for substance abuse treatment and recovery in your community?” 66 percent of participants responded, “No.” Many, however, qualified their responses – both yes and no – by adding that barriers such as awareness, education, and transportation keep many individuals from seeking treatment. This sentiment aligns with data discussed previously in this report demonstrating the large share of Kentuckians in need of treatment but not receiving it. Comeback Tour participants noted that some individuals with SUD could benefit from increased awareness of resources in their community, while others stressed barriers presented by transportation and the feasibility of physically accessing a treatment facility. For example, in the eastern part of the state, the mountainous topography can make a seemingly-nearby treatment center hours away. If that center only provides outpatient services, that frequent commute can constitute a significant barrier to access.



## Do you think there are enough resources for SUD treatment and recovery in your community



Source: Kentucky Comeback Tour

The Kentucky Office of Drug Control Policy and other government agencies provide a variety of resources to connect individuals in need to treatment and recovery resources. Nonetheless, policymakers should study how successful these resources have been at reaching individuals with SUD, consider leveraging state funds to compliment the advertising and marketing budgets of treatment facilities, support educational programs throughout the state aimed at reducing stigmas associated with utilizing treatment and recovery services, and ensure there are ample transportation options for individuals to physically get to facilities. Policymakers should also closely study the availability and location of facilities throughout the state to help avoid service gaps and ensure services are strategically situated in accessible places.

Another way to optimize the state’s treatment and recovery infrastructure is to incentivize more facilities to offer employment training services. Only half of treatment facilities in the state provide employment counseling or training for clients, according to N-SSATS data. While employment counseling or training may not be feasible in 100 percent of facilities, some states – such as Delaware and Wyoming – have these services in 70 percent of their facilities or more.

A third way to further optimize Kentucky’s treatment and recovery infrastructure is through the Recovery Ready Communities program. Through this program, more communities will be supported and encouraged to provide residents with the wrap-around resources they need to obtain treatment and live a successful life in recovery. Legislation to establish Recovery Ready Communities was passed by the General Assembly in the 2021 legislative session and is currently being implemented through a partnership between of the Office of Drug Control Policy and Volunteers of America. Lawmakers should closely monitor this program as it matures and look for ways to build on it and ensure its success in every community in the Commonwealth.

Helping with all of the efforts and strategies listed above is the state’s share of the National Opioid Settlement, which will total \$478 million over the next 18 years. Through the Office of the Attorney General and the Opioid Abatement Advisory Commission, the state is working to allocate these dollars to local communities and successful statewide initiatives. As pointed out in an op-ed published in the Lexington-Herald Leader in August 2022, fully leveraging these dollars to support and optimize Kentucky’s treatment and recovery infrastructure is an important priority.

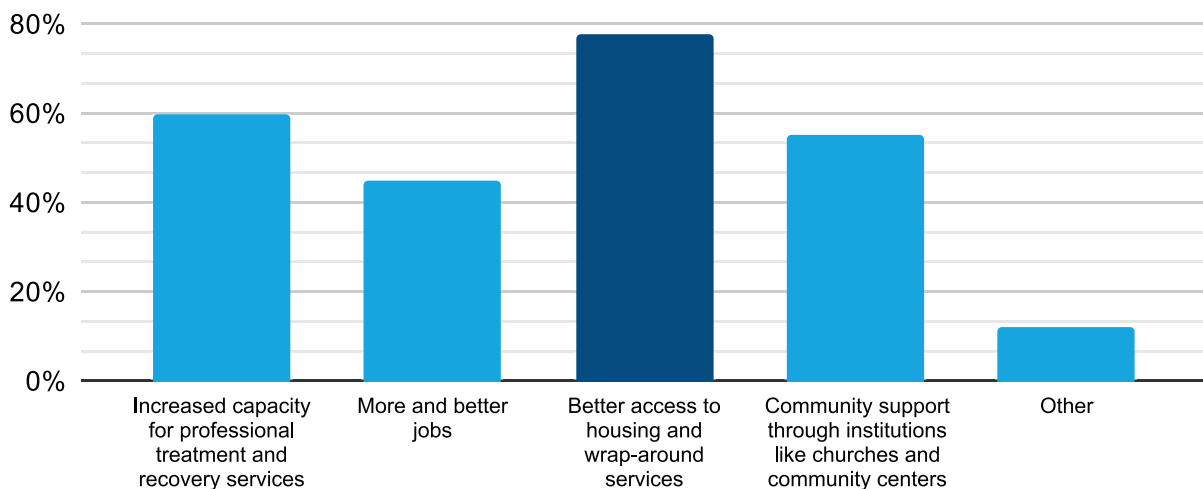


# Increase Access to **Recovery Housing** and Ensure Quality

A key point stressed by Comeback Tour participants was the risk of relapse for individuals completing an in-patient SUD treatment program and returning to environments associated with their addiction. Returning to such environments, participants stated, could quickly trigger relapse or gradually facilitate it, thereby endangering the individual's chances of a successful recovery. Recovery housing is a remedy for this dilemma. Having a safe and high-quality recovery-friendly home to live in directly after completing a treatment program can provide an individual with stability and give them time to secure employment and find a long-term living arrangement that is unaffiliated with their addiction. 78 percent of surveyed Comeback Tour participants selected "better access to housing and wrap-around services," when asked what resources would be most critical for combatting substance use disorder in their communities. Moving forward, policymakers should build off of legislation such as House Bill 248 from the 2023 legislative session, which created a framework for statewide standards to ensure that recovery housing in Kentucky is both safe and high-quality.



## What resources do you think are/would be most critical for combating substance abuse in your community?



Source: Department of Justice, National Survey on Drug Use and Health

Some treatment and recovery centers, as well as ancillary service providers, in Kentucky are proactive in connecting recovery housing to their services. Most, in fact, provide assistance in finding housing for clients: 68 percent, according to N-SSATS data. Policymakers should explore ways to encourage more treatment and recovery service providers to offer housing assistance and more local communities to build out networks of quality transitional housing. This should include grant programs and tax incentives, an examination of regulatory and land-use barriers that may prohibit high-quality transitional housing in certain areas, and the establishment of statewide minimum standards for the operation of recovery housing to help ensure quality and safety.



## Screen More Effectively for and Treat SUD among eligible **Kentuckians with Criminal Records**

As noted previously in this report, individuals with SUD are disproportionately represented in the criminal justice system. Yet government research illustrates that few incarcerated individuals gain access to treatment services during periods of imprisonment, leading many to exit prison or jail without having come to terms with the root cause of the behavior that brought them there in the first place. This contributes to cycles of addiction, recidivism, and nonparticipation in the labor market. Doing more to increase access to treatment and recovery services among justice-involved Kentuckians can help break these cycles.

In the 2022 legislative session, the Kentucky General Assembly took an important step forward in rethinking the state's approach to addressing the intersection of addiction and justice involvement. Senate Bill 90 created a new behavioral health conditional dismissal program that adopts a continuum of care approach. Under this program, low-risk individuals may become eligible to participate in treatment and recovery services, which, if successfully completed, may allow them to avoid incarceration and have their charges dismissed. The program involves many moving parts and participants, including behavioral health and addiction professionals, prosecutors, and judges. It closely integrates job training and employment outcomes into the program's structure as well as other wrap-around services that support a continuum of care approach. The program is a pilot, meaning it is not yet permanent and is designed to be studied. The legislative text instructed the Chief Justice of the Kentucky Supreme Court to select a minimum of ten counties to pilot the program. These counties were announced in August and include McCracken, Daviess, Hopkins, Christian, Oldham, Pulaski, Kenton, Clark, Madison, Greenup, and Letcher. The bill included \$10.5 million in FY23 and FY24 to implement the program.



Senate Bill 90 builds on other “diversion” programs already established in state law and has many benefits. First, it provides a pathway for individuals to avoid incarceration and have their charges dismissed. Both of these factors can support long-term recovery and workforce participation. Second, it follows the advice of research and professionals who argue that SUD treatment in a community-based treatment setting is more effective than in a criminal justice setting. Third, it facilitates collaboration among numerous key actors – such as law enforcement, behavioral health professionals, and workforce and education training professionals – to accomplish the broader goals of increasing access to treatment and supporting long-term recovery.

Comeback Tour participants overwhelmingly favored diversion programs as an effective policy strategy for addressing SUD in Kentucky. When asked what policies they thought would lead to safer communities, less incarceration, and less drug use, 88 percent selected diversion programs like Senate Bill 90.

Lawmakers should lean into ensuring the success of Senate Bill 90. As the bill goes into effect, state agencies will be required to produce a number of reports detailing the impacts of the program, including its strengths and weaknesses. Lawmakers should focus on making improvements where necessary but also begin planning to expand the program into additional counties. This will involve building out resources in counties that lack the necessary infrastructure to operate the program, developing best practices and learning from stakeholders, and providing state funding when needed. This is another area where a program like Recovery Ready Communities can help build much-needed treatment and recovery infrastructure to support a continuum of care approach to SUD.

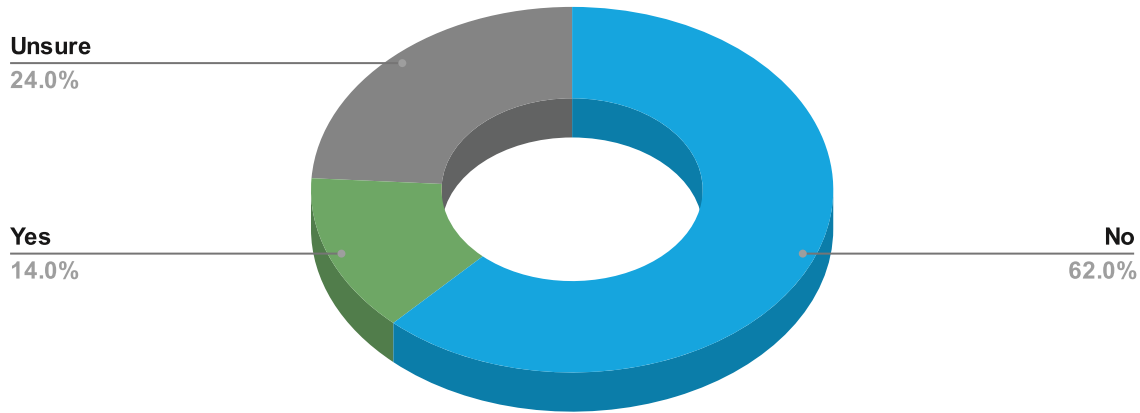


## Key Resources for Law Enforcement

When asked if law enforcement in Kentucky had the necessary resources to provide appropriate assistance to individuals with SUD in local communities, a majority of Comeback Tour participants responded “no.” Discussion of this issue included recommendations that law enforcement receive increased training with administering naloxone, a medication that can reverse an opioid overdose. Some survivors told stories of how the use of this medication by first responders saved their lives, while others pointed to instances in which a lack of training or access to naloxone nearly cost them their lives.



## Do you think law enforcement in your community has the necessary resources and support to effectively respond to issues related to substance use disorder?



Source: Kentucky Comeback Tour

A second line of discussion included closer coordination between law enforcement and community professionals in the fields of mental health and addiction. Comeback Tour participants noted SUD-related training among law enforcement and relationship building between law enforcement and treatment and recovery professionals are helping improve coordination. Many stated that these efforts should continue and be supported where possible.

An important third point of discussion focused on ensuring that law enforcement professionals and first responders themselves have ample access to treatment and recovery resources.

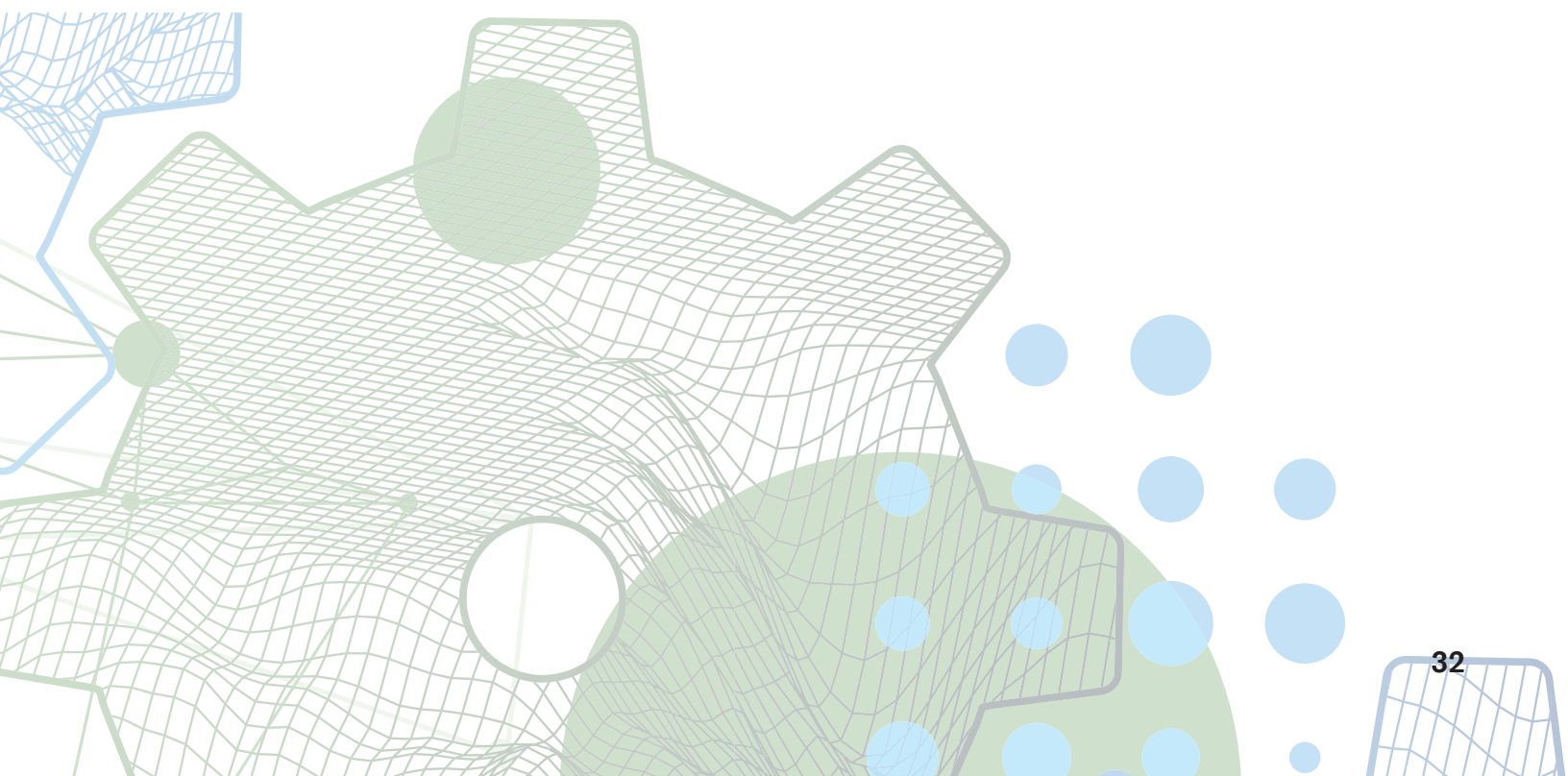
Finally, Comeback Tour participants also provided feedback on the importance of ensuring local police departments and the Kentucky State Police are fully staffed and have the necessary staff to appropriately respond to crime and issues related to addiction, especially violent crime and the proliferation and distribution of illicit drugs throughout the Commonwealth. One Comeback Tour participant whose daily work involves coordinating with law enforcement pointed out that short-staffed departments make it harder for officers to take the time that is needed to provide assistance to individuals struggling with SUD. Agencies like the Kentucky State Police were reportedly short 150 troopers as of May 2022, while the Louisville Metro Police Department was short 300 officers as of June 2022. Aggressively recruiting and retaining high-skill law enforcement professionals should be prioritized in the fight against addiction.





# Stop the Flow of Fentanyl into **Kentucky and the United States**

One of the key takeaways from reviewing the annual reports on overdose deaths produced by the Office of Drug Control Policy is the rise of illicit fentanyl. Reducing the prevalence of fentanyl in the United States may not reduce the overall prevalence of SUD in Kentucky, but it can save lives and reduce the death toll of addiction. Official government reports have shown that much of the fentanyl making its way into the country originates with transnational criminal organizations in China and Mexico and is smuggled into the U.S. through our borders. India has been identified as an emerging source of illicit fentanyl in America. Federal lawmakers representing Kentucky in Congress should prioritize stopping the flow of fentanyl into the U.S., and state lawmakers should voice support for these efforts wherever possible.







# Improve Rehabilitation Services and the **Odds of Successful Reentry**

Department of Justice reports show that incarcerated individuals meet the criteria for SUD at far higher rates than the general population. Time in incarceration and a criminal record make it difficult to find employment, which contributes to lower rates of workforce participation and cycles of addiction and recidivism. Increased resources (and improved access to them) for the general population and policies like Senate Bill 90 can help reduce the number of individuals who become incarcerated because of behaviors and actions associated with their addiction. But even with such policies in place, many Kentuckians with SUD will likely still find themselves in jails or prisons. It is critical that lawmakers understand that the vast majority of individuals who become incarcerated – whether their offense was related to SUD or not – eventually reenter society. Every month in Kentucky, it is estimated that 25,000 releases take place, totaling 300,000 releases per year, according to estimates from the Vera Institute of Justice. Careful changes to public policy can help ensure that, when Kentuckians leave prison or jail, they do not come back. Falling recidivism rates are positive developments for both public safety and Kentucky's economy. To that end, lawmakers should pursue policies to strategically support rehabilitation and reentry.



“Every month in Kentucky, it is estimated that 25,000 releases take place, **totaling 300,000 releases per year. . . .** Careful changes to public policy can help ensure that when Kentuckians leave prison or jail, **they do not come back.**”



## Treatment and Recovery Resources for Incarcerated Individuals

SUD treatment professionals view community treatment programs as more effective than services delivered in criminal justice settings. But when an individual is not eligible to participate in a diversion program like Senate Bill 90, it is still prudent to provide them with access to treatment and recovery services. Department of Justice research illustrates that incarcerated individuals who meet the criteria for drug dependence or abuse or substance use disorder are rarely successful in accessing drug treatment programs during their sentence. A 2021 study showed that only 33 percent of state prisoners who met the criteria for SUD had successfully accessed a treatment program at the time of the study. Research suggests that even fewer incarcerated individuals with SUD receive FDA-approved medicated forms of treatment.

Testimony from Comeback Tour participants aligned with the DOJ research. Many participants, for instance, noted that access to basic treatment and support services such as Alcoholics Anonymous or Narcotics Anonymous meetings were rare based on their experiences. Medical treatment services for SUD-related challenges were even rarer. Some participants noted, however, that this dynamic is not always true across the state and that there may be regional variations. One participant remarked that they had ample access to treatment and support services during a period of incarceration in a northern Kentucky county but knew firsthand that such resources were unavailable in specific counties in the eastern and central portions of the state. To help ensure treatment options are available and accessible to incarcerated individuals who need them, lawmakers should explore cost-effective ways to further integrate SUD treatment and recovery services into state prisons and local jails throughout Kentucky.

## State and Local Reentry Programs

The Division of Reentry Services within the Department of Corrections operates a range of important reentry programs designed to reduce recidivism and support successful reentry. These programs include expungement sessions, reentry simulators, job and resource fairs, and employment assessments and referrals. Lawmakers should continually evaluate these efforts and provide increased support where needed.

## Basic Needs Such as Photo IDs and Life Documents

Kentuckians with SUD and/or who commit crimes and become incarcerated often lose possession of government-issued IDs and life records like birth certificates. Some never obtained documents like IDs in the first place. Lacking these items complicates the reentry process by making it harder to accept a job, open a bank account, access health care, or sign a lease. As stated by Lieutenant Doug Miles with Warren County Regional Jail, “In 72 hours you really need to get your healthcare set up, you need to find transportation, you need to have a food source, and if you don’t have that identification and it takes a month to get it, that 72 hours just went out the window.” Some local jails – such as Warren County Regional Jail, for example – have already taken the initiative to develop systems to assist departing individuals with securing basic life documents, including IDs. Moreover, in early 2021, the Kentucky Chamber Foundation partnered with state agencies to develop a two-year pilot program focused on equipping individuals reentering society from state prisons with government-issued IDs. Continuing these services long-term and ensuring they are provided at all incarceration facilities across the state will require action by the General Assembly.

## Barriers to Educational Opportunities

Education is foundational to economic success and financial stability. Many individuals with felony records in Kentucky, however, who seek out postsecondary training find themselves hamstrung by state policies that limit their access. In particular, current law prohibits any Kentuckian with a felony record from receiving state financial aid assistance through the Kentucky Educational Excellence Scholarship even if they have earned KEES dollars and meet all other eligibility requirements. It is highly unlikely that this prohibition has any effect on deterring criminal behavior and only serves to restrict access to postsecondary education for these Kentuckians. The ultimate impact of this prohibition is to limit employment outcomes, which can contribute to relapse and recidivism. The General Assembly should amend state law to repeal this prohibition, especially for individuals convicted of low-level offenses most likely to meet the criteria for SUD. In addition, lawmakers should continue funding and, where needed, expand GED programs for eligible Kentuckians in incarceration facilities throughout the state.

## Access to Expungement

One of the most important tools for supporting employment among individuals with criminal records is expungement. Generally operating under very specific rules and procedures, expungement involves the direct removal of specific criminal offenses from one's criminal record and legally permits a job applicant to not disclose their criminal record when applying for or accepting a job. Their record would also no longer show up on criminal background checks using official record searches. Expungement can address concerns voiced by many employers regarding legal liability challenges with knowingly hiring or retaining individuals with criminal records. Among Kentucky Comeback Tour participants, 69 percent expressed support for making "it easier to erase low-level offenses from criminal records."

Research points to a strong positive relationship between expungement and employment outcomes. A study by University of Michigan scholars and published in the Harvard Law Review showed that individuals with criminal records experienced an average earnings increase of 22 percent in the year after they successfully obtained expungement largely due to transitioning from unemployment to employment or low-wage work to higher-wage work.



Studies of expungement have shown that **individuals with criminal records experienced an average earnings increase of 22 percent in the year after they successfully obtained expungement** largely due to transitioning from unemployment to employment or low-wage work to higher-wage work.

Research also shows that expungement reduces criminal behavior and recidivism among individuals with criminal records. The same Harvard Law Review study demonstrated that just 7.1 percent of expungement recipients are rearrested within five years of obtaining expungement. Only 2.6 percent are rearrested for violent crimes. Conviction rates for expungement recipients are 4.2 percent (0.6 percent are convicted of violent crimes).

Kentucky law allows for the expungement of low-level felonies and misdemeanors, but there is evidence that some eligible Kentuckians face barriers to successfully accessing and obtaining expungement. For example, the study mentioned above showed that only 6.5 percent of individuals eligible for expungement successfully receive it within five years of becoming eligible. Cost may be one of the key culprits for this. A survey from 2020 interviewed Kentuckians attending expungement clinics from Breckenridge, Hardin, Allen, Jefferson, Oldham, Shelby, Franklin, Woodford, Fayette, and Lee counties. It found that 72 percent of these individuals had not previously sought out an expungement due to costs. The Harvard Law Review study echoed these findings, noting, "Every expert we interviewed emphasized the barriers erected by fees and other associated costs... For applicants living in poverty, these accumulated expenses are a serious financial impediment."

As of 2022, total cost for a felony expungement in Kentucky is \$340. Revenues from expungement fees are distributed among different state and local agencies that do the actual work of expunging records. Lawmakers should consider reducing associated fees. State and local agencies that receive funds through expungement fees should be made whole with General Fund dollars. The Commonwealth benefits from increased access to expungement in the form of reduced recidivism, lower crime, and increased workforce participation and self-sustainability.

Complexity and awareness are additional barriers to expungement. Knowing that expungement is an option is one thing; finding (and affording) a qualified attorney to help you navigate the process is another. Expungement is a legal process that, though not required by law, necessitates the assistance of an attorney – especially for more complex cases. The nonprofit and legal communities have helped alleviate this challenge. Through expungement clinics, nonprofits and attorneys in Kentucky have worked together both to raise awareness and provide services to individuals eligible for expungement.

While these clinics are welcome and appreciated, they are a response to overly complex systems filled with red tape. A simpler approach would be to establish processes whereby some or all eligible offenses are automatically expunged.

Several states have begun automating elements of their expungement systems. Utah, for example, passed legislation in 2019 to automatically expunge certain misdemeanor convictions. Pennsylvania passed similar legislation in 2018. Kentucky, in fact, passed a bill in 2020 allowing for the automatic expungement of non-convictions – cases that were dismissed or resulted in acquittals. To streamline the expungement process and remove government red tape, lawmakers should build on this legislation from 2020 and follow the lead of other states by expanding automatic expungement to certain low-level, already-eligible convictions. Critically, this should include providing necessary resources for state and local agencies responsible for carrying out expungement laws and overseeing day-to-day processes.

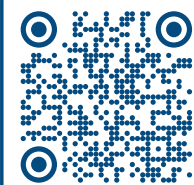
Finally, lawmakers should reconsider the five-year waiting period that applies to expunging any felony conviction. Under current law, an offense is only eligible for expungement five years after the conclusion of an individual's sentence. This is inclusive of parole, meaning some Kentuckians may wait several years after leaving prison before the five-year-clock even begins to tick. Lawmakers should reduce the wait period for the lowest-level felony offenses or waive or reduce the wait period for Kentuckians who complete SUD treatment or education and workforce training programs.



## Encourage more **Fair-Chance Hiring**

One of the core arguments of this report has been that SUD suppresses workforce participation. In turn, failure to secure employment contributes to addiction relapse and recidivism. Solving these interconnected challenges has been a focal point of the Kentucky Chamber Foundation's Workforce Recovery Program. Since 2019, this key program has united employers and SUD treatment and recovery professionals to implement proven-strategies for fair-chance hiring and employment. This includes the launch of the Fair Chance Academy, which helps train employers on the ins-and-outs of hiring workers with histories of addiction and justice-involvement; the designation of fair-chance employers on the Chamber Foundation's Kentucky Talent Hub website; and the operation of the Kentucky Transformational Employment Program, a partnership between the Chamber Foundation and state agencies focused on creating pathways to recovery and employment. As of December 2022, 20 employers, representing nearly 30,000 employees had completed the Fair Chance Academy, and 850 employers had posted more than 35,000 fair-chance jobs to the Kentucky Talent Hub website.

Scan to view  
the Kentucky  
Talent Hub  
website



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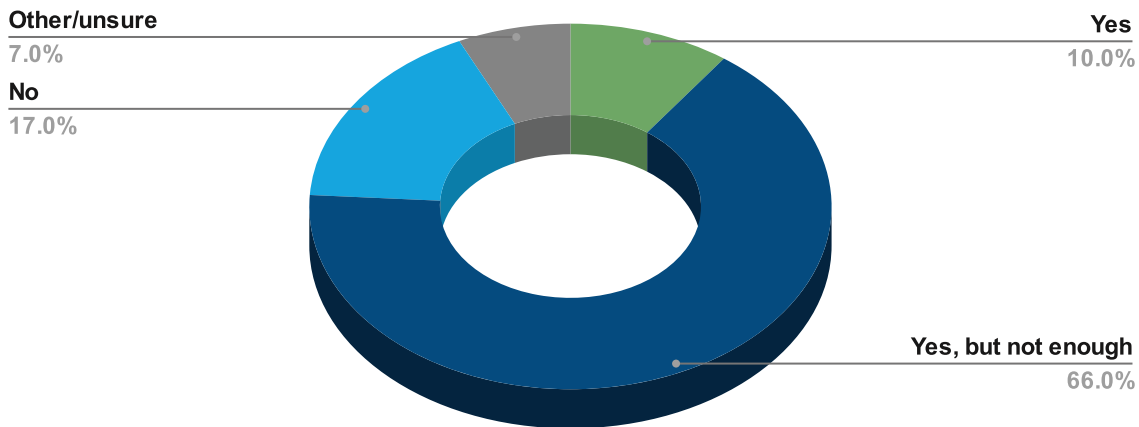


Since 2019, the Kentucky Chamber Foundation's Workforce Recovery Program has united employers and SUD treatment and recovery professionals to **implement proven-strategies for fair-chance hiring and employment.**

While these efforts have produced impressive results, much more remains to be done to increase the number of fair-chance employers in Kentucky. Comeback Tour participants generally agreed that not enough employers in their communities are willing to hire individuals with histories of addiction and criminal behavior. To help address this challenge, state policy needs to match the promise of initiatives like those being pursued by the Workforce Recovery Program. Two good places to start are removing barriers to fair-chance hiring and incentivizing it.



## Do you think employers in your region are willing to hire individuals with criminal histories or have known issues with substance abuse?



Source: Kentucky Comeback Tour

Stigma is a key barrier to fair-chance hiring. Some employers (as well as some of their customers) may believe that job candidates with SUD or criminal backgrounds will not make for reliable or productive employees. The experiences of fair-chance employers suggest otherwise. A survey from the Society for Human Resources Management shows that 85 percent of human resources managers and 81 percent of business leaders found fair-chance employees to perform the same as or better than other employees.

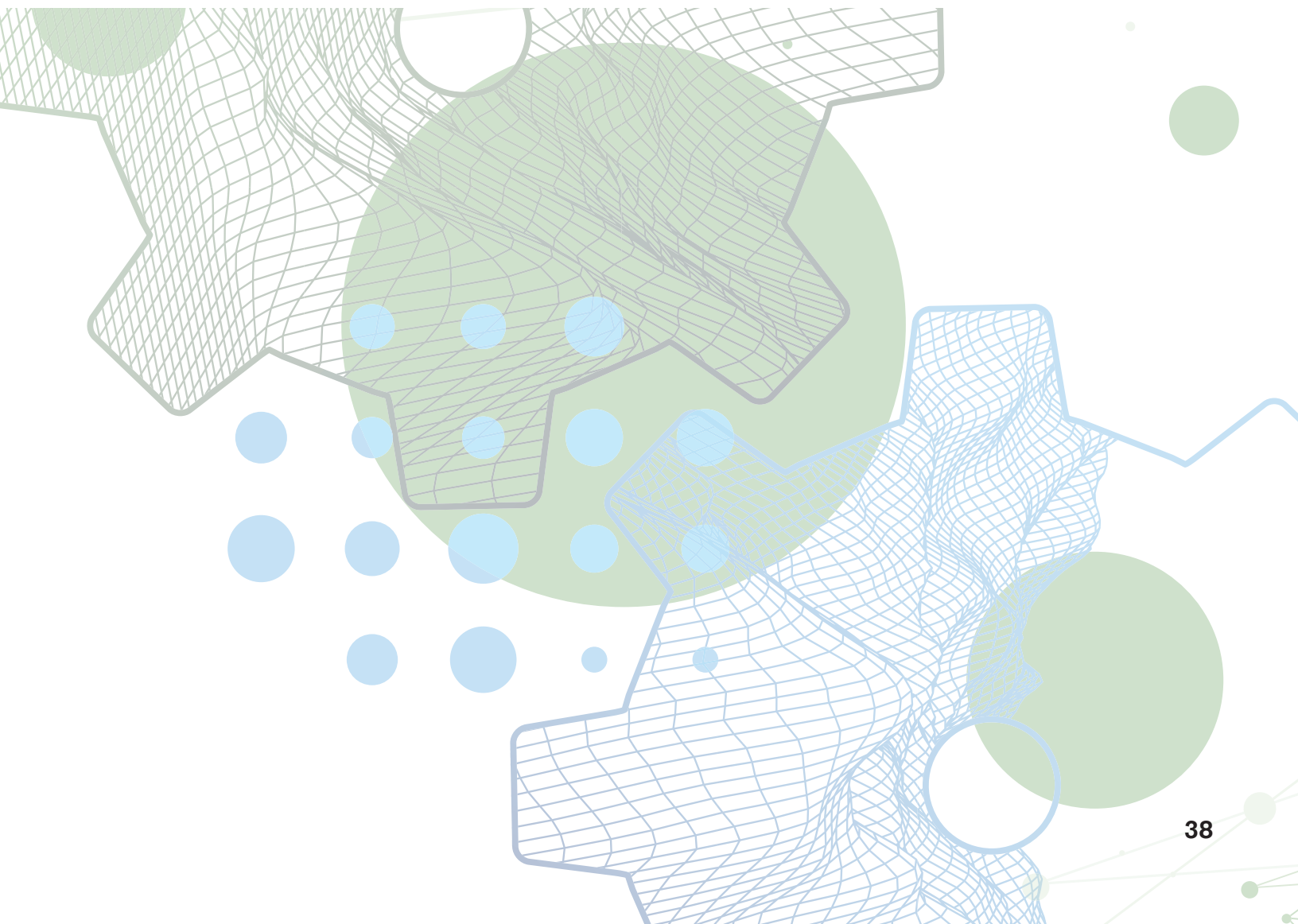
Lawmakers should address the legal structures and stigmas associated with hiring individuals with histories of SUD or justice-involvement. In addition to social stigmas, the threat of liability serves as a key barrier to fair-chance hiring. Many employers fear that fair-chance hiring could expose them to accusations such as negligent hiring or negligent supervision. These are very legitimate concerns. The Commonwealth is considered one of the most litigious states in the nation. The Institute for Legal Reform's most recent "Lawsuit Climate Survey" ranked Kentucky's legal climate as one of the worst in the nation, coming in number 40 among the 50 states.



The General Assembly has previously taken steps to reduce the threat of liability for fair-chance employers. In 2020, lawmakers passed legislation to create the Kentucky Transformational Employment Program, or KTEP, a program jointly administered by the Chamber Foundation's Workforce Recovery Program and state agencies. KTEP creates pathways for employers to assist employees in accessing treatment and recovery programs and offers a layer of liability protections for the employer if they keep the employee on payroll. Another program is the Certificate of Employability program, administered by the Department of Corrections and created by legislation passed in 2021. This program provides departing individuals with a certificate confirming that they received no major disciplinary actions in the year prior to release and that they had completed certain job training and/or education programs during or prior to incarceration. Like KTEP, the Certificate of Employability provides a level of liability benefits for employers who hire individuals in possession of a Certificate of Employability.

Lawmakers should consider improving programs like KTEP and Certificate of Employability by providing stronger liability protections. This will give employers greater confidence in these programs and will help increase uptake. As of December 2022, the Workforce Recovery Program had recruited 85 employers representing 15,000 employees for KTEP. Between July 2021 and July 2022, the Department of Corrections issued 564 certificates of employability. Strengthening employer liability protections built into these programs – as well as raising more awareness of these programs – could help boost these numbers and encourage more fair-chance hiring. Among Comeback Tour participants, 55 percent expressed support for increasing liability protections for fair-chance employers.

Another way to increase fair-chance hiring is through leveraging state resources to raise awareness of federal programs designed to incentivize fair-chance employment. For example, the federal Work Opportunity Tax Credit offers employers a credit against federal income taxes worth up to between \$2,400 and \$9,600 per employee for hiring workers from specific populations that have historically faced barriers to employment. This includes individuals with criminal histories. An additional tool is the Federal Bonding Program, which provides employers with temporary no-cost bonds when hiring individuals with criminal records. The Kentucky Career Center assists with administering both of these programs in the Commonwealth and helps to educate employers on how to access and use them. This is important work that policymakers should seek to support and enhance as key tools in encouraging fair-chance employment.





# Conclusion

**A key argument made by the Kentucky Chamber Foundation’s workforce report in 2021 was that the Commonwealth needs a multifaceted workforce development strategy, one focused not only on education and workforce training, but also on removing barriers to workforce participation. One such barrier is substance use disorder, a crisis that evidence shows has worsened in recent years under the weight of the pandemic. Long recognized as a public health crisis, SUD must also be understood as a significant driver of Kentucky’s workforce challenges. Until Kentucky fully reckons with SUD, the state’s history of low rates of workforce participation is likely to continue. Policymakers must recognize the profound benefits of pursuing proactive public policies that help more Kentuckians overcome SUD and live successful lives in recovery. This should be a foundational tenet of Kentucky’s strategy to build a healthier Kentucky with a growing workforce that can rival any other state in the nation for jobs and economic opportunity.**



## Sources:

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