

Dan Caudill
Caudill Seed Company

Opening Statement
Senate Committee on Small Business and Entrepreneurship
July 27, 2022

Caudill Seed Company was established in 1947 by Forrest Caudill and is a diversified production company, marketing agricultural, reclamation and turf products through an independent dealer network in Kentucky, Indiana, Ohio, West Virginia and Tennessee.

Caudill Seed Company, beginning with my father, has a long history of not discriminating against people who may have had arrest records in the past, but had a desire to straighten up their lives and obtain gainful employment. Caudill Seed Company has been involved in numerous non-profit activities in the Louisville area and has found an excellent source of quality employees by hiring individuals that have graduated programs through the Healing Place, Volunteers of America, Dismas Charities, etc., in giving these people second chance employment. Statistically speaking, we have found very little difference from hiring from this group of individuals verses people who have clean records. Many of these second chance employees have become our most loyal and dedicated employees as a result of being given a second chance and have been allowed to move up through the ranks into management positions throughout the company.

Currently, our total employees are 148 people and of that total employees, we have exactly 50 that are second chance type people. The breakdown for our divisions is as follows.

- Whole Alternative – 27 (supervisors, maintenance, pack room and warehouse)
- Seed – 13 (warehouse, supervisor, maintenance)
- Sprouting - 4 (warehouse personnel)
- CS Health -1 (warehouse personnel)
- KY Fertilizer -2 (sales and a lead warehouse person)
- Morehead – 2 (warehouse personnel)
- Oklahoma- 1 (warehouse manager)
- Grand total 50

Some of the above employees have been with us for many, many years and others for just a few months. We normally start them off at \$15.00 an hour with benefits that include health insurance, dental, vision, profit sharing, 401 K and year-end bonuses based on profitability of the company. Caudill Seed Company has been involved with regular volunteer work at numerous non-profits dealing with the homeless population and addiction recovery, in addition to second chance employment, including the Healing Place, Volunteers of America, the Ice House of Louisville, which has allowed us to recognize the need for gainful employment after residents graduate programs offered at these and other non-profit facilities.

In the past 70's and 80's, we only ran background checks on people who worked in accounting and people who were handling cash, and in order to run those background checks we would have to hire an attorney and he would in turn either hire attorney's or visit all the different counties in which the individual had resided to check with each county clerk to see if there were previous convictions. Today these are public records and can be accessed by anyone who wants to spend \$9.99 on the internet or subscribe to one of the many different agencies such as Lexus Nexus that will pull up every public record including arrests without convictions or were later dismissed as well as any property purchases, sales and any other public information. These services are currently used by most medical professionals and attorneys as well as employers and in my opinion are used to heavily discriminate against these individuals keeping them from obtaining everything from medical to employment as well as renting commercial or residential property. It is getting to the point where many of the people who have graduated programs dealing with addictions have an extremely difficult time finding quality residential apartments and reasonable medical care as well as employment.

In 2008 and 2009 I was Vice Chair of the Healing Place and I saw firsthand how during tough economic times that these people were the first to be discriminated against to get employment. Even McDonalds and other fast food places were running these background checks. This concerns me about the next downturn about how much the current discrimination will increase as it did in 2008 and 2009. With the explosion of information technology and for the public to easily access these records, it has created a situation where these people are facing a lifetime of discrimination in greater ways than they were when they were originally arrested and convicted of their misdemeanor and/or felony crimes. This, in my opinion, is significantly increasing the penalties over what they were originally sentenced to. I fear that with the explosion of the information technology, that we are seeing a permanent branding of these individuals, and perhaps the beginning of the establishment of an information based cast society

such as what India used to have in play. Something really should be done to allow these individuals, after so much time, to have their records either completely expunged or limiting the access of those records to police and the justice system, who have reason to access them.

This ongoing discrimination against these individuals is lead by the federal government and their hiring practices, which is followed closely by state, city and county government, as well as setting standards for large and small companies going forward to continue to heavily discriminate against these people and not allowing them “second chance employment”. I believe the efforts of this committee should be to help reverse the stigma and help limit access, after an appropriate amount of time, to these records, allowing these people equal access to non-discriminatory employment, healthcare and lifestyle opportunities that we enjoy. This will be a more impactful approach than creating new government-funded programs administered by the federal government, which tends not to be very successful in solving social problems.

Interesting statistics: It is estimated that there is over 20 million convicted felons in the United States and the cost to incarcerate these people runs on average approximately \$30,000 to \$35,000 per year and that nearly \$40 billion a year is spent on incarceration in the United States per year and minority populations are disproportionately affected.

Best Regards
Dan Caudill
COO Caudill Seed Company, Inc.