CONSUMER DATA

#### **SPRC Sparks**

By Eric J. Ellman • Oct 19, 2022 Smart Brevity<sup>®</sup> count: 3 mins... 839 words

Welcome to the latest edition of SPRC Sparks, here's what's in store:

1. Algorithms and rent (potentially as a proxy for all algorithms)

2. The rent revolution is coming. Does that include more tenant screening regs?

3. D.C. Public Schools: Convoluted Background Check Process Drives Legislation

4. More Businesses Want to Hire People With Criminal Records Amid Tight Job Market

5. Minnesota Employers' Perceptions of Hiring People with a Criminal Record

### 1. Algorithms and rent (potentially as a proxy for all algorithms)



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**ProPublica**, a regular reporter on tenant screening issues (<u>shadow</u> <u>credit scores</u>), has a new <u>story</u> about how algorithms may impact the cost of rent. The story focuses on RealPage and its "mysterious algorithm to help landlords push the highest possible rents on tenants." The story notes that "[p]roperty managers across the United States have gushed about how the company's algorithm [via YieldStar] boosts profits."

**Why it matters:** The story feeds a narrative that algorithms are murky, potentially discriminatory, and possibly anti-competitive. Thus, further regulation of automated decisioning is necessary.

2. The rent revolution is coming. Does that include more tenant screening regs?



NYC, long a hotbed of tenant organization, saw more than 200 buildings in the Bronx participate in a rent strike put together by tenants in the 1930s. Source: Housing Justice for All.

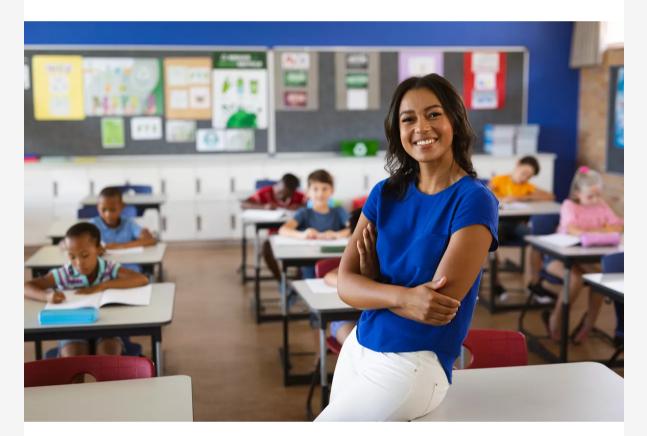
**A N.Y. Times** <u>feature</u> discussed how inflation is pushing costs "higher and higher" on the 44 million households who rent a home or apartment in the U.S. "Anger is rising too. It could be a breaking point."

The Times cited Jamila Michener, a professor of government and public policy at Cornell who has studied tenant organizations. "Embedded in tenant organizing are deeper questions about the structure of our political economy," she said. "It's getting people to think about not just how you can leverage power against your landlord or get the city council to help you, but also questions like: Why does the economy seem to be rigged against people like you so systematically?" For tenants in Kansas City and beyond, it means turning their anger into an organization.

The Times said those tenant organizations "show...up in cities like Los Angeles, where the City Council this month <u>voted</u> to expand tenant protections for renters in the same meeting that it voted to end its Covidrelated eviction moratorium. <u>Last year</u>, voters in St. Paul, Minn., passed a new <u>rent control ordinance</u>."

**Why it matters:** Increasing tenant anger, even over the cost of rent, could raise questions about how tenants are screened by landlords, including the use of credit, criminal, and eviction information.

 D.C. Public Schools: Convoluted Background Check Process Drives Legislation



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**The Washington Informer** is a "Black, woman-owned multimedia news organization serving the African-Americans in the [DC metro area]." In late September, the Informer ran a <u>story</u> about a "convoluted background check process" for teachers and volunteers. A CDIA member is mentioned in the story.

Conversations between DCPS, the Office of the Deputy Mayor of Education and DC Child and Family Services Agency (DC CFSA) reportedly found key causes of background check delays to be a sex offender registry check that covered all 50 states and U.S. territories.

Other causes, according to people familiar with the process, centered on DC CFSA's dependence on contractor First Advantage to conduct background checks. These circumstances extended what was supposed to be a two to three week process to upwards of three months, which in essence delayed the dissemination of offer letters.

✓Why it matters: Stories about problems with background checks, even those that have nothing to do with the background check companies, often drive legislation and regulation. The story also points to legislation from several council members to limit the lookback periods of DCPS background checks, including the scope of sex offender registry checks.

## 4. More Businesses Want to Hire People With Criminal Records Amid Tight Job Market



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**The WSJ** <u>reported</u> (paywall) that as a result of the present U.S. labor shortage, more employers are recruiting workers with a criminal history. The Journal pointed to a large, national employer, Union Pacific, as an example. Also mentioned is the Second Chance Business Coalition which includes JPMorgan Chase, American Airlines, AT&T, and CVS. Employer interest in the <u>Redemption Project</u> has also grown, said the organization's head, Tim Owens.

A **criminal record** as a barrier to hiring leads to a segmented unemployment rate of "over 27%, <u>according to a 2018 report</u> from the Prison Policy Initiative." Reflecting the labor shortage and the national

mood, "...almost 900 human-resources professionals by the Society for Human Resource Management Foundation that concluded in January, 46% said they recruited people with criminal records more often than they did a year ago." Read more about SHRM's work <u>here</u> and <u>here</u>.

Why this matters: As more businesses hire people with criminal records, it may become harder for background check companies to push back on legislative and administrative attempts to limit access to and use of criminal records.

#### 5. Minnesota Employers' Perceptions of Hiring People with a Criminal Record



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A **2020 study** by the Minnesota Department of Employment and Economic Development (DEED), "<u>surveyed</u> Minnesota employers, receiving responses from 357 employers in every industry sector, of all sizes and from across Minnesota. In addition to showing employers' willingness to hire people with a criminal record, the survey highlights helpful steps that could be taken by people with a criminal record and those who are supporting their full inclusion in the workforce."

**!** Why this matters. As more employers drop criminal histories as a barrier to hiring, it may make it harder for background check companies to temper policy.

That's all for now, stay tuned for the next rundown in SPRC Sparks.

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