

**CONTACT:**

Lori Warren  
Director of Marketing & Communications  
[lwarren@redf.org](mailto:lwarren@redf.org)  
(415) 561-6683

**FOR IMMEDIATE RELEASE**

## **CA:RISE Allocated \$25 Million in California Legislature Budget Sent to Governor Newsom**

*Pending approval by the Governor, funding to launch the new California Regional Initiative for Social Enterprises (CA:RISE) would invest in and scale employment social enterprises statewide to boost economic inclusion and mobility for people overcoming barriers to employment.*

SACRAMENTO (June 15, 2022)—The \$300 billion state budget approved by the California legislature this week includes funding for a vital new initiative that would enable many more Californians to access the jobs, training, and services they need to overcome barriers to employment and build a better life.

Sent to Governor Gavin Newsom for approval, the preliminary 2022-2023 state budget includes \$25 million to launch the **California Regional Initiative for Social Enterprises (CA:RISE)**, which would help create an integrated and inclusive economic and workforce development system for California. Requested by [Assemblymember Kevin McCarty](#) (D-Sacramento) and supported by the venture philanthropy [REDF](#) (the Roberts Enterprise Development Fund), the funding would have an outsized impact in addressing some of California's most pressing challenges, including racial and economic inequities, homelessness, poverty, and recidivism.

“Through the leadership of Assemblymember Kevin McCarty and the commitment of the California legislature, we are on the cusp of securing a historic win for the millions of Californians who have skills and potential but face barriers to employment,” said Manie Grewal, REDF’s Head of Policy. “Amid a record surplus, California can make a long-term, statewide investment in the proven model of employment social enterprise to help more Californians access life-changing jobs and services, and to ensure that more local businesses and communities can grow and thrive.”

With Governor Newsom’s approval, the new CA:RISE program would build the capacity of the approximately 200 employment social enterprises (ESEs) that currently operate across the state. ESEs are revenue-generating, mission-driven businesses—either for-profit or non-profit—that provide paying jobs, training, and supportive services to people overcoming workforce

barriers. Millions of Californians face these obstacles, including individuals who are formerly incarcerated, who have experienced homelessness, foster care, mental illness, or addiction, and youth who have been disconnected from school or work.

California's 200 ESEs operate in multiple regions, including Los Angeles, the San Francisco Bay Area, the Central Valley, and the Inland Empire, and collectively employ roughly 10,000 people each year. Nearly 75 percent of ESE employees are justice-impacted individuals, and approximately 71 percent identify as Black or Latinx. [Independent research](#) verifies that the on-the-job experience that ESEs provide their employees more than doubles job retention and significantly increases wages and total incomes. In turn, these gains support economic security and asset-building, particularly for communities of color, and reduced rates of homelessness, recidivism, and incarceration.

"Employment social enterprises fill the gaps and help Californians gain employment by providing the support they need along the way," said Assemblymember McCarty, who requested the funding. "CA:RISE would create a statewide network, provide funding and technical assistance, and enable ESEs to hire and support more people to access meaningful and gainful employment."

CA:RISE is modeled after the successful and nationally recognized [Los Angeles Regional Initiative for Social Enterprise](#) (LA:RISE), an innovative partnership between the City and County of Los Angeles workforce agencies and employment social enterprises that [has provided](#) transitional employment to over 6,000 Angelenos facing workforce barriers, and helped more than 3,000 participants secure permanent jobs or enroll in educational programs.

CA:RISE will provide funding and technical assistance to California's ESEs and connect them with local public partners, training providers, and private sector employers to create a stronger and more inclusive workforce development system for the state. Beyond providing an income and on-the-job training, ESEs deliver support services that help people who are typically not served through traditional workforce systems, and that address the many other barriers to stable employment. These targeted services include providing and connecting employees to housing, childcare, transportation, and trauma-informed support systems.

"California spends many billions each year on incarceration, and billions more on homelessness reduction efforts," said Grewal. "For a tiny fraction of that, we can invest in a model that we know works: providing good jobs and training, along with targeted wraparound services, to help people find their feet, tap their potential and break the cycle of homelessness and incarceration."

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## **ABOUT REDF**

REDF invests in employment social enterprises (ESEs) — businesses that provide jobs, training, and support to people breaking through barriers to employment. REDF partners with

these businesses and the entrepreneurs who lead them — providing capital, capacity, and community — to amplify their transformative impact. Since 1997, REDF has invested in 238 ESEs in 33 states and DC. Collectively these partnerships have helped 84,000 people enter the workforce and generate more than \$1.3 billion in revenue that is reinvested in employee success—creating a ripple effect that strengthens families and communities and helps build an economy that works. For everyone.

For more information, visit [www.redf.org](http://www.redf.org).