CA RISE Frequently Asked Questions

Pre-Application Process

I was unable to attend the webinar, where can I find the recording?

You can access the recording for the webinar here.

When is the pre-application due?

The pre-application is due at 5pm PT on Friday, October 20th.

Can we schedule a one-on-one session regarding questions before pre-application submission?

Unfortunately, due to CA RISE being a competitive grant process, REDF is unable to provide any individual support. We encourage you to submit questions via email to CARISE@REDF.org and we will post answers in this FAQ.

Will you be reviewing pre-applications as they are received (rolling basis) or all at once?

Pre-applications will be reviewed at the same time and communications about eligibility and ability to participate in the full application will be sent by October 27th. If additional time is needed to review, we will inform all organizations that completed the pre-application.

How much time do you anticipate giving organizations to complete the application?

Applicants will have a minimum of three weeks to complete the full application.

Program / General Questions

Can you explain the two learning tracks, Sustainable Growth and Economic Mobility?

The CA RISE program provides the opportunity to focus on Sustainable Growth, Economic Mobility, or both.

Sustainable Growth: investments in the ESE business to help improve financial strength and grow sustainably long-term, increasing the revenue earned and the number of people to be employed. This could mean support in a variety of different ways, from systems improvements to leadership development to marketing support.

Economic Mobility: improving the economic outcomes, typically measured by income of individuals employed in ESEs, which can mean more credentialing, (pre)apprenticeship program access, other forms of direct upskilling and stabilization.

In the pre-application we look to gauge your interest in each track and you are able to change your interest between the pre-application and the full application.

<u>We are not currently an employment social enterprise and would like to learn more about how to become one. Where can I find more resources to help us along the way?</u>

To find additional resources and other opportunities for employment social enterprises, please refer to the [REDF website](#). Additionally, we will share the ESE fundamentals track resources, which offer information on ESEs, on [REDFWorkshop](#) in October. Please note this track does not come with grant funding.

<u>How many ESEs will be supported through this program?</u>

The number of ESEs supported through this program will depend on the applications that are received and the size of each ESE. The size of each grant will be distributed based on the operating budget of the ESE.

<u>What is total grant funding available?</u>

CA RISE anticipates distributing approximately $17M directly to the ESE community.

<u>What are the minimum and maximum amounts an applicant can request? Will they be for different amounts in the two different tracks?</u>

Grant amounts will be distributed based on the operating budget of the ESE. Grant sizes will range from $100,000-$500,000 and both tracks are eligible for the same size grants. Regardless of the number of tracks chosen, only one grant will be disbursed based on the organizations operating budget.

<u>Is there grant support available to set up accounting systems?</u>

Grants for CA RISE are intended to support programmatic and/or business growth. If the accounting system is preventing business growth, it would fall under the example grant funding of investing in operational or foundational systems (e.g., data infrastructure).

<u>What is meant by "invest in necessary capex"?</u>

Capex refers to Capital expenditures. CA RISE funds can be used on capital expenditures for equipment, technology, and assets you need to start a new business line in the sustainable growth track.

<u>What will the invoicing/reimbursement process be like?</u>

This program will distribute financial resources in grant form twice throughout the duration of the programming period for accepted applicants. This program is not a cost reimbursement contract. Lendistry will provide more information about the timeline and amount following the full application process.

Will this program offer payroll funding similar to LA:RISE?

Grants will be distributed twice throughout the duration of the 18-month programming period. Lendistry will have more information about the timeline and amount following the full application process.

Why are the ESE examples in the webinar from outside of California? Does that reflect the lack of quality ESEs in California?

Not at all! We intentionally selected organizations outside of California to make sure anyone competing for the grant did not have a bias towards selection. This is to make the evaluation of ESEs transparent and unbiased. California is home to numerous high-quality ESEs.

What does the future of the CA RISE grant look like? Can we apply in the future as we develop our programs and organization?

Currently, CA RISE is budgeted as a one-time grant program. If you're interested in future programming designed for employment social enterprises, you may complete [REDF's program interest form](#) to learn about other opportunities.

Eligibility

Organization Structure

Can we partner with other organizations to meet eligibility requirements (for example, partnering with local nonprofits to provide supportive and skill-buildings services)?

Every application must have one lead applicant to be eligible for the CA RISE program. The lead applicant can meet all of the requirements independently, be part of a larger parent organization and/or offer supportive services and skill building opportunities through formal partnerships that are documented. Applicant responsibilities can be found [here](#).

If the ESE is a part of a larger nonprofit, do they both have to be established over two years ago?

In the full application, an ESE will be required to show financial records and incorporation documents from 2021 or before. ESEs are able to operate under a parent organization, but also must have been in operation for at least two years.

Our organization was operating under a parent organization or fiscal agent for several years and last year incorporated independently as our own non-profit. Would we fit within the eligibility criteria based on our history?

Yes, your organization meets the eligibility requirement for operating at least two years. In the full application phase, financial statements from the parent organization can be used for fiscal years 2021 and 2022 to validate the operation of the ESE.

What are acceptable for-profit corporate structures for CA RISE (e.g., LLC)?

There is not a specific requirement in terms of corporate structures as an LLC, sole proprietorship, S-Corporation, or corporation.

If we help other small businesses and job development organizations, are we eligible for CA RISE?

Your organization must employ individuals overcoming barriers to employment to be eligible for the CA RISE program. Additionally, these participant workers must contribute to the development or sale of a product or service.

Would an organization who has a revenue generating business, separately offers employment services to individuals overcoming barriers to employment, and is not currently an ESE but is seeking funding and technical support to become an ESE be eligible for this opportunity?

CA RISE requires individuals overcoming barriers to be employed in the production or sale of a good or service. Organizations that are not currently an ESE but are looking to explore the model can opt into the ESE fundamentals track, which provides technical assistance but does not come with grant funding. Additional information about ESE fundamentals will be provided at the end of October.

Are we eligible if our organization supports individual business owners who are not on our payroll (e.g., kitchen incubator bringing in new food entrepreneurs as vendors for our space)?

CA RISE requires individuals overcoming barriers to be employed in the production or sale of a good or service. Additionally, each year, your organization must be the "employer of record" for at least five individuals overcoming one or more barriers to employment. "Employer of record" is the employer who hires and employs W-2 or 1099 employees. Organizations that are not currently an ESE but are looking to explore the model can opt into the ESE fundamentals track, which provides technical assistance but does not come with grant funding. Additional information about ESE fundamentals will be provided at the end of October.

Mission

Where should our mission be stated? On marketing collateral like a website or on legal documents like bylaws?

Employment social enterprises can have their mission stated on marketing collateral and/or in legal documents like articles of incorporation or bylaws. For-profit ESEs that are a social benefit corporation or benefit corporation must have their social purpose outlined in legal documents.

We have grown our workforce development program and employment opportunities to support the constituency designated in our very simple mission statement. However, employment/workforce development/ESE are not a stated part of our mission statement (although "support" is). Would we be eligible?

The eligibility requirement is evidence that your ESE or organization is designed to specifically provide support and employment to individuals overcoming barriers to work. If your mission statement does not include that specifically but there are other ways you can demonstrate that you are providing supportive services and employment opportunities to individuals overcoming barriers, you could still meet this specific criteria. You may be asked to show proof. Some examples include: a strategic plan, a theory of change, and evidence of supportive services offered and employment provided.

Employment & Wages

Are there minimum employee requirements to qualify for CA RISE?

Each year, your organization must be the "employer of record" for at least five individuals overcoming one or more barriers to employment. "Employer of record" is the employer who hires and employs W-2 or 1099 employees.

Is the organization required to have existing employment in place for individuals overcoming barriers to employment or can this be in the planning stage?

To be eligible for CA RISE funding you need to have employed and supported individuals overcoming barriers to employment for at least two years. Organizations that are not currently an ESE but are looking to explore the model can opt into the ESE fundamentals track, which provides technical assistance but does not come with grant funding. Additional information about ESE fundamentals will be provided at the end of October.

Our employment social enterprise serves ONLY individuals outside of California. Are we eligible for CA RISE?

Your employment social enterprise would not be eligible for the CA RISE program. Eligible organizations must be California-based, meaning it operates a business line that employs people overcoming barriers to employment in California. For additional resources and other opportunities for employment social enterprises outside of California, please complete [REDF's program interest form.](#)

We provide employment opportunities to individuals overcoming barriers, but they do not work on the production of the product or deliver the services. Are we eligible for CA RISE?

No, your organization must use the paid labor of individuals overcoming barrier(s) to employment to produce a product, deliver a service, or sell a product or service. The product or service must be at least partially, if not fully, created by or sold by individuals overcoming barrier(s) to employment.

Our organization provides a stipend for work instead of paying an hourly wage. Are we still eligible for CA RISE?

Yes, your organization is eligible for CA RISE if that stipend is through a 1099 and is equal to or above the minimum wage for the hours worked. If the stipend is below the minimum wage or informally paid to your participant workers, then your organization is ineligible for CA RISE.

Do W-2 and 1099 forms have to be from past years or can they be from this year?

W-2 and 1099 forms can be from the past two years. ESE programs need to have employed participant employees for at least the last two years.

We currently utilize partnerships to employ individuals as we scale up and grow our business. We sign contracts with these partners that employ them. Does this count as an employer record?

No, if your organization uses an Employer of Record (EOR) for the individuals overcoming barriers to employment, you are not eligible. Individuals overcoming barriers to employment must be a 1099 or W-2 employee of your organization. Additionally, payment must be equal to or above the minimum wage. If the stipend is below the minimum wage or not paid by your organization to your participant workers, then your organization is ineligible for CA RISE.

We pay our employees through a state funded agreement. The State pays minimum wage of $15.50, while LA County Minimum wage is $16.90. Do we still meet the minimum wage requirement? If not, how do we fill the State and County minimum wage gap for our participants?

Eligible CA RISE applicants must pay the local minimum wage. ESEs can use funding streams of earned revenue, fundraising, and government programs to pay participant workers at or above

the minimum wage for their local region.

Focus Populations

How do you define the barriers to employment listed in the eligibility criteria?

Complete focus population definitions can be found [here](#).

I don't see "Opportunity Youth" on the list of focus populations. Are they not included for the purposes of this program?

Opportunity youth are not explicitly named in U.S. Code Title 29 Section 3102. The individual can be included if they are experiencing one of the other barriers highlighted U.S. Code Title 29 Section 3102. Additional focus population definitions can be found [here](#).

Supportive Services & Skill Building

What qualifies as supportive / wrap around services?

Examples of supportive services include job coaching, resume building, mock interview practice, job placement services, and financial coaching. Examples of barrier removals include record expungement, childcare navigation, bus tokens, food pantry, housing referrals.

Does the "skill-building" requirement include soft skills or only formal skills training?

Examples of skill building opportunities include: job training, job skills, upskilling, digital skills, forklift certification, and graphic design. This includes soft skill and hard skill training.

Revenue & Budget

We do not earn any revenue from the production of our product, as we donate them to the community. Are we eligible for CA RISE?

Your organization is not eligible for CA RISE as it must sell a product or service to a customer and generate revenue.

Is there a minimum or maximum annual operating budget, revenue, or earned revenue amount needed to be an employment social enterprise?

There is no minimum or maximum annual operating budget, revenue, or earned revenue requirement for CA RISE, but your organization must be in operation over 2 years and generate

revenue over $0 through operations. Additionally, in the application phase, financial statements will need to be provided that show revenue over at least the last two years.

<u>Is there an allowable ratio of earned revenue versus contributed funds from fundraising?</u>

There is not a specified allowable ratio of earned revenue versus contributed funds. Earned revenue from an ESE business line (meaning it employs individuals overcoming barriers to work to produce a good or service in exchange for revenue) must be at least a portion of total income to be eligible for CA RISE.

Other

<u>Are organizations already participating in a REDF program (e.g., Accelerator, LA:RISE, Growth Portfolio) eligible to apply?</u>

Yes, organizations participating in other REDF programs are eligible to apply for the CA RISE program if they are able to fulfill all of the eligibility requirements.