

The Impact of a Social Enterprise and Workforce System Operated Transitional Employment Program in Los Angeles

Final Report for the Impact Evaluation of the Los Angeles Regional Initiative for Social Enterprise (LA:RISE) Pilot Program



September 25, 2019

Prepared for:

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Acknowledgements

The authors of this report would like to thank: 1) staff members of the Economic and Workforce Development Department (EWDD), especially Donny Brooks and Elizabeth Macias for their management of the project and Jaime Pacheco-Orozco (formerly with EWDD), Gerardo Ruvalcaba, and Robert Sainz, for their managerial oversight; 2) staff members of REDF, especially Reena De Asis, for her oversight of project activities, and Ashley Cordero (formerly with REDF) and Vivienne Lee for their early vision and oversight work; 3) the evaluation participants who contributed to evaluation activities; 4) all of the partner agencies named in this report who implemented the program, enrolled evaluation participants, and coordinated delivery of the program's services; and 5) the agencies that provided administrative data including the California Employment Development Department, the California Department of Justice, the Los Angeles Sheriff's Department, and the Los Angeles Homeless Services Authority. Each of these individuals and organizations helped make this evaluation possible.

The authors are also grateful to many other individuals for their help and guidance throughout the evaluation and on work that led to the completion of this report: Andrew Wiegand, for his role as senior advisor on the project; Hannah Betesh and Andrew Wiegand, for their thoughtful reviews of this report; Mary Hancock, for her programming guidance and support; Eric Engles, for editing; Robert Corning, for his contracts management expertise; and Eduardo Ortiz, for report production and project support. The authors would also like to thank past study team members that helped in all range of capacities over the 52 months of this project, including: Verenice Chavoya-Perez, Antoinnae Comeaux, Mayte Cruz, Hannah Diaz, Diana Herrera, Jesse Sussell, and Sarah Thomason.



This report has been funded by EWDD of the City of Los Angeles under contract number T5715, under a Federal Workforce Innovation Fund grant from the U.S. Department of Labor's Employment and Training Administration. This report does not necessarily reflect the official position, views, or policies of EWDD or the U.S. Government, nor does mention of trade names, commercial products, or organizations imply any endorsement of same by EWDD or the U.S. Government. EWDD and the U.S. Government make no guarantees, warranties, or assurances of any kind, express or implied, with respect to the information in this report, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership.

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Abstract

The Los Angeles Economic and Workforce Development Department (EWDD) and REDF created the Los Angeles Regional Initiative for Social Enterprise (LA:RISE) to provide enhanced transitional employment services to three populations with high barriers to employment: opportunity youth, individuals with a criminal record, and individuals with unstable housing. Funded initially by a \$6 million Workforce Innovation Fund grant from the U.S. Department of Labor, LA:RISE brought together private social enterprise organizations and public workforce development system partners along with personal support providers and employer partners to deliver transitional employment services paired with Workforce Innovation and Opportunity Act Adult and Youth program services to the program's three priority populations. The pilot phase of LA:RISE operated from 2015 to 2018 and served 508 individuals. EWDD and REDF have also operated four subsequent iterations of the program and are helping to expand the program to Los Angeles County.

To evaluate this pilot phase of LA:RISE, EWDD contracted with Social Policy Research Associates. This final evaluation report presents findings from the entire evaluation. Utilizing site visit, participant baseline, and management information system data, the implementation study found that program leadership was able to implement a strong model, but was unable to avoid delays in implementing some program elements and had mixed success in getting participants to achieve service goals. Using administrative data from California state and local agencies, the impact study found that LA:RISE had a short-term impact on participants' rate of employment and utilization of homeless services, but the program did not increase earnings or reduce arrests, convictions, or incarcerations. However, exploratory analyses suggest that the program may have had larger and more lasting impacts on employment and earnings for participants receiving services from a subset of providers. Using impact study data and financial records from EWDD, the evaluation's cost and cost-effectiveness analysis found that LA:RISE spent considerably more per participant than was spent per participant on WIOA services accessed by the control group and that the cost per the gains achieved was high, which is likely due to several factors, including: LA:RISE being a new program with higher start-up and infrastructure costs, the program's modest impacts, and the costs associated with serving individuals with such high barriers to employment.

This evaluation places LA:RISE in the context of a larger body of research testing enhancements to transitional employment programs. Overall, LA:RISE shows results similar to those found in evaluations of other transitional employment programs, which also found that transitional employment programs led to short-term employment benefits for their participants. Whether or not LA:RISE offers something more—and there is some evidence that it might—the results of this evaluation raise important questions for the next stages of research around transitional employment and provide clear guidance to practitioners around areas for program improvement.

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Executive Summary

In July 2014, the U.S. Department of Labor (US DOL) awarded the Los Angeles Economic and Workforce Development Department (EWDD), in partnership with the California-based non-profit REDF,¹ a second-round Workforce Innovation Fund (WIF) grant to create an enhanced transitional employment program called the Los Angeles Regional Initiative for Social Enterprise (LA:RISE). The program was designed to help three priority populations within Los Angeles: opportunity youth (i.e., 18- to 24-year-olds not involved in school or work), individuals with criminal records, and individuals with unstable housing (i.e., homeless or at risk of homelessness). LA:RISE focused on these individuals because they face substantial barriers to employment—having unstable housing, a criminal record, low levels of education, few job skills, or limited work experience—and since serving these high barrier populations and utilizing strategies like transitional employment is aligned with several local, state, and federal government policies. As of this report, EWDD and REDF have implemented five iterations of the LA:RISE program and are working with county officials to expand the program to the County.

Under the WIF grant, EWDD hired Social Policy Research Associates (SPR) to conduct an evaluation of the first iteration or pilot phase of LA:RISE consisting of an implementation study, a random assignment impact study, and a cost study. SPR presented early implementation study findings of this pilot phase of LA:RISE in its interim report (Geckeler et al., 2018). This final report presents findings from the entire evaluation and includes recommendations for strengthening the LA:RISE program model and carrying out further research.

A. Summary of the LA:RISE Program

EWDD and REDF designed LA:RISE to bring together a network of partner organizations to deliver LA:RISE to the program's three priority populations. Exhibit ES-1 illustrates this service delivery framework (for the pilot phase of LA:RISE), including the ways in which partners coordinated to deliver the program's key services. The partners belonged to five categories, defined by their responsibilities:

- **Leadership partners** were EWDD and REDF. They oversaw the program partners and supported them through technical assistance and training as they learned to coordinate and integrate services across their organizations. EWDD and REDF established uniform program standards, standardized outcomes, a case management and reporting system, and forums in which partners could learn to work together. EWDD was also responsible for grant management.

¹ REDF is not officially an acronym but it previously stood for the Roberts Enterprise Development Fund.

- **Social enterprise (SE) partners**—Chrysalis Enterprise (Chrysalis), the Coalition for Responsible Community Development (CRCDD), Downtown Women’s Center (DWC), Goodwill of Southern California (Goodwill), Homeboy Industries (Homeboy) and the Los Angeles Conservation Corps (LA Conservation Corps)—enrolled individuals into LA:RISE and provided the transitional employment experience, which included paid work experience, work readiness training and assessment, supportive services, and employment placement services.

What is a Social Enterprise?

A social enterprise is business with a dual mission of selling goods or services and employing people who are willing and able to work but who face formidable barriers to employment.

- **Workforce development system (WDS) partners** included four American Job Centers, known locally as WorkSource (WSC) and YouthSource (YSC) centers depending on whether they provided Workforce Innovation and Opportunity Act (WIOA) Adult or Youth program services. These partners included Goodwill of Southern California WorkSource (Goodwill WSC), the Coalition for Responsible Community Development WorkSource (CRCDD WSC), the Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles (AYE), and UCLA YouthSource (UCLA). WDS partners provided WIOA-funded services into which all LA:RISE participants were expected to be co-enrolled and through which they received case management, supportive services, additional training and education services, and employment placement services.
- **Personal support provider (PSP) partners**—the Anti-Recidivism Coalition (ARC), Friends Outside, and LIFT Los Angeles (LIFT)—worked with participants later in the program, as they began permanent employment (or education and training). These partners’ goal was to provide supportive services to participants to help them stay employed or engaged in education and training and to incentivize them to do so through regular reporting and incentive payments for providing proof of employment or training.
- **Employer partners** hired participants into permanent employment after they completed their transitional employment. They included competitive employers—which participants found through SE or WDS partner networks—and bridge employers, coordinated through REDF’s employer network, known for their ability and expertise in working with high barrier populations. The wide array of employment opportunities represented among the employer partners leveraged the resources of the different program partners and increased the likelihood that each participant could find an employer that was well-suited to his or her interests and skills.

Together, these LA:RISE partners delivered four types of program services and activities:

- **System-level services** were led by the program’s leadership partners and were designed to increase the coordination of participant-level services across partner agencies. For example, leadership partners provided guidance, training, and tracking systems for partners as they implemented the program’s approach of co-enrolling participants

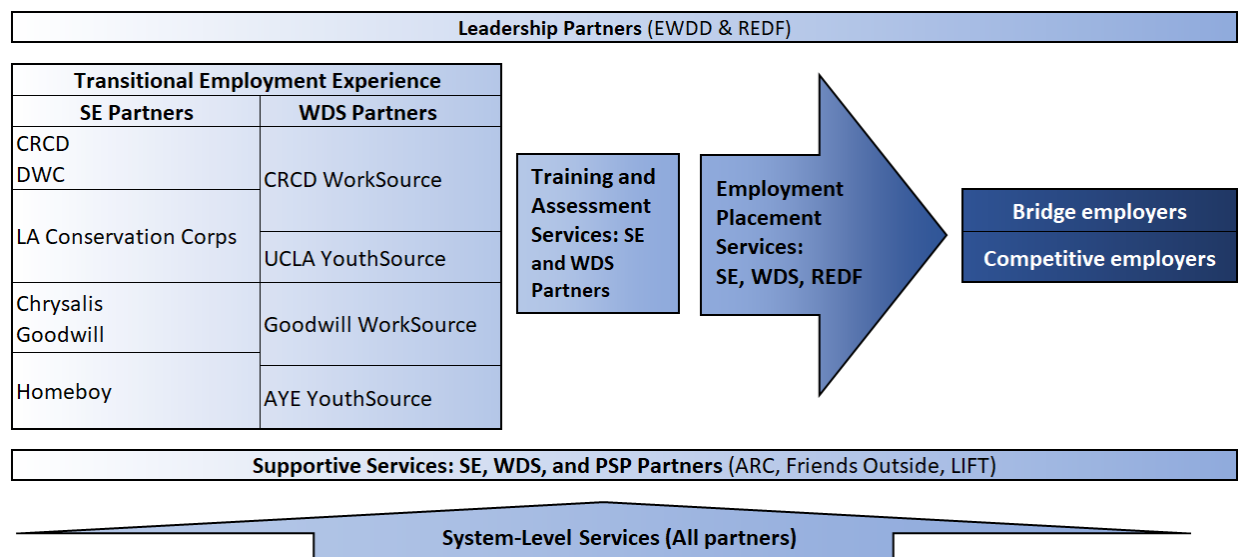
immediately into transitional employment services at their SE and into either WIOA Adult or Youth program services at their WDS partner, and then later into services at a PSP partner.

- **Training and assessment services** included (a minimum of) 300 hours of transitional employment as well as on-the-job training that participants received during transitional employment (at SEs) and any specialized training that accompanied it (at SE and WDS partners). These services also included work readiness training delivered through classes and on the job during transitional employment (at SE and WDS partners) and accompanying work-readiness assessments (at SEs).
- **Supportive services** were provided by SE, WDS, and PSP partners (or indirectly through a referral) and coordinated through case managers at each partner agency.
- **Employment placement services** were delivered by SE and WDS partners and were intended to help participants identify and obtain long-term employment with either competitive or bridge employers after completing transitional employment.

What is transitional employment?

Transitional employment programs place individuals into temporary, subsidized employment, typically in a supportive employment environment, to help them earn wages while preparing them for unsubsidized employment by building their experience, improving their job skills, and providing supportive services.

Exhibit ES-1: LA:RISE Partners and Service Delivery Framework



B. Evaluation Findings

SPR designed the evaluation of LA:RISE to include three studies: an implementation study, an impact study, and cost study. Each study had different approaches and used different data.

1. Implementation Study Findings

The implementation study was designed to identify the successes and challenges associated with translating the LA:RISE service delivery framework into on-the-ground action: forming partnerships, recruiting and enrolling participants, and providing and coordinating services. This study relied on qualitative data collected during two rounds of site visits to LA:RISE program partners (conducted late 2016 and early 2018) and two types of quantitative data from California's workforce development system database (CalJOBS): 1) data on LA:RISE service delivery as tracked through a customized module, and 2) data on WIOA Adult and Youth program enrollment and participation. As noted above, early implementation study findings were presented in the evaluation's interim report. Later implementation study findings, presented in this report, are as follows.

- **The LA:RISE program supported partnerships between organizations that had not previously collaborated.** Early implementation was characterized by the bringing together of SE and WDS partners. Later implementation was characterized by these partners strengthening their relationships with one another as they implemented the LA:RISE service delivery framework, enabling them to serve participants better. The partnership with SEs, in particular, provided workforce system providers new ways to work with larger numbers of high barrier populations.
- **LA:RISE partners exceeded the program enrollment goal (500 participants) and fell short of the study enrollment goal (1,000) only due to required study exemptions.** SEs randomly assigned 481 individuals to the program group and 482 individuals to the control group for a total of 963 evaluation participants. Because veterans were exempt from the study but given priority for the program, LA:RISE enrolled 508 program participants. Randomization also worked as planned, with no statistically significant differences between the observed characteristics of the program and control groups.
- **The characteristics of the participants indicated that the program reached its three priority populations.** Of the 963 evaluation participants, about half were youth (ages 18- to 24-years old), a little more than half had been arrested and a little less than half had been convicted or incarcerated, and about two-thirds indicated that they had unstable housing. In addition, participants were about two-thirds male and nearly all Hispanic or non-white, had low levels of education and work experience and a high degree of utilization of public benefits.
- **Some control group members received services at SE partner organizations both prior to and after random assignment (RA).** Three SEs recruited participants primarily from

their other (non-LA:RISE) programs and thus provided some employment services to evaluation participants prior to RA. Also, two of these three SEs allowed control group members to participate in the same transitional employment services delivered to program group members (although not other LA:RISE services like co-enrollment in WIOA or PSP programs or access to bridge employers). Overall, these SEs had a lower service contrast between program and control group members, as compared to other SEs where there was a higher service contrast. This feature of the program diminished the evaluation teams' ability to detect impacts of LA:RISE for the full evaluation sample even if it did provide an opportunity to examine the marginal benefit of transitional employment services as compared to other LA:RISE services, examined through an analysis of outcomes for different SE subgroups.

- **In terms of service receipt, program participants exceeded some program goals but fell short with regards to others.**
 - 62 percent of participants achieved at least 300 hours of transitional employment (the goal was 50 percent), the standard set by leadership partners for the amount of work experience needed to prepare someone for competitive employment and as the threshold for referring a person to employment placement services.
 - 77 percent of participants were co-enrolled into WIOA within one year of RA (the goal was 100 percent). While lower than planned, this was much higher than the 12 percent of control group members who enrolled in WIOA independent of LA:RISE.
 - 43 percent of participants completed the job readiness assessment (JRA) milestone, which required them to pass the JRA twice (the goal was 50 percent).
 - Between 26 and 46 percent of participants (the wide range due to different methods of capturing these data) received PSP services (all participants were to receive support services, but these may have been delivered through SE or WDS partners).
- **Successes and challenges informed program changes.** Partners pointed out that participants faced considerable housing, health, and other personal challenges as well as employment interests that drew them away and prevented them from completing program services. Staff members offered anecdotal evidence that participants who stuck with the program achieved many personal, educational, and employment successes. Partners incorporated these lessons around the high barriers that participants faced into subsequent iterations of LA:RISE.

2. Impact Study Findings

The evaluation's impact study used a randomized control trial design. Consenting and eligible individuals had a 50 percent chance of being assigned to a program group that had access to LA:RISE services and a 50 percent chance of being assigned to a control group that did not. The impact study conducted five confirmatory analyses, designed to determine whether the

program had an effect on employment, earnings, arrests, convictions, and jail incarcerations. The impact study also includes several exploratory analyses examining the impact of LA:RISE on: employment and earnings for participants of different SE types; additional criminal justice system measures (i.e., charge type, charge severity, and length of stay in jail); utilization of programs designed to address homelessness and those at risk of homelessness; and employment and criminal justice system outcomes for participants as organized by various subgroups, including those defined by demographic features and based on factors identified in the implementation study. Participant demographic data came from data collected on participants at the point of random assignment. Data on participant outcomes came from one of several administrative agencies including: the California Employment Development Department (employment and earnings), the California Department of Justice (arrests and convictions), the Los Angeles Sheriff's Department (jail incarcerations), and the Los Angeles Homeless Services Authority (homelessness programs). The impact study findings are divided into findings related to employment, criminal justice system, and homeless services outcomes.

a. Impacts on Employment and Earnings

- **LA:RISE had a positive impact on employment during the first three quarters after RA, but there were no impacts in the subsequent nine quarters.** As shown in Exhibit ES-2, peak impacts were realized in Q1, when 62 percent of the program group was employed, compared to 54 percent of the control group. Between Q3 and Q12, the program group and control group had similar rates of employment that fluctuated around 50 percent, and at no time during that period were differences between the program and control group statistically significant. Impacts appear to be largely driven by the transitional employment provided by SEs.
- **LA:RISE had no impact on earnings over a 12-quarter follow-up period.** As shown in Exhibit ES-3, average quarterly earnings for both program and control groups consistently increased over the follow-up period, but at no time was the difference between groups statistically significant. The reason why there were no impacts is unclear, although it may have been due to LA:RISE program participants working less than full-time while in transitional employment (to receive case management and other services); control group members could be working longer hours and thus earning higher wages. The upward trend for both groups is not surprising given that the individuals that sought SE services were seeking to re-enter the labor market.

Exhibit ES-2: Quarterly Employment Rates for Program and Control Group Members

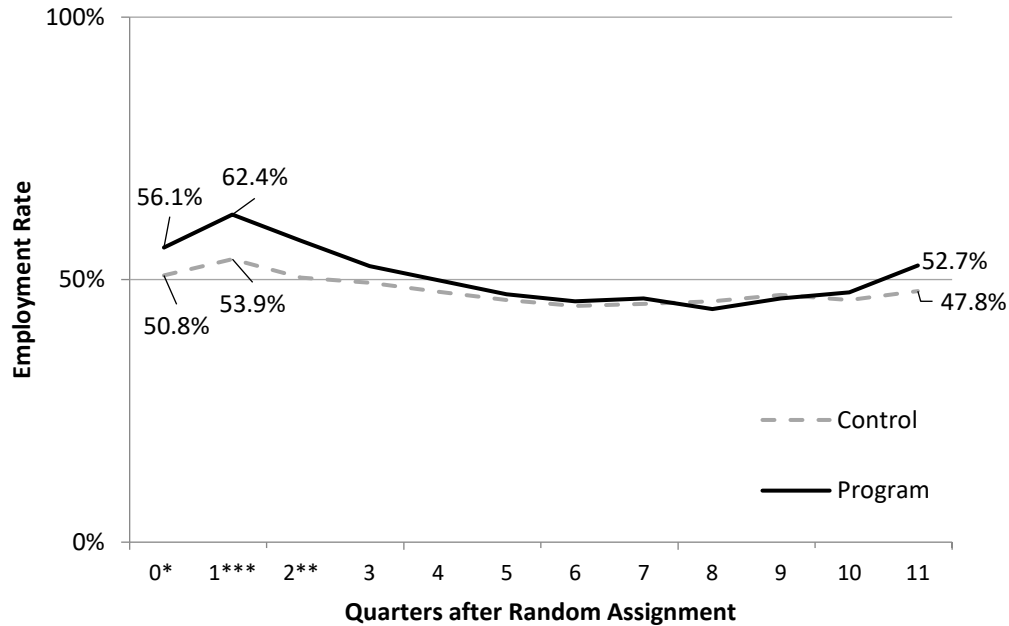
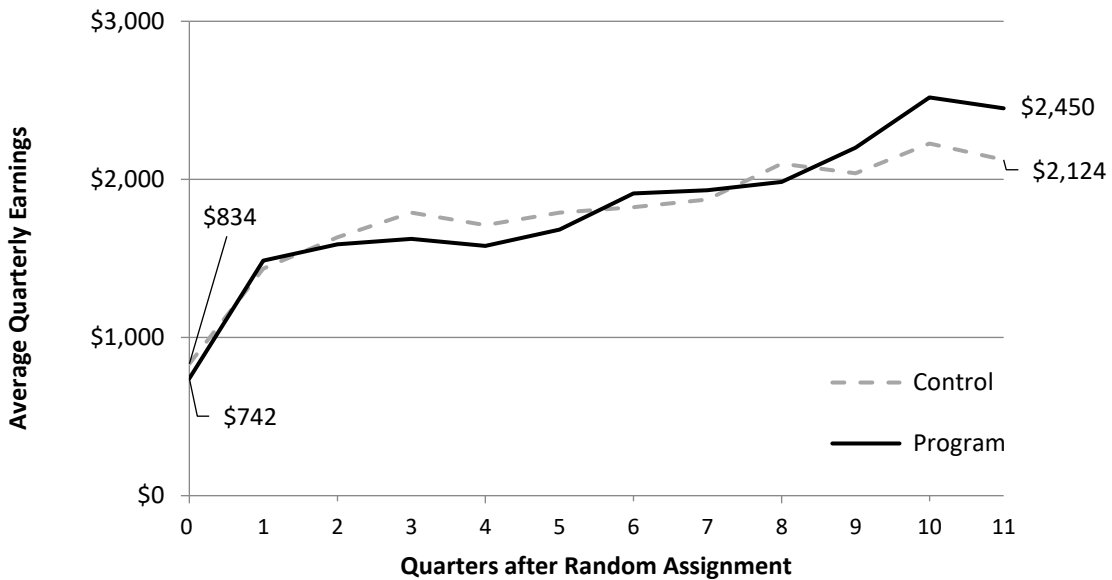


Exhibit ES-3: Quarterly Average Earnings of Program and Control Group Members



SOURCE: California Employment Development Department

NOTES: Exhibits ES-2 and ES-3 show impacts on quarterly employment rates and average quarterly earnings for all evaluation participants and all SEs. For Q0 to Q7, estimates were calculated using the full evaluation sample (481 program group members and 482 control group members). Sample sizes decrease in subsequent quarters. Sample sizes for the program group from Q8 to Q11 are 477, 366, 315, and 245, while sample sizes for the control group during this same period are 479, 363, 310, and 245.

*/**/*** statistically significant at .10/.05/.01

- LA:RISE appears to have had a sizeable impact on employment and earnings for participants at one SE type.** The evaluation team examined employment impacts based on SE type, breaking SEs into three groups depending on the populations they served (adults of all ages as compared to opportunity youth, ages 18 to 24) and the way in which they engaged in the evaluation (SEs where there was a high service contrast between program and control groups and a low service contrast, due to control group members having access to transitional employment but not other LA:RISE services). Exhibits ES-4 and ES-5 show the results of this analysis for the two SEs that served adults of all ages and had a high service contrast. For this subgroup, impacts on employment reached a 41-percentage point difference in the quarter after RA and while they decreased over time, these differences were statistically significant until the eighth quarter after RA. Impacts on earnings were observed in 10 out of 11 quarters with the peak difference in average earnings (\$2,031) occurring in the 11th quarter after RA. No positive impacts on employment and earnings (and, in fact, two and one quarters of negative impacts, respectively) were observed at the two low-contrast SEs and the two SEs serving only opportunity youth.

Exhibit ES-4: Quarterly Employment Rates of Program and Control Group Members at Adult-Serving High-Contrast SEs

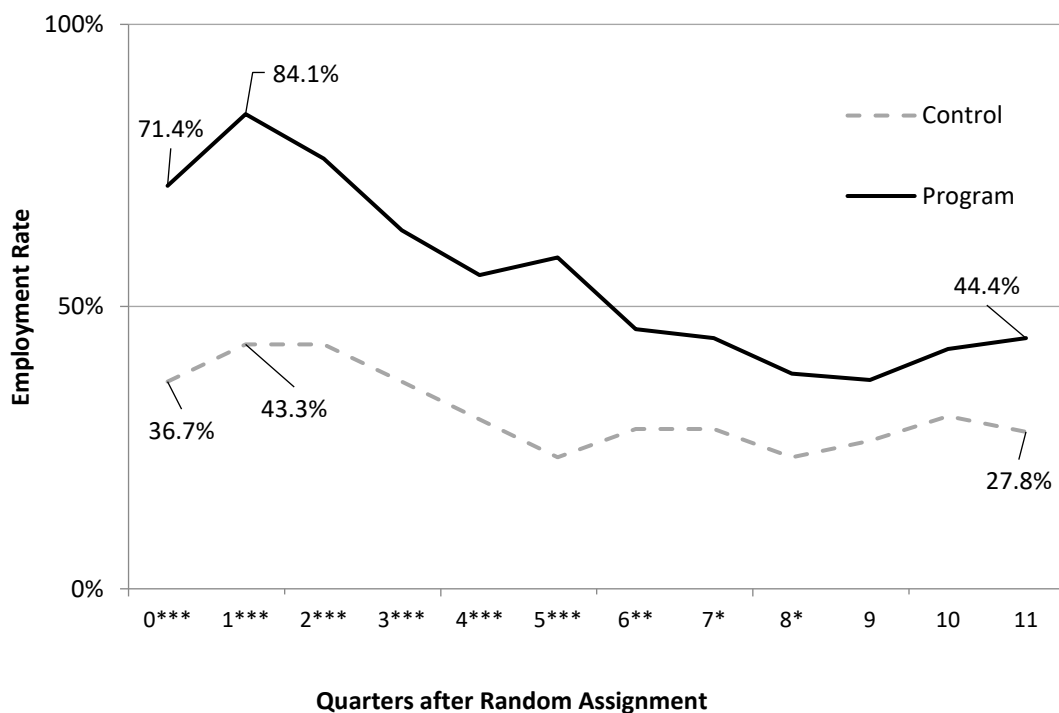
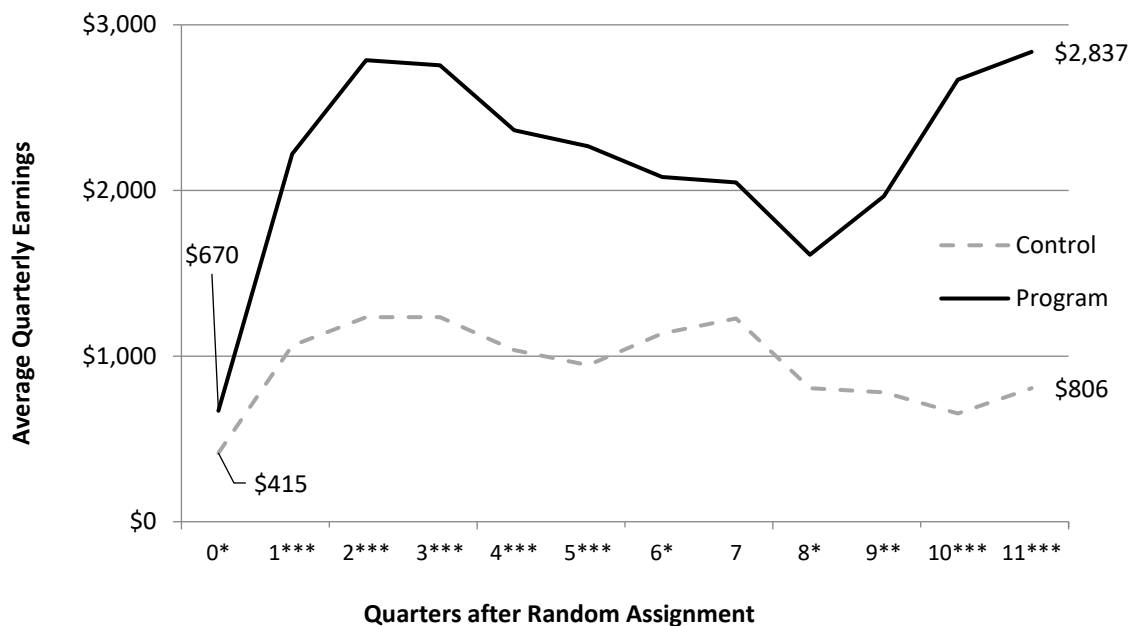


Exhibit ES-5: Average Quarterly Earnings of Program and Control Group Members at Adult-Serving High-Contrast SEs



SOURCE: California Employment Development Department

NOTES: Exhibits ES-4 and ES-5 show impacts on quarterly employment rates and average quarterly earnings for adult-serving high-contrast SEs, defined as SEs serving adults of all ages and which were part of the high-contrast subgroup, meaning that control group members were not offered any LA:RISE services.

For Q0 to Q8, estimates were calculated using the sample of evaluation participants at these two SEs (63 program group members and 60 control group members). Sample sizes decrease in subsequent quarters. Sample sizes for the program group from Q9 to Q11 are 46, 40, and 36 respectively, while sample sizes for the control group during this same period are 42, 36, and 36.

*/**/** statistically significant at .10/.05/.01

b. Impacts on Criminal Justice System Outcomes

- LA:RISE did not have an impact on participants' rates of arrests, convictions, or jail incarcerations.** The evaluation team examined the impact of LA:RISE on these measures within one, two, and three years after random assignment. The evaluation also examined whether the program's demonstrated short-term impact on employment delayed the time until participants were arrested, convicted or incarcerated. In none of these analyses were there any statistically significant differences between program and control groups.
- Analyses of subgroups suggest that further research is needed to explore potential impacts on arrests.** The data show several patterns that suggest LA:RISE may have had some effect on certain participants' arrest rates. Among these findings: though never reaching statistical significance, there is a remarkably consistent direction for the impact estimates for the analysis of arrest rates for the full evaluation sample and for a risk

analysis of arrests; subgroup analyses do indicate positive impacts on arrests for non-Hispanic participants; and some of the alternative specifications of the analysis model do identify statistically significant differences in arrests. Thus, while overall there are no clear impacts on criminal justice involvement, perhaps a larger sample size, or the addition of other services designed to reduce criminal justice involvement would solidify these potentially promising results.

c. Impacts on Linkages to Housing Opportunities

- **LA:RISE had a short-term impact on the rate at which program group members utilized programs for people at risk of homelessness.** Within a year after RA, program group members utilized Los Angeles Continuum of Care (LA CoC) programs at a higher rate than control group members (19.1 percent of program group members as compared to 14.3 percent of control group members). This difference was statistically significant, but no statistically significant difference was observed within two years after RA.
- **LA CoC data suggest that LA:RISE participants are primarily utilizing services less likely to improve housing stability.** Program group members that utilized LA CoC programs tended to utilize emergency shelters (which are less likely to lead to housing stability) more than permanent housing and rapid re-housing programs (which provide housing thereby improving housing stability). Control group members appear to have utilized a similar mix of LA CoC services as did program group members.
- **LA:RISE implementation resulted in increased understanding that housing stability is a critical component in obtaining employment.** This understanding laid the groundwork for improved linkages to housing opportunities such as rapid re-housing vouchers in later iterations of LA:RISE and provided a foundation for the continued expansion of homelessness-related services.

3. Cost Study Findings

The cost study detailed the cost of providing LA:RISE services and explored the cost effectiveness of the program compared to WIOA Adult and Youth programs; i.e., it determined the cost required to achieve the impacts observed in the impact study. The cost study used expenditure data provided by EWDD for both LA:RISE and the WIOA Adult and Youth programs. The following are the key findings from the cost study.

- **The average cost of serving an LA:RISE participant (utilizing the WIF grant) was \$9,090, compared to \$417 for Workforce Innovation and Opportunity Act (WIOA) Adult services and \$3,286 for WIOA Youth services.** These LA:RISE costs include EWDD's WIF grant expenditures to provide system-wide support and SE, WDS, and PSP partner expenditures, which were incurred mostly to pay for staffing. Another component of these costs was the money spent on program startup for this pilot program (i.e., program planning and initial technical support). If these one-time costs are removed, the average cost of serving an LA:RISE participant is reduced to \$7,480. These costs do not reflect expenditures partners paid through leveraged funding.

- **The cost of producing a temporary, one percentage point increase in the employment rate for the program group was between \$363,408 and \$562,881.** This cost was in comparison to the closest alternative—the WIOA Adult and Youth programs. The range reflects different possible program costs (actual expenditures or expenditures with startup costs removed) and different control group service scenarios (whether costs reflect the actual costs of WIOA given the real rates of control group enrollment or project costs if all control group members enrolled in WIOA-equivalent services that were unrecorded by the evaluation).

Interpretation of the cost study findings should account for the following mitigating factors: 1) the high cost of LA:RISE may simply reflect the true costs of serving the program’s priority populations and their many, high barriers to employment (which WIOA adult and youth programs encounter, but to a lesser degree); 2) if exploratory impact analyses reflect any actual program effects, and impacts are bigger and/or longer-lasting, the program may be more cost-effective than measured; 3) while the evaluation team was able to account for leadership team startup costs, data did not allow for the identification of other partner startup costs; and 4) costs for the control group only include WIOA adult and youth programs and may not represent the full cost of services received by the control group.

C. Recommendations

Based on the evaluation’s findings, the evaluation team developed a set of recommendations that should help leadership partners and other officials improve LA:RISE as the program evolves and expands while providing insight for others developing or operating transitional employment programs.

- **Consider opportunity youth programs differently.** This evaluation surfaced an important difference between the operations around and impacts observed on employment at SEs serving opportunity youth as compared to those serving adults of all ages. While transitional employment plays a key role in the service delivery model of SEs enrolling opportunity youth, and is used to provide youth with work experience and to develop their hard and soft job skills, it is primarily used as a means of retaining youth and supporting them while they attain education and receive training. To reflect these differences, program designers may want to consider modifying participant milestones or program goals for SEs serving only opportunity youth to better reflect their emphasis on education and training.
- **Provide desistence and homelessness-related services.** Evaluation findings suggest that providing such services might improve the program’s impact among all sets of outcomes. Examples include increased use of assessments to better target enrollment for whom services would be most beneficial and to better guide service delivery plans, increased use of evidence-based services designed to address participants’ criminogenic needs, and increased linkages to programs, such as rapid re-housing, that are most likely

to increase housing stability for participants. In fact, later iterations of LA:RISE have started to implement some of these recommendations. Their continued expansion may ideally lead to additional benefits for participants and will better align LA:RISE with other federal, state, and local policies and practices.

- **Improve employer partnerships.** Expanding its network of employers, building upon early efforts to secure bridge employers, may help LA:RISE with its placement needs. The evaluation specifically recommends: a) identifying employers willing and able to work with (the many barriers of) LA:RISE participants; b) seeking out employers who provide good jobs, such as those that are full-time, pay high wages (including benefits), have a long or indefinite duration, and/or are in occupations with the possibility of advancement; c) considering employers that make it easy for participants to transition into permanent employment; and d) modifying programs to including transitional employment opportunities and/or training that reflects the above-identified available and appropriate jobs for LA:RISE participants.

D. The Need for Additional Research

Further research on LA:RISE could help address several important questions raised by this evaluation and address some of its limitations. The evaluation team recommends exploring the following questions:

- whether the more refined service delivery model and greater implementation stability of later LA:RISE iterations result in different outcomes for participants, and whether more mature operations and lack of startup costs improve cost-effectiveness;
- whether more uniform groupings of grantees, based on participant types (adults vs. youth), and evaluation approaches (i.e., only high contrast SEs), can replicate or improve upon existing impacts;
- whether a larger sample size results in the ability to detect true program impacts where this evaluation found none (e.g., arrests);
- which program elements at the adult-serving high-contrast SEs resulted in such strong and lasting impacts on employment;
- whether those elements are attributable to LA:RISE or other attributes of these SEs;
- whether these elements could be replicated; and
- what factors (e.g., participant barriers, employer biases, or limited skills) help explain why participants do not have higher rates of non-SE employment (or earnings) as transitional employment comes to an end.

This evaluation places LA:RISE in the context of the larger body of research testing enhancements to traditional transitional employment models. Overall, it seems that LA:RISE, at

the very least, shows results similar to what studies found for prior transitional employment programs, and in that sense still offers clear short-term employment benefits to participants. Whether or not LA:RISE offers an enhanced model of transitional employment is not entirely clear (since the impacts observed for high contrast adult-serving grantees were exploratory and may be related to factors other than the LA:RISE model). However, the results of this evaluation raise important questions for the next stages of research around transitional employment and provide some clear guidance and potential approaches for practitioners to consider in the expansion and refinement of LA:RISE.

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I. Introduction

While the unemployment rate for both the City and County of Los Angeles has steadily declined over the last decade,¹ many individuals still face high barriers to employment such as having unstable housing, a criminal record, low levels of education, few job skills, or limited work experience. To give these individuals a better chance of finding and retaining employment, in 2014, the Los Angeles Economic and Workforce Development Department (EWDD) partnered with the California-based non-profit REDF² to create an enhanced transitional employment program called the Los Angeles Regional Initiative for Social Enterprise (LA:RISE), which utilized a \$6 million Workforce Innovation Fund (WIF) grant from the U.S. Department of Labor (US DOL).³ Since then, EWDD and REDF have worked to implement subsequent iterations of the LA:RISE program and are working with county officials to expand the program to the County.

As part of the WIF grant, EWDD hired Social Policy Research Associates (SPR) to conduct an evaluation of this pilot phase of the LA:RISE program consisting of an implementation study, a random assignment impact study, and a cost study. SPR presented early implementation study findings in an interim report published in 2018 (Geckeler et al., 2018). This final report presents and discusses later implementation study findings and findings from the random assignment impact and cost studies. It also includes recommendations for planning and operating similar programs and for conducting additional research. This opening chapter describes both this pilot phase of the LA:RISE program and SPR's evaluation.

A. The LA:RISE Program Model

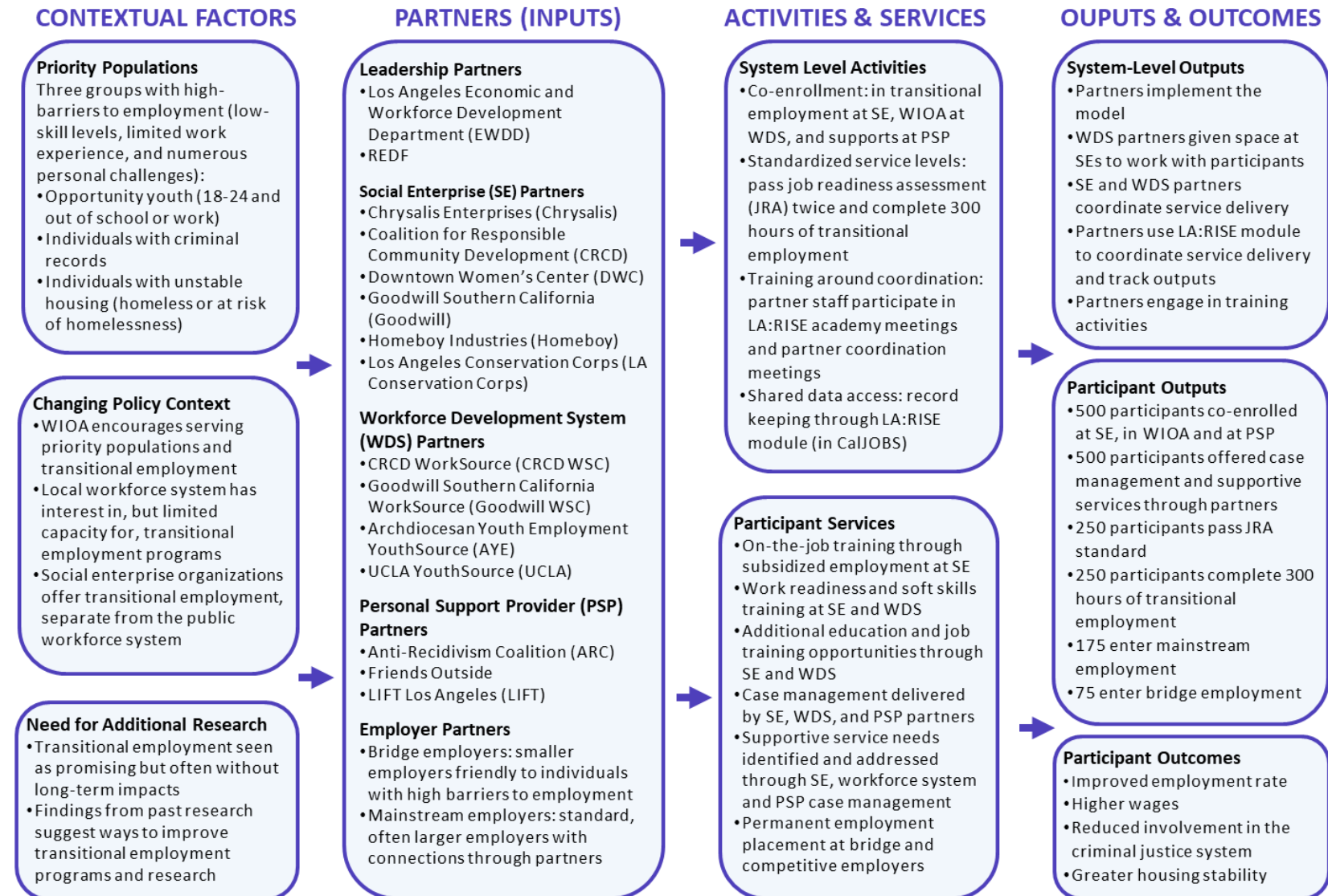
EWDD and REDF designed the LA:RISE program to bring together a wide network of partner organizations to deliver transitional employment and related services to three populations facing high barriers to employment: opportunity youth, individuals with a criminal record, and individuals with unstable housing. The four components of the pilot phase of the LA:RISE program are outlined in Exhibit I-1 and discussed in greater detail below.

¹ According to the State of California Employment Development Department (2019), the rate of unemployment in both the City and County of Los Angeles was 12.5 percent in 2010 (it was slightly lower the year before) and declined steadily to 4.7 percent in 2018 (State of California Employment Development Department, 2019).

² REDF is not officially an acronym but it previously stood for the Roberts Enterprise Development Fund.

³ This grant was part of the second of three rounds of WIF grants.

Exhibit I-1: LA:RISE Program Model



1. Contextual Factors Framing the LA:RISE Program

The first component of the program model, shown at the far left of Exhibit I-1, is the context within which EWDD and REDF designed LA:RISE to operate. The exhibit shows three factors: 1) the high degree of need for employment services experienced by members of the three “priority” populations the program is designed to serve; 2) a changing policy landscape, in which growing emphasis is placed on serving these priority populations and using innovative workforce development approaches, like transitional employment, to do so; and 3) research findings that suggest shortcomings with transitional employment programs that need to be addressed if LA:RISE is to produce long-term impacts on participant outcomes.

a. LA:RISE Priority Populations

Through LA:RISE, EWDD and REDF sought to help individuals who belonged to one (or more) of three groups with high barriers to employment. These groups, known as the LA:RISE priority populations, and the barriers their members face, are as follows.

Opportunity Youth. Young people ages 16 to 24 not involved in work or school and particularly those without a diploma or credential have been one of EWDD’s long-standing priority populations. One of the biggest ways that EWDD serves this population is through Youth program services funded through the Workforce Innovation and Opportunity Act (WIOA), but it also manages or has managed many other state and locally-funded programs, as well as specialized federal grant programs such as the current Performance Partnership Pilot (P3) for Disconnected Youth and the former Los Angeles Reconnections Career Academy (LARCA) program. EWDD’s continued interest in serving opportunity youth through LA:RISE therefore makes sense, especially given the size of this population locally. Within the Los Angeles Unified School District (which extends beyond the city into the county), for instance, 17.4 percent of youth were out-of-school during the 2013–2014 school year (California Longitudinal Pupil Achievement Data System, 2015). EWDD’s interest in serving opportunity youth through LA:RISE also makes sense given the challenges this population faces. First, are the racial and ethnic disparities found in this population; Black and Hispanic or Latino youth are overrepresented among disconnected youth compared to white youth (Belfield, et al., 2012; Ross & Svajlenka, 2016). Second, opportunity youth tend to fare more poorly than their peers, being almost twice as likely to live in poverty or not have a GED or diploma than their peers (JFF, 2018). Third, opportunity youth are more likely to become incarcerated (Belfield, et al., 2012; Center for Labor Market Studies, 2009). Fourth, by definition, these youth are struggling to find and retain both short- and long-term employment, but youth without a diploma who obtain employment have annual and lifetime earnings that are significantly lower than those of individuals with a high school diploma (Chapman et al., 2011; Doland, 2001; Kena et al., 2014).

Individuals with Criminal Records. City- and County-wide services within Los Angeles have more recently begun to focus on individuals with criminal records, especially those with criminal convictions, but also individuals previously incarcerated (pre-trial or with convictions) and individuals on probation or parole. The California Department of Corrections and Rehabilitation (CDCR) released 10,129 individuals—about 30 percent of that year’s cohort—to Los Angeles County from the California State Prison System in Fiscal Year 2013–2014 (California Department of Corrections and Rehabilitation, 2019). Also, as of 2014, Los Angeles County had the highest adult probation rate in the state, with 55,265 individuals on probation (Grattet & Martin, 2015).⁴

The challenges facing these individuals are many, but chief among them are high rates of recidivism and low rates of employment. CDCR has noted that about two-thirds of the state’s parolees returned to prison within three years of release (California Department of Corrections and Rehabilitation, 2014), resulting in significant additional public costs (Vera Institute of Justice, 2012). Youth recidivism rates are also high, with 33 percent of youth released from Los Angeles County jail having a new arrest within one year following release (Herz et al., 2015). Low rates of employment and reduced earnings among members of this group are also a consequence of their involvement with the criminal justice system. One study showed that only 55 percent of those formerly incarcerated in prison were employed after one year of release (Looney and Turner, 2018) while another study indicated that each year in prison reduces future earnings (Western and Muller, 2013). Other research suggests that a criminal record reduces one’s chance of receiving a callback or job offer by 50 percent (National Employment Law Project, 2017) and for applicants of color with a criminal background, that bias is on top of what they already experience due to racial prejudice (Agan & Starr, 2018; Pager, 2003).⁵ Importantly, while having a criminal record may impede employment opportunities, research suggests that providing employment and employment services for adult populations (Lageson & Uggen, 2013; Uggen, 2000), or employment services for youth (Schochet et al., 2008), especially when that work is “high quality” or somewhat more stable (Crutchfield & Pitchford, 1997; Schnepel, 2018; Uggen, 1999), can prevent future criminal activity.⁶

Individuals with Unstable Housing. In California, and the city and county of Los Angeles in particular, the homeless, and individuals at risk of becoming so (as characterized by having

⁴ The state probation population in 2014 was 285,681 (Grattet & Martin, 2015).

⁵ Pager (2003) found that 17 percent of white applicants with a criminal record received job callbacks, compared to five percent of black applicants with a criminal record. As Chapter II describes, nearly half of LA:RISE participants had a conviction or were formerly incarcerated and most were people of color.

⁶ For additional information on promising approaches to helping individuals with criminal records, see Lacoe and Betesh (2018).

unstable housing), have been gaining increasing attention from policymakers. California has 12 percent of the country's general population but 24 percent of its homeless population (Henry et al., 2018; U.S. Census, 2018), and a recent homelessness count in Los Angeles shows that homelessness in the city and county is on the rise (LAHSA, 2019). Homeless individuals and individuals with unstable housing face many barriers to employment. Housing insecurity is not conducive to having a regular work schedule (Snow et al., 1996) and the absence of a mailing address may make it difficult to obtain the identification needed to work legally or to provide a location to employers on applications (National Law Center on Homelessness & Poverty, 2004). People experiencing homelessness are also often stigmatized by potential employers (Rio et al., 2008) and employers often carry negative perceptions of homeless job applicants' motivation and reliability, physical appearance, and overall ability to integrate into the workplace (NAEH, 2013). Individuals with unstable housing are also disproportionately men and individuals of color (Henry et al., 2018), potentially raising some of the same barriers discussed above for people with criminal records. Finally, there is a great deal of overlap between housing unstable individuals and individuals with criminal records. The rate of homelessness among the formerly incarcerated is much higher than the corresponding rates among the general population (Metraux et al., 2008); between 25 and 50 percent of homeless individuals report a history of incarceration (United States Interagency Council on Homelessness, 2016), and approximately 15 percent of individuals in all U.S. jail populations report a history of homelessness within the year before incarceration (Metraux & Culhane, 2006).

b. The Changing Policy Context

Providing transitional employment and employment services to individuals with criminal records and unstable housing are new priorities for EWDD, as they are for many public agencies in the region, the state, and the nation. At the national level, LA:RISE was developed in 2014 just as the country's newest workforce system legislation, WIOA, was being signed into law. Under WIOA, the public workforce development system adopted a new approach to serving populations with high barriers to employment by prioritizing low-income and vulnerable adult populations for services, expanding the definition of who fits into these two categories to include the formerly incarcerated and individuals experiencing or at risk of homelessness,⁷ and mandating that local areas spend 75 percent of youth formula funds on out-of-school youth.⁸ Furthermore, WIOA allows up to 10 percent of Adult and Dislocated Worker program funds to be used towards transitional employment.⁹ By focusing on transitional employment services for opportunity youth, individuals with criminal records, and those with unstable housing, LA:RISE

⁷ Definitions for WIOA participants are described in Section 3 of WIOA (U.S. Congress, 2014).

⁸ See section 129 for further details on spending requirements for out-of-school youth (U.S. Congress, 2014).

⁹ See section 134 for further details on the use of funds for transitional jobs (U.S. Congress, 2014).

provides an innovative approach for implementing this national legislation that offers insight into these approaches for workforce system providers around the country.

Changes at the state level also align with the workforce system strategies EWDD is pursuing with LA:RISE. The California Workforce Development Board (CWDB), for instance, has supported multiple efforts to fund employment-related services designed to help those with high barriers to employment. One such effort is represented by its seven rounds of Workforce Accelerator Fund grants, which started in 2014 and fund innovative approaches for serving individuals with high barriers to employment, including out-of-school youth, the formerly incarcerated, and those at risk of homelessness.¹⁰ Another effort of CWDB's, conducted in partnership with CDCR, is its Prison to Employment Partnership Program, which funds regional-level reentry planning and program services.¹¹ Also, in 2019, CWDB began implementing Assembly Bill (AB) 1111, the "Breaking Barriers to Employment Initiative," which provides funding designed to support partnerships between workforce development boards and mission-driven, community-based organizations with experience in providing services to populations with high barriers to employment.¹² Also occurring at the state level, are changes brought about by AB 109, passed in 2011, which substantially shifted responsibilities for certain offenders from state prisons to county jails or early release,¹³ and Proposition 47, which adjusted felony sentencing laws, reclassifying several more serious charges into lesser ones, resulting in the release of some individuals.¹⁴ These two changes in policy have involved a substantial amount of reentry funding being released to local communities, largely through county probation departments, which bear increased loads of supervision and management as a result. Finally, at the state level, REDF has been working with state legislators to create legislation, such as AB 415, designed to provide special preferences for social enterprise organizations of the types operating in LA:RISE when they apply for state

What is a Social Enterprise?

A social enterprise is business with a dual mission of selling goods or services and employing people who are willing and able to work but who face formidable barriers to employment.

¹⁰ More on the Accelerator Initiative can be found at: <https://cwdb.ca.gov/initiatives/workforce-accelerator-fund/>

¹¹ More on the Prison to Employment Partnership can be found at: <https://cwdb.ca.gov/partnerships/workforce-corrections-partnership/>

¹² More on AB 1111 can be found at: <https://cwdb.ca.gov/ab1111/>

¹³ More on AB 109, as it pertains to Los Angeles County, can be found at <https://probation.lacounty.gov/ab-109/>

¹⁴ More on Proposition 47 can be found at <https://www.courts.ca.gov/prop47.htm>

funding for programs like those outlined immediately above. All of these efforts should benefit from this evaluation of LA:RISE.

At the local level, in addition to implementing many of the changes to WIOA, outlined above, Los Angeles city and county agencies have been rolling out new funding and new programs designed to support populations with high barriers to employment, especially for those with a criminal record or unstable housing. Agencies that have introduced funding to support new programs for those with a criminal record in recent years (often through some of the state funding sources mentioned above) include: the Los Angeles County Probation Department, the Los Angeles Mayor's Office, the Workforce Development, Aging and Community Services (WDACS) department, the Los Angeles Countywide Criminal Justice Coordinating Committee, the Los Angeles County Department of Health Services Office of Diversion and Reentry, and many others. Housing instability as an issue has also received increasing attention by policymakers. In line with other local strategies to combat homelessness, Los Angeles county voters passed Measure H in November 2016, which raised \$355 million to combat homelessness through an increase in the sales tax, city voters passed Proposition HHH, which devoted funds to permanent supportive housing for individuals experiencing chronic homelessness, and the City of Los Angeles adopted a Comprehensive Homelessness Strategy (City of Los Angeles, 2016), which lays out plans for confronting short- and long-term issues related to homelessness. When it comes to all three LA:RISE priority populations, one other local effort, on which this evaluation of LA:RISE has particular bearing, is the ongoing expansion of the LA:RISE program. Since the program began, EWDD has worked with REDF, the program's many partner organizations, and new agency partners, such as the Los Angeles Homeless Services Authority (LAHSA) to launch subsequent iterations of LA:RISE. The version of LA:RISE being evaluated in this report is sometimes referred to locally as LA:RISE 1.0 whereas subsequent iterations of the program, sometimes referred to throughout the report, are known as LA:RISE 2.0 through LA:RISE 5.0. In addition, EWDD and REDF have been working with LAHSA and the Los Angeles County Office of Workforce Development Aging and Community Services (WDACS) department to create a Los Angeles county version of LA:RISE.

c. Findings from Transitional Employment Research and the Need for Additional Research

The third contextual factor affecting EWDD and REDF's design of LA:RISE is rooted in the research findings from evaluations of transitional employment programs. Scans of the literature show that transitional and subsidized employment programs, which date back decades, broadly represent a strategy that shows some promise for serving individuals with high barriers to employment (Bloom, 2010; Bloom, 2017; Dutta-Gupta et al., 2016). In the past decade, a number of newer studies have shown that transitional employment programs produce positive impacts on participants' rate of employment and/or earnings (Jacobs, 2012; Jacobs and Bloom, 2011; Fontaine et al., 2015; Redcross et al., 2012; Rotz et al., 2015) and to some extent other

measures such as reduced criminal justice system involvement (Fontaine et al., 2015; Redcross et al., 2012) or use of public benefits (Jacobs and Bloom, 2011).¹⁵ Furthermore, some transitional employment programs, both in the further and more recent past have been shown to be cost effective based upon their ability to increase employment and earnings and reduce criminal justice system involvement and use of public benefits (Bell et al., 1987; Redcross et al., 2012).

However, the studies mentioned above also reveal an important shortcoming of transitional employment programs: the positive effects they had on participant outcomes tended to be short-lived and related to the subsidized employment the programs provided. When this subsidized employment ended, impacts diminished, either disappearing altogether or reducing greatly in size.¹⁶ Taking this finding to heart, EWDD and LA:RISE sought not only to replicate past successes but also to improve upon past designs in order to generate long-term effects on employment and criminal justice system involvement as well as possibly other types of outcomes such as improved housing stability. Specifically, EWDD and REDF sought to achieve several objectives that past transitional employment programs found challenging:

What is transitional employment?

Transitional employment programs place individuals into temporary, subsidized employment, typically in a supportive employment environment, to help them earn wages while preparing them for unsubsidized employment by building their experience, improving their job skills, and providing supportive services.

- **Successful recruitment and enrollment.** Some transitional employment programs faced difficulty meeting their target recruitment numbers (Kushner, 2012; Barden et al., 2018; Redcross et al., 2010). These programs implemented different recruitment methods along the way, including establishing referral systems with outside agencies, but found that the amount of time allotted for outreach and recruitment was too limited or that populations changed over time. With LA:RISE, EWDD and REDF sought to work with agency partners that previously exhibited capacity for recruiting and enrolling individuals from the above-mentioned priority populations.
- **Timely and coordinated service delivery.** Programs working with highly barriered populations have often needed to rely on partner organizations to provide critical supportive services (Rotz et al., 2015). Due to logistical delays or complications common in interagency coordination, participants did not always receive services in a timely fashion or, in some cases, receive services that adequately met their needs. EWDD and

¹⁵ Another study by Jacobs and Western (2007) also showed increased employment and reduced arrests, but transitional employment was only offered to about one-quarter of participants.

¹⁶ The notable exceptions were the lasting impacts on recidivism observed in the evaluation of the CEO program (Redcross et al, 2012) and in the study by Uggen (2000), and to the reduced public benefits use in the AFDC study (Bell et al, 1987).

REDF sought to address these challenges by engaging in broad, systems-level changes designed to grow partnerships between multiple different types of agencies and ensure the smooth coordination and timely delivery of the services needed by participants.

- **Transitional job placement.** Matching program participants with subsidized employment positions that fit their needs and skill levels poses its own set of challenges. For programs that implement transitional jobs with mainstream employers (helping to subsidize wages through those employers), problems have ranged from host employers being unfamiliar with participant needs to participant altercations (EnSearch, Inc., 2004; Redcross et al., 2010). For programs that provide transitional jobs through SEs, challenges have arisen with matching participants who have limited education and skills to supervisors who can appropriately address their unique training needs (Rotz et al., 2015). LA:RISE was designed to overcome these issues by creating multiple training and employment options for participants (across different providers), identifying employers more friendly to hiring individuals from priority populations (i.e., bridge employers), and helping to pair participants with multiple staff members across different organizations.
- **Uniformity in services provided to participants across providers.** In a handful of evaluations, employment and supportive services varied greatly across participants and/or sites within a single program (Kushner, 2012; Rotz et al., 2015). In one evaluation, participants at different SEs worked completely dissimilar total hours in their transitional jobs (32 versus 640 hours) and varied substantially in the degree to which they received supportive services, including case management and housing assistance (Rotz et al., 2015). With LA:RISE, EWDD and REDF sought to impose service delivery standards, including minimum hours worked, delivery of assessments, and standardized procedures for coordinating the delivery of transitional employment services with WIOA and other supportive services.
- **Retention.** Across programs serving the three target populations, one of the more common issues was retaining participants for the duration of the transitional employment programs (Redcross et al., 2012; Rotz et al., 2015). Although the programs did not cite definitive reasons for participants leaving early, they suggested that the reasons included lack of interest, personal challenges such as physical and mental health issues, and gaining outside employment. EWDD and REDF hoped to mitigate these issues by connecting participants with a wider range of supportive services and by incentivizing continued participation with specific employment support and payments for staying connected to services.

With these changes, EWDD and REDF were pursuing a similar path at the same time as other transitional employment programs such as the Enhanced Transitional Jobs Demonstration (ETJD) funded by the Employment and Training Administration (ETA) at US DOL and the Subsidized and Transitional Employment Demonstration (STED) funded by the Administration for Children and Families in the U.S. Department of Health and Human Services. Both ETJD and STED sought to improve upon the prior generation of transitional employment programs

discussed above through a variety of enhancements (that varied across grantees) related to: the structure of transitional employment (staged and tiered employment as well as private sector subsidies), supports (cognitive behavioral therapy-based workshops, peer mentoring, wage supplements, occupational training, and criminal justice-system related assistance), and child support system-generated incentives and sanctions (to increase payments of child support) (Barden et al., 2018). Two recent reports show that the impacts of these programs, while resembling earlier results, show slightly more favorable, longer-lasting impacts with program participants enjoying somewhat higher earnings and employment over the course of a 30-month follow-up period (Barden et al., 2018; Anderson et al., 2019). Furthermore, research on specific ETJD and STED programs includes other notable findings, including: how programs led to improvements in non-economic well-being (i.e., individuals experienced improvements in how participants felt about their current life situations) (Williams & Hendra, 2018), how direct placement at public sector and non-profit employers may lead to higher employment rates than standard on-the-job training through WIOA at private employers (Glosser et al., 2016), the suggestion of possible increased employment in the informal economy for young adult transitional employment programs (Cummings et al., 2018), and positive cost benefit analysis results (Foley et al., 2018). Overall, these changes are modest and suggest that even enhanced programs may be limited in what they can do, although it is notable that some of the ETJD and STED grantees experienced challenges with implementation (Barden et al., 2018). Subsequent chapters in this report discuss the extent to which LA:RISE partners were able to implement an enhanced transitional employment program, the impacts observed on participant outcomes, and the extent to which it parallels the findings of these other enhancement strategies.

2. Program Partners

The second LA:RISE program component shown in Exhibit I-1 (the second box from the left) includes the program inputs and consists of the five types of partner organizations that delivered LA:RISE program services.¹⁷

- **Leadership partners** were EWDD and REDF. They oversaw the program partners and created ways for them to coordinate and integrate their services. They established uniform program standards, a standardized outcomes and case management reporting system, and forums in which partners could learn to work together. EWDD was also responsible for grant management.
- **Social enterprise (SE) partners**—Chrysalis Enterprise (Chrysalis), the Coalition for Responsible Community Development (CRCDD), Downtown Women’s Center (DWC), Goodwill of Southern California (Goodwill), Homeboy Industries (Homeboy) and the Los Angeles Conservation Corps (LA Conservation Corps)—enrolled individuals into LA:RISE

¹⁷ Specific partner organization names are shown in the Exhibit and discussed further in Chapter II.

and provided the transitional employment experience, which included paid work experience, work readiness training, supportive services, and placement support.

- **Workforce development system (WDS) partners** included four American Job Centers, known locally as WorkSource (WSC) and YouthSource (YSC) centers depending on whether they provided Workforce Innovation and Opportunity Act (WIOA) Adult or Youth services. These partners included Goodwill of Southern California WorkSource (Goodwill WSC), the Coalition for Responsible Community Development WorkSource (CRCDC WSC), the Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles (AYE), and UCLA YouthSource (UCLA). WDS partners provided a variety of WIOA-funded services into which all LA:RISE participants were co-enrolled and through which they received case management, supportive services, additional training and education services, and placement services.
- **Personal support provider (PSP) partners**—the Anti-Recidivism Coalition (ARC), Friends Outside, and LIFT Los Angeles (LIFT)—worked with participants later in the program, as they began employment placement (or longer-term education and training). Their goal was to provide supportive services to participants to help them stay employed or engaged in education and training and to incentivize them to do so through regular reporting and incentive payments for providing proof of employment (or training).
- **Employer partners** hired participants into permanent employment after they completed their transitional employment. They included competitive employers—which participants found through SE or WDS partner networks—and bridge employers, coordinated through REDF’s employer network, known for their ability and expertise in working with high barrier populations. The wide array of employment opportunities represented among the employer partners leveraged the resources of the different program partners and increased the likelihood that each participant could find an employer that was well-suited to his or her interests and skills.

Overall, the partnership component of the LA:RISE program model was designed to establish a well-coordinated, long-term capacity for service delivery that was richer and more enduring than any one organization would have been able to deliver on its own.

3. LA:RISE Program Activities and Services

The third program component presented in Exhibit I-1 (third box from the left) consists of the services that partners delivered to program participants. The LA:RISE program model emphasized coordination and integration of service delivery across program partners, which program leadership coordinated through system-level activities. The LA:RISE program model included four types of program services or activities:

- **System-level services** were led by the program’s leadership partners and were designed to increase coordination of participant-level services across partner agencies. For example, leadership partners provided guidance, training, and tracking systems for

partners as they implemented the program's approach of co-enrolling participants immediately into transitional employment services at their SE and into either WIOA Adult or Youth program services at their WDS partner, and then later into services at a PSP partner.

- **Training and assessment services** included (a minimum of) 300 hours of transitional employment as well as on-the-job training that participants received during transitional employment (at SEs) and any specialized training that accompanied it (at SE and WDS partners). These services also included work readiness training delivered through classes and on the job during transitional employment (at SE and WDS partners), accompanying work-readiness assessments (at SEs).
- **Supportive services** were provided by SE, WDS, and PSP partners (or indirectly through a referral) and coordinated through case managers at each partner agency.
- **Employment placement services** were delivered by SE and WDS partners and were intended to help participants identify and obtain long-term employment with either competitive or bridge employers after completing transitional employment.

Chapter II discusses the implementation and outputs associated with delivery of these services.

4. Outputs and Outcomes

The LA:RISE program was designed to produce a series of outputs and outcomes (Exhibit I-1; last column on the right). System-level outputs include partners having achieved or put in place various program components that were designed to help cement the program model and facilitate coordination of services across program partners. They include partner staff attending training, utilizing the programs management information system, and creating space for partner staff to work together to coordinate service delivery. As noted in the evaluation's interim report, the leadership team was largely successful at working with program partners to achieve these system-level outputs (Geckeler et al., 2018). This success is embodied most notably in EWDD's and REDF's ability to leverage partnerships to sustain and scale the LA:RISE program, creating subsequent iterations, both within the city and at the county level.

Participant-level outputs include milestones such as meeting enrollment goals and delivering program services to specified numbers of participants. Achieving these show that the program was sufficiently in place to deliver services to participants and that participants were receiving the services intended for them and which were designed to produce outcomes.

Participant level outcomes represent changes in participants lives such as improved employment and earnings, reduced involvement in the criminal justice system, and greater housing stability.

B. Evaluation Design

SPR designed the evaluation of the LA:RISE program to include three studies: 1) an implementation study, 2) a random-assignment impact study, and 3) a cost study.

1. Implementation Study

The implementation of a program consists of translating its design into on-the-ground action: forming partnerships, recruiting and enrolling participants, and providing and coordinating services. Studying and evaluating the implementation process of LA:RISE was important for two reasons. First, the understanding gained from such study helped the evaluation team identify successes and challenges which it used to formulate implementation lessons for EWDD and REDF as well as other organizations wishing to implement similar programs. Second, understanding how the program was implemented helped the evaluation team interpret findings from the impact and cost studies.

The study of LA:RISE implementation sought to answer the following questions.

- To what extent were the program designers able to increase and strengthen connections between publicly and privately funded programs providing transitional employment and other employment-related and supportive services to populations with high barriers to employment?
- What did LA:RISE look like in terms of the services provided, the ways in which partners coordinated service delivery, and the ways in which services to program group members remained distinct from those delivered to control group members?
- What was the program able to achieve in terms of program enrollment, services delivered, and service intensity? To what extent did these program outputs overcome the shortcomings in transitional employment services observed in past research?
- What challenges did LA:RISE program partners have in implementing program elements? How did they overcome these challenges and what did they learn?

The implementation study collected both qualitative and quantitative data. Qualitative data came from two rounds of site visits with LA:RISE program partners (conducted late 2016 and early 2018) and ongoing conversations with leadership partners and attendance at partner convenings over the course of the evaluation. The evaluation team collected three types of qualitative data: 1) information from semi-structured interviews with program administrators, SE staff members, WDS partner line staff, PSP staff members, and bridge employers, and from focus groups with LA:RISE participants; 2) observations of program services and partner facilities; and 3) analysis of documents such as outreach materials, eligibility checklists, program flow policies and guidelines, staffing and organization charts, application forms, assessment materials, service delivery documentation, and schedules of LA:RISE and non-LA:RISE services

offered by program partners. The evaluation team used these qualitative data to create partner-level summaries answering key implementation study questions and then analyzed the summaries for cross-partner themes, such as common practices, successes, and challenges.

The evaluation team used two types of quantitative data from California's workforce development data system database (CalJOBS) in the implementation study. A customized CalJOBS module, used as the LA:RISE management information system (MIS), tracked participation and LA:RISE service delivery. CalJOBS also provided information on WIOA enrollment and participation in different types of services (since LA:RISE participants were to be co-enrolled in WIOA and all study participants were eligible to receive these services). The evaluation team collected these administrative data through EWDD and used them to describe the receipt of LA:RISE and WIOA services.

2. Random Assignment Impact Study

The random assignment impact study, a focal point of this report, isolated the impact that this pilot phase of LA:RISE had on individuals' outcomes by comparing the outcomes of individuals who were randomly assigned either to a program group that was allowed to participate in the program or an otherwise identical control group of individuals who were not. Over the course of 20 months, starting in September 2015 and ending in April 2017, each of the six SE partners reviewed individuals interested in LA:RISE for program eligibility (see chapter II for a complete list of eligibility criteria) and then secured their consent to participate in the evaluation. SE staff members then used an online system developed by the evaluation team to randomly assign all eligible and consenting individuals to one of two groups: a program group whose members were able to access the full array of LA:RISE program services offered by their assigned SE and other LA:RISE program partners and a control group whose members were ineligible for LA:RISE program services for up to two years, but could still access any other services for which they were eligible. In total, the impact study randomly assigned 963 individuals: 481 to the program group and 482 to the control group.¹⁸ With these two equivalent groups, differing only in their members' ability to enroll in the program, the evaluation team obtained an unbiased estimate of the impact of the LA:RISE program.¹⁹

¹⁸ The evaluation's interim report indicated that the impact study included 964 participants (Geckeler et al., 2018). Since the publication of the interim report, one additional participant was withdrawn from the study due to being identified, retroactively, as ineligible for the program.

¹⁹ As discussed further in Chapter II and below in the discussion of subgroups, Chrysalis and Homeboy were granted an exception such that control group members at these two SEs were allowed to enroll in the transitional employment services component of the program as provided by these SEs, but were not provided the same level of coordinated delivery of services as program group members (e.g., co-enrollment in WIOA or

The impact study used an intent-to-treat model, which examined the outcomes of all evaluation participants at various points up to approximately three years from the point of random assignment (with the follow-up period depending on when data on outcomes were obtained—see Exhibit I-2 below) and did not differentiate between individuals in the program group who may not have received “the treatment” and individuals who did receive it.²⁰

The evaluation team designed the impact study to answer the following research questions.

- How did LA:RISE participation affect employment outcomes such as employment and earnings?
- Did participation in the program decrease arrests, convictions, or jail incarcerations?
- How did LA:RISE participation affect the use of homelessness-related services and housing instability?
- Did any of these impacts differ for key subgroups (e.g., age, ethnicity, gender, point of enrollment in the program, etc.)?

Overall, the impact study contributes to the evidence base for evaluating the effectiveness of transitional employment programs as a strategy for improving the outcomes of individuals with high barriers to employment. The size of the evaluation population and the random assignment design improves upon the approach utilized by a prior quasi-experimental evaluation of California-based SEs partnered with REDF (Rotz et al., 2015). Moreover, because the LA:RISE program model seeks to address many of the shortcomings observed in past transitional employment programs, the results of the impact study have the potential to shed light on what transitional employment programs are capable of accomplishing when their design incorporates enhanced elements (e.g., coordination between SEs and the public workforce system, introduction of standardized service elements, long-term supports, etc.) believed to be most ideal for keeping people employed and reducing justice system involvement.

a. Impact Study Data Collection

For the impact study, the evaluation team collected two types of data on both program and control group members. First, to describe the evaluation population and affirm the integrity of randomization, the evaluation team gathered baseline data on evaluation participants: 1) identifying information such as name, date of birth, and Social Security Number, which the

PSP services, coordination between ES, WDS, PSP partner staff, or access to bridge employers). That said, control group members at these two SEs could technically access services from these partners on their own.

²⁰ In fact, as is discussed in Chapter II, the evaluation team found that seven control group members were included in the LA:RISE module thus implying that they received at least some LA:RISE (1.0) services. These individuals were nevertheless treated as part of the control group, as per the intent-to-treat approach, thus possibly somewhat diminishing the impact of the program as measured by the evaluation.

evaluation team used to link data from different administrative agencies (see below); and 2) demographic and personal history information such as gender, race, use of public benefits, disabilities, housing status, parenting status, educational history, employment history, and history of involvement in criminal justice system. These baseline data came from the program application forms that evaluation participants completed shortly before random assignment. Baseline data were also used to describe participant enrollment as indicated in the implementation study section above.

Second, the evaluation team gathered outcome data from administrative data agencies on each evaluation participant as late in the evaluation period as possible in order to maximize the period of follow-up. As shown in Exhibit I-2, these data came from four different agencies and included slightly different beginning and ending dates.²¹

Exhibit I-2: Types, Sources, and Date Ranges of Impact Study Administrative Data

Administrative Agency	Data Type	Begin Date	End Date
California Department of Justice (CA DOJ)	Arrest and Conviction	September 2015	March 2019
Los Angeles Sheriff's Department (LASD)	Jail Incarceration	September 2015	April 2019
California Employment Development Department (EDD)	Wage data	September 2015	March 2019
Los Angeles Homeless Services Authority (LAHSA)	Homeless and Emergency Housing Services	September 2015	April 2019

With these data, the evaluation team was able to assess impacts for a period of 23 or 24 months after random assignment for all evaluation participants—and longer for a subset of participants, depending upon the data type. The relatively short follow-up period was not unreasonable for measuring outcomes the program aimed to achieve while individuals were still actively engaged in program services, such as involvement in the criminal justice system, linkages to homelessness programs, and short-term employment. To fully assess long-term employment outcomes of transitional employment services, a longer period of follow-up utilizing the full evaluation sample would have been preferable, especially since some SE partners indicated in program documents and interviews that transitional employment for their organizations could last a year or more.²² Nevertheless, constraints on the overall timeline

²¹ Further discussions of each data source and the data used in the impact analyses, including key measures and limitations, are provided in Chapters III (employment), IV (criminal justice), and V (homeless services).

²² As discussed in Chapter II, LA:RISE program participants, regardless of SE, were supposed to complete a minimum of 300 hours of transitional employment, which amounted to about 3-6 months of services, depending on the SE partner. However, SE program models varied. Some SEs encouraged or simply allowed participants to work in their transitional employment position for longer.

imposed by the WIF grant and the program intake timeline did not allow additional time for program follow-up.

b. Impact Study Analytic Approach

Because the impact study used a random assignment design, the program group was not expected to differ in any systematic way from the control group except in that program group members were offered LA:RISE services. To confirm this expectation, as is discussed further in Chapter II, the evaluation team conducted tests of baseline equivalency and did not find significant differences in observable characteristics (e.g., gender, age, educational background, etc.) between the program and control groups. The lack of differences between the two groups was presumed to extend to unobservable characteristics (such as motivation) as well. This equivalency allowed the evaluation team to use simple statistical methods to infer causal relationships between program participation and outcomes.²³ These methods involved testing the differences in means between program and control group members for key outcomes and determining whether these differences may have been due, probabilistically, to random chance—i.e., whether the observed differences in means were statistically significant. Since the program and control groups were not meaningfully different from one another at baseline except in exposure to the treatment, results of hypothesis testing should produce unbiased estimates of the program's effects. Furthermore, the primary analyses in this report relied on unweighted comparisons between these two groups. Weighting was not necessary because the rate of assignment to the program group was constant across all providers and over time. Additionally, because the analysis relied on administrative data and was not limited by issues of non-response bias, post-stratification weights were not applied.

The evaluation team implemented additional statistical models as part of the impact analysis with the intent of conducting sensitivity analysis of the findings included in this report. In addition to testing the difference in means, the evaluation team examined evaluation outcomes using regression analysis and a hierarchical linear modeling (HLM) approach. Regression analysis is beneficial because the inclusion of covariates allows for the control of observable characteristics, explaining greater variance in the data and improving estimation precision. HLM further accounts for the nested nature of the data (individuals are nested within the six SEs where they are randomly assigned and initially served), accounting for site-level variation that may influence outcomes and further refining estimates. Neither of the alternative approaches to the analysis yielded results that differed meaningfully from those produced by the more

²³ In contrast, alternative approaches under the broad category of quasi-experimental methods often use complex statistical adjustments to define a comparison group to which the outcomes of the program group can be compared. Their disadvantage is that one cannot confidently rule out the possibility that any observed difference in outcomes between the groups is due to unobserved pre-existing differences rather than being the effect of the intervention.

basic approach of calculating the difference in means. Therefore, the main body of the report presents results from the simpler tests. Results from the more complex models are detailed in the Technical Appendix (Appendix A).

Another important consideration for the impact study analysis was the problem of multiple comparisons. The complexity of evaluating the impact of LA:RISE on program participants necessitated an array of outcome measures. However, with a comprehensive examination of outcomes, for the full sample as well as for subgroups, multiple comparisons may elicit increased probability of type I errors—or detecting a significant program effect when it does not exist. One method to address this drawback of multiple comparisons is to make the thresholds for determining statistical significance more stringent. Consequently, however, statistical power is reduced and the potential for type II errors (that is, failing to detect a significant program effect when it exists) increases. Instead, the evaluation team took the recommended approach of treating the key outcomes as confirmatory and the remaining outcomes as exploratory (Schochet, 2008). In addition, adjustments to correct for multiple comparisons (reported in Appendix A) were made across key outcomes. The key outcomes include employment, earnings, arrests, convictions, and incarcerations and exploratory outcomes include all other outcomes considered, including subgroup analyses.

c. Subgroup Analyses

The evaluation team also replicated confirmatory analyses for five subgroups, which the evaluation team defined prior to conducting any analyses. The evaluation team identified the first three subgroups listed below as demographic groups of interest to policy makers and readers of this report. The evaluation team developed the last two subgroups based on implementation study findings that suggested the potential for reduced ability to detect impacts for certain groups of evaluation participants. The evaluation team made sure that subgroups had as few groupings as possible and represented as many participants as possible to ensure that results would be as meaningful as possible.

- *Gender.* Women may face different issues than men in terms of their interests in finding work and have different criminogenic needs (Berman, 2005; Bloom et al., 2003). Furthermore, men (especially men of color) are saturated in the criminal justice system (Bronson & Carson, 2017) and are often disproportionately represented among the homeless (Henry et al., 2018). Therefore, it is important to distinguish the effects of LA:RISE based on gender.
- *Age.* Distinguishing the effects of LA:RISE services on young adults, ages 18 to 24, as compared to older individuals, makes sense for several reasons. First, while not all 18- to 24-year-old participants will be opportunity youth (i.e., out of work or out of school), most will be due to the program's eligibility criteria. Creation of this subgroup therefore provides a way to examine the program's impacts on this priority population. Second, these individuals are potentially eligible for WIOA Youth program services and thus

might be affected differently by the co-enrollment aspect of LA:RISE due to receiving different types of services. Third, some young adults in this age group have the potential to still be facing activity in the juvenile criminal justice system, which limits what criminal justice system records are available for analysis and thus affects the criminal justice system outcomes observed in this evaluation. Fourth, young adults often have different training and employment needs than older adults (more directly tied to completion of secondary education) and they often have less work experience and fewer job skills. Fifth, crime rates peak in early adulthood and decline steeply thereafter (Hirschi and Gottfredson, 1983) while interventions aimed at increasing desistance can be more effective for those who are older (Uggen, 2000).

- *Ethnicity.* As noted earlier, Hispanic and Latino individuals are disproportionately represented in all three priority populations and they often fare less well than white individuals and differently than other individuals of color when it comes to finding employment or staying out of the criminal justice system. The evaluation, therefore, looks at impacts for those who are Hispanic or Latino as compared to those who are not. Because the evaluation population was predominantly of people of color and contained few white-only individuals (see Chapter II), this is mostly a comparison between people of any race who are Hispanic and persons of color who are non-Hispanic.
- *Period of Enrollment.* The evaluation's interim report showed that partners faced challenges in implementing some program components in a timely manner (Geckeler et al., 2018). While leadership partners were able to build a strong framework and tools to support partner coordination, the program was well into operations before this infrastructure (e.g., the program's MIS, formal guidance around co-enrollment, tools and training to help partners coordinate service delivery, etc.) was formalized and implemented and placement and employment services were functioning.²⁴ These factors may have led to participants enrolled towards the beginning of the program receiving less robust, less well-coordinated, and less well-tracked services than those enrolled later on. For the subgroup analyses, SPR divided evaluation participants into those randomly assigned "early," during the first 10 months of enrollment (September 2015 through June 2016) and those randomly assigned "late," in the last 11 months (July 2016 through April 2017).²⁵

²⁴ Fortunately, due to the ongoing funding of later iterations of LA:RISE, the program did not face a wind-down period, which research suggests can lead to diminished quality of service delivery as staff transition to new programs and services (Wiegand & Sussell, 2015).

²⁵ Due to the way that different partners implemented LA:RISE, there was not a distinct point that marked early from late enrollment. The evaluation therefore divided the study population in half based both on an estimate of when these implementation issues smoothed out and on a desire for an even division of study participants and aligned the cutoff with the end of the fiscal year which may have marked a transition for some partners due to the changeover of grant or other leveraged funds.

- *Service Contrast.* At two of the SEs, control group members were allowed to receive the transitional employment services delivered to program group members, while still not being directly provided other LA:RISE services. This situation (described further in Chapter II) gave rise to an interesting option for the impact study: by comparing impacts for evaluation participants enrolled at these two “low-contrast” SEs to impacts for participants at the other four “high-contrast” SEs, the evaluation team could potentially isolate the impacts of the non-transitional employment services provided to program group members by observing the difference in impacts between the high-contrast and low-contrast groups, while also recognizing that different SE transitional employment programs may simply be more effective than others even without additional services.²⁶

The results of the subgroup analyses should be interpreted with caution because the size of the analytic sample is reduced in subgroup analyses. Although the law of large numbers promotes equivalence between the program group and control group, it may not do so for the subgroups (Strube, 1991). Verification that program and control group participants are equivalent for these subgroups is discussed in the respective chapters. In addition, the smaller analytic sample limits statistical power and weakens detection of effects.

3. Cost Study

The final component of the evaluation is the cost study, which the evaluation team designed to answer the following research questions:

- How did partners spend WIF grant funds for the LA:RISE pilot phase at both the system level and at the program partner level?
- How did WIF grant expenditures and costs per participant vary by partner organization and partner type?
- How much does it cost to achieve the program’s pilot phase impacts on a per unit basis?
- How cost-effective was the pilot phase of the LA:RISE program compared with the WIOA Adult and Youth programs that control group members accessed?

To answer these questions, the evaluation team collected detailed cost data from EWDD. Data sources include reports on EWDD’s overall and agency-specific LA:RISE program costs, LA:RISE program expenditure reports for each of the 13 sub-grantee service provider partners, and expenditure reports for EWDD’s WIOA Adult and Youth program providers. Cost data cover the period from July 2014, when the grant began, until January 2019; although this period is shorter

²⁶ The evaluation team also considered examining impacts by SE partner. While this analysis is of interest given the variation across SE partners (Geckeler et al., 2018), the evaluation team deemed it infeasible due to the small numbers of participants served by some SE partners. However, this issue is addressed to some extent in Chapter II and in the Technical Appendix (Appendix A).

than the full grant period, it includes all service-provider expenditure reports for fiscal years 2014-2015, 2015-2016, and 2017-2018. The evaluation team entered each reported line item of cost into one of the following categories: administrative staff and program service delivery staff costs (both direct and indirect); materials and supplies; partner provider services costs, including their labor and other costs; administrative/overhead; direct payments for things like supportive services, education, or training; and payments to participants such as stipends or incentive payments.

The cost study analysis has two parts. The first part describes the costs of operating the pilot phase of LA:RISE program—how EWDD, REDF and each partner allocated and used WIF grant funds to develop and operate the program. It provides a rundown of the aggregate, system-level costs (i.e., overall costs of program implementation) as well as costs for individual partners and type of partner. This part of the analysis considers how and why costs varied by partner and type of partner. It also takes into account the fact that each partner had somewhat different enrollment numbers, infrastructure, and (most likely) access to leveraged funds.

The second part of the cost study analyzes the cost-effectiveness of LA:RISE—that is, it determines how much it cost to achieve this pilot program’s impacts on a per-unit basis. The cost-effectiveness calculations are then given a context by comparing LA:RISE’s cost-effectiveness to that of the WIOA services available to control group members. The cost-effectiveness portion of the study is informed by the descriptive portion of the cost study and uses findings from the impact study. Further information on the cost study’s methodology and results is contained in Chapter VI.

C. Overview of the Report

The subsequent chapters of this report describe evaluation findings as follows:

- Chapter II updates the evaluation’s interim report, providing information about implementation of key program components, enrollment, evaluation participants, service delivery, and participation in services (including service delivery outputs). It provides these findings for their own sake and as context for the later chapters.
- Chapters III, IV, and V describe findings from the impact study, detailing the impacts of LA:RISE program participation on employment and earnings, criminal justice system outcomes, and linkages to housing opportunities, respectively.
- Chapter VI presents the results from both portions of the cost study: the description of program costs and the cost-effectiveness analysis.
- Chapter VII summarizes and discusses the findings of the evaluation as a whole, interpreting their overall meaning, situating them within what is known about transitional employment programs in the literature, and providing recommendations for

EWDD and REDF as well as other organizations wishing to implement transitional employment programs.

II. Program Implementation

Chapter II presents findings on implementation of the LA:RISE program. It summarizes the service delivery framework and describes the partnerships integral to service delivery. It then describes: 1) changes observed in partnerships since the interim report, 2) the participant population and the results of random assignment, and 3) the levels and types of services participants received.

Key Findings

- **The LA:RISE program supported partnerships between organizations that had not previously collaborated.** Social Enterprise (SE) and Workforce Development System (WDS) partners developed and strengthened their relationships with one another as they implemented the LA:RISE service delivery framework, enabling them to serve participants better.
- **LA:RISE partners exceeded their program enrollment goal and successfully implemented random assignment.** SEs randomly assigned 481 individuals to the program group and 482 individuals to the control group. Including veterans, who were exempt from the impact study, LA:RISE enrolled 508 program participants. Randomization also worked as planned, with no statistically significant differences between the characteristics of the program and control groups.
- **Some control group members received services at SE partner organizations both prior to and after random assignment (RA).** Evaluation participants at three SEs were drawn from participants at programs operated by these SEs, which meant that some control group members may have received some degree of service prior to starting LA:RISE. Evaluation participants at two of these three SEs also had access to transitional employment (although no other LA:RISE) services.
- **The program exceeded some service delivery goals but failed to achieve others.** More participants than planned achieved the minimum transitional employment work hours requirement and while the program did not co-enroll as many participants into WIOA as planned, far more program than control group members enrolled in WIOA. Participants also fell short of passing their job readiness assessments and there was low utilization of PSPs.
- **Successes and challenges informed program changes.** Partners pointed out the extent of participants' housing, health and other personal challenges as well as employment interests that may have impeded their retention and completion of program services. That said, staff pointed out how participants who stuck with the program achieved many personal, educational, and employment successes. Partners have incorporated these lessons into subsequent iterations of LA:RISE.

A. The LA:RISE Service Delivery Framework

As described in Chapter I, the LA:RISE program originated when the Los Angeles Economic and Workforce Development Department (EWDD) and REDF recognized that increased coordination between Social Enterprise (SE) organizations and workforce development system (WDS) providers could be an effective means of improving services to populations with high barriers to employment. With LA:RISE, EWDD and REDF brought together a wide array of partner organizations—SEs, WDS providers, personal support provider (PSP) service organizations, and employers—and created a service delivery framework that governed the coordination and unification of program services across these many different program partner organizations.

Exhibit II-1 shows this service delivery framework and maps out the intended flow of participants through the program. According to the framework, participants were to begin the LA:RISE program by co-enrolling in transitional employment services with an SE partner and WIOA services with a WDS partner (either a WorkSource for WIOA Adult program services or a YouthSource for WIOA Youth program services).²⁷ Participants were then supposed to be introduced to PSP partners during their transitional employment experience as they began to consider permanent employment. When participants began looking for a job—ideally sometime after completing 300 hours and passing the Job Readiness Assessment (JRA)—they were to receive job leads to both bridge and competitive employers from SE and WDS partners.

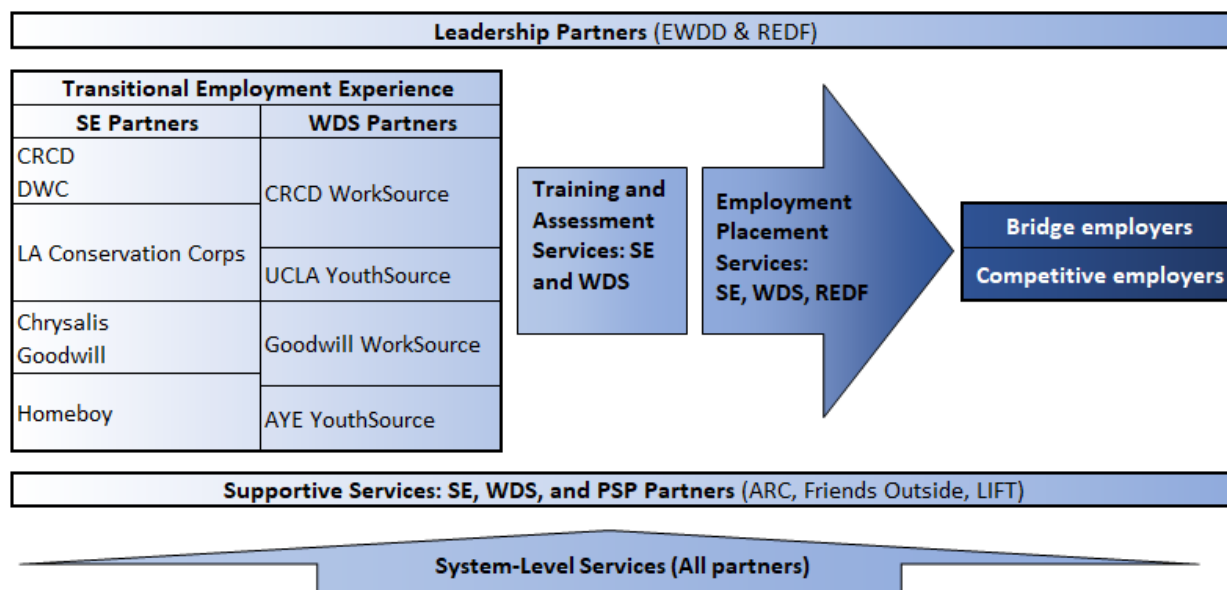
While the evaluation’s interim report found that the leadership team was able to put this service delivery framework into place and that each of the partner organizations had begun working together to implement it during the first half of the program implementation period, the implementation of LA:RISE nevertheless faced some challenges (Geckeler et al., 2018).²⁸ It was not until after the program began enrolling participants that the leadership team was able to implement the program’s management information system, a customized module (referred to as the LA:RISE module) in the state’s workforce development data system database (CalJOBS), and partners fully learned to work together to deliver program services as outlined in the framework. Other elements of the framework that partners also struggled to implement included employment placement services (as is discussed further below). The subsequent sections of this chapter discuss what occurred during the latter half of the implementation

²⁷ The WIOA Youth program is for individuals up to age 24 so younger LA:RISE participants (who were as young as 18) could be enrolled in either Youth or Adult program, depending on both fit and availability due to the ways SEs and WDS partners were matched.

²⁸ The interim report is cited frequently throughout this chapter and is not referenced after this point.

period, describing how partnerships and the service delivery framework evolved and how partners began to implement changes to the framework in later iterations of LA:RISE.²⁹

Exhibit II-1: LA:RISE Partnership and Service Delivery Framework



B. Changes in LA:RISE Partnerships

Through its complex network of partnerships, the LA:RISE program created the capacity to provide participants with a greater range of services than any one type of partner organization was able to provide on its own. After the interim report, the evaluation team noted significant changes or developments in four aspects of the program’s partnerships. SEs and WDS partners learned how to work together even more effectively; REDF, adapting to changing circumstances, continued to provide critical leadership and guidance; and PSP and bridge employer organizations encountered challenges in engaging participants.

1. SE and WDS Partners

The partnership among SEs and WDS partners was one of the more novel and promising aspects of the LA:RISE program and one that continued to show growth and increased value to partners over the latter half of program implementation. During the second round of site visits, LA:RISE program partners expressed that, overall, the program’s focus on these partnerships

²⁹ As discussed in Chapter I, EWDD and REDF have implemented subsequent iterations of LA:RISE. The subject of this evaluation is version 1.0. EWDD and REDF are currently implementing LA:RISE 5.0. While these subsequent iterations are not the focus of this evaluation, what the leadership team has learned from implementing LA:RISE 1.0 and incorporated into subsequent iterations is of interest for framing implementation lessons.

created an opportunity for WDS partners to reach individuals with high barriers to employment who they had not typically served in the past and brought new opportunities for SEs to help their participants in the long term. Because these were new kinds of partnerships, LA:RISE implementation created an opportunity for SE and WDS partners to develop the infrastructure needed to make their relationships functional and sustainable. Factors that helped support the success of these partnerships include the following.

- **Good communication was important for coordinating services.** The co-location of the Goodwill SE and the Goodwill WorkSource helped staff members communicate more easily. Other partners established communication channels over the course of LA:RISE and in later iterations of the program. For example, CRCDD's SE and WDS branches clarified roles and responsibilities and began working together more closely through the co-facilitation of transitional employment workshops. In addition, many SE and WDS partners which did not share a parent organization worked on having staff members spend time at each other's offices to make services more accessible to participants.
- **Supporting case managers was critical.** Goodwill SE, for example, hired staff members to help with administrative work related to case management, thus freeing up case managers to organize the leadership academy that provided additional job skills and work readiness trainings.

As a result of LA:RISE, program partners increased their capacity to serve the target population individually and collectively. The CRCDD WDS, for example, increased knowledge of trauma-informed care to better serve participants, something that was partly driven by and in response to the needs of DWC, one of its SE partners. At the time of the second round of site visits, staff members at Homeboy envisioned that their organization's partnership with Goodwill WDS would last beyond LA:RISE. They saw the partnership as an extension of resources, an opportunity to reach a broader population, and an expansion of their network. Similarly, DWC's partnership with CRCDD WDS became a launch point for future WorkSource partnerships, with DWC making plans to work with additional WSCs.

"It seems like our [SE] population is a rung below the mainstream population [in] accessing services. LA:RISE helps open the door for [WDS partners] to serve this population." – Chrysalis staff

Overall, it is important to note that because some later iterations of LA:RISE (specifically the versions known as LA:RISE 2.0 and 3.0) overlapped with the version that is the subject of this evaluation (aka LA:RISE 1.0), some of the growth and changes learned about and implemented at the provider level may have indirectly benefited evaluation participants (i.e., those participating in LA:RISE 1.0).

2. REDF

During the second round of site visits, staff members at several partner organizations continued to express their appreciation for the support that REDF provided in guiding the implementation of the program. The following are examples of how REDF provided technical support:

- **REDF continued to facilitate monthly conference calls and quarterly meetings and develop online tools.** Collectively, these efforts provided partners with opportunities to communicate participant services to one another. As one example, SEs engaged with PSPs during these meetings to identify pathways for participants to access legal and other supportive services, strengthen staff capacity to develop Individual Service Plans, and learn strategies to engage and retain participants.
- **REDF supported service delivery coordination activities between specific partners working with the same participants.** Specifically, REDF managed a monthly data-reconciliation meeting in which staff from SE and WDS partners met to compare and address discrepancies in participant records.
- **REDF helped partners clarify their responsibilities around tasks such as eligibility determination, recruitment, and performance reporting.** Many partner staff members expressed how REDF was able to help partners establish a common understanding of random assignment and approaches to provide more consistent messaging and expectations to participants. For example, REDF provided assistance to LACC in determining eligibility for the WIOA Young Adult Corps program. LACC staff members attribute the increase in youth participation in later iterations to the fact that REDF helped LACC identify more eligible youth.
- **LA:RISE Academy meetings provided training related to budgeting, billing, case note documentation, as well as other reporting objectives.** SEs found that these peer learning engagements encouraged dialogue within organizations and ultimately helped to shape future iterations of LA:RISE across partners.

3. PSP Partners

PSP partners were key partners in the original service delivery framework. As program implementation progressed, however, these partners struggled to engage participants. Depending on the data source used, somewhere between 26 and 46 percent of LA:RISE program participants utilized PSP services.³⁰ While all participants were supposed to receive supportive services there was not a stated goal for PSP enrollment. Still, these numbers were

³⁰ Two potential ways of counting PSP participation rates exist. The LA:RISE module, which includes data for 231 program group participants, indicates that 106 of these 231 participants received PSP services, yielding 46 percent. Alternatively, two of the three PSPs self-reported slightly higher participation numbers. Taken together with enrollment reported in the LA:RISE module for the third, brings total enrollment to 126. When taken out of the full program group (481 individuals), this yields 46 percent.

lower than anticipated. During the second round of site visits, staff members offered several suggestions as to why utilization of PSPs may have been lower than expected.

- **Implementation delays may have led to missed connections.** As noted in the evaluation’s interim report, it took some time for partners to fully embrace the service delivery framework, and this included PSPs presenting to and connecting with program participants. By the time PSPs began outreach efforts, some participants may have already moved through the program or otherwise become disconnected from it. Also, SEs may not have taken steps to ensure that the participants they referred to PSPs followed through on those referrals.
- **Partner staff members reported that some participants may have left the program for before connecting with PSPs.** The reasons offered included things like unstable housing situations impeding their ability to stay employed or simply finding other employment and disengaging with the program before the minimum transitional employment hours were met. The LA:RISE service delivery framework dictated that PSPs start engaging with participants later into the transitional employment service period and this may have been too late for some individuals.
- **Case management with multiple case managers and across multiple organizations proved challenging for staff and participants to navigate.** Some SE partner staff members expressed confusion during site visits about how the case management provided by PSPs differed from the case management provided by SEs. In part, this may have been due to differences in the roles of case managers even within SEs. For instance, Chrysalis case managers had social work experience and provided participants with referrals to supportive services while DWC case managers focused more narrowly on employment-related supports. PSPs added a layer of supportive services that in some cases overlapped with SE case manager responsibilities. Because partner staff were not aligned in their messaging to participants about how and why PSP case management was available, this may have led participants to be unclear as well.
- **Reaching out to a new agency and a new case manager could be difficult for participants.** This was especially true when SE staff members had particular skill sets related to specific populations. For example, many of the participants at DWC had experienced gender-based trauma, and perceived DWC to be a safe space with a predominately female staff. They expressed a reluctance to engage with staff members at PSPs with which they were unfamiliar.

*“I love going to Goodwill and supporting their work, knowing what they do, making sure members understand the big picture and their opportunities.”
– LIFT staff*

In response to the engagement challenges, later iterations of LA:RISE saw some changes in the ways in which the program sought to provide the additional support services that PSPs were to provide. On the one hand, PSP organizations underwent some changes. For instance, LIFT transitioned out of the PSP role, as the organization narrowed

its target population to women with children under the age of nine. Meanwhile, Chrysalis began serving as both SE and PSP provider, thus helping to overcome some of the challenges around clear delineations of case management services. For those PSPs that remained as partners in later iterations of LA:RISE, subsequent efforts included better defining partner roles, strengthening communication channels, and building the capacity to co-manage cases.

4. Bridge Employer Partners

As with PSPs, LA:RISE utilized bridge employer partners less frequently in later iterations of LA:RISE. As described in the interim report, bridge employers differed from competitive employers in that they were developed through REDF's employer network and were small- to medium-sized industries open to hiring people with backgrounds like those of the LA:RISE priority populations. Initially, bridge employers were intended to provide subsidized employment that would form a "bridge" from transitional to permanent employment. However, the subsidy aspect proved difficult to implement for these smaller employers due to the burden of needing to get on WIOA funded on-the-job training (OJT) provider lists with WDS partners. In addition, the temporary nature of this employment never fit well with these employers' needs. Relatively soon into implementation, bridge employers simply became an alternative to competitive employers with the hope that they offered a strong alternative to competitive employers given that they would be more sensitive to the needs and particular barriers of people in the program populations. However, it turned out that these employers simply had too few openings and the openings that did exist were not necessarily timed well with the needs of program participants. Furthermore, the different ways in which bridge employers needed to be coordinated through REDF's network may have posed a barrier when it came to placing participants.³¹ As it turned out, the opportunities presented by the competitive employers were easier for partners to manage and more plentiful, and so while the program never abandoned bridge employers, placements to them remained low.

C. Intake and Enrollment

The intake and enrollment of individuals into the LA:RISE program and the evaluation took place from September 2015 to April 2017. Once participants were recruited and their eligibility determined, they were randomly assigned into either the program group or the control group. This section of the report reviews findings related to these processes and puts them into context for the impact study.

³¹ Leadership partners informed SE and WDS partners about bridge employment opportunities while SE and WDS partners placed individuals with competitive employers directly.

1. Recruitment, Eligibility Determination, and Random Assignment

The SE partners were responsible for recruiting participants into the LA:RISE program, determining their eligibility for the program and conducting random assignment. To recruit participants, they relied on four existing recruitment approaches: 1) recruiting participants from other programs within the SE parent organizations; 2) conducting outreach to potential participants and their family members at community activities and events; 3) taking referrals from other agencies; and 4) relying on word-of-mouth referrals from past participants. Together, these approaches helped SEs meet their recruitment targets.

Once participants had been recruited, SE staff members determined if these potential participants were eligible to be in the LA:RISE program according to the criteria provided by the leadership team (see the “LA:RISE Program Eligibility Criteria” box). An individual also had to be in the demographic group served by the SE (women at risk of homelessness for DWC, gang-involved or previously incarcerated individuals for Homeboy, and opportunity youth for LA Conservation Corps and CRCD).

The process of random assignment began with SEs orienting all interested individuals to the evaluation; this involved providing them an overview of the evaluation and the random assignment process as well as conveying what it meant to participate in the evaluation. These individuals watched a video and were given an opportunity to ask questions prior to consenting to participate. Once they completed a consent form, these individuals then filled out a baseline information form, which captured demographic and background information.

For random assignment itself, staff members entered participant information into the evaluation’s online random assignment system, which ensured that each participant had a 50 percent chance of being placed into the program group and a 50 percent change of being

LA:RISE Program Eligibility Criteria

To be eligible for the LA:RISE program, individuals had to meet the following criteria:

- be at least 18 years old
- be unemployed, underemployed, or in stop-gap employment and express interest in long-term employment
- exhibit a barrier to employment (criminal background, housing instability or history of homelessness, long-term unemployment, or being an opportunity youth)
- be eligible to work in the U.S.
- must not have received Individual Training Account funds or on-the-job training through WIOA within the past two years
- must not have been enrolled at a WorkSource or YouthSource (not in LA:RISE) for more than 90 days or have had direct costs expended on them (to allow them to transfer to an LA:RISE-affiliated WorkSource or YouthSource)
- have enrolled in selective service (if male)

placed into the control group. SE staff members then communicated the results of random assignment to evaluation participants either (at Chrysalis this was done in a group setting; at the other five SEs, individually). Those placed in the program group were considered enrolled into the LA:RISE program, which began with the transitional employment experience provided by the SE partner and included co-enrollment into WIOA with the WDS partner. Control group members could access all other services available to them in the community. Further information on services received by control group members is provided below.

2. Enrollment Results

Recruitment and enrollment into both the LA:RISE program and the evaluation progressed mostly as anticipated. The LA:RISE program was able to enroll 508 individuals, slightly exceeding its goal of 500 (Exhibit II-2). However, reaching this number required leadership partners to shift enrollment targets for some SEs and extend the intake period from February 2017 to April 2017.³² These changes in planned enrollment, along with overall program and evaluation enrollment numbers, are shown in Exhibit II-2.

Exhibit II-2: Enrollment Targets and Results by SE

SE Partner	Original Program Enrollment Goal	Revised Program Enrollment Goal	Total LA:RISE Program Enrollment	Evaluation Participants	
				Program Group	Control Group
Chrysalis	160	180	182	173	173
CRCD	60	No revisions	60	60	62
DWC	10	No revisions	12	11	7
Goodwill	45	65	69	52	53
Homeboy	55	35	35	35	36
LA Conservation Corps	170	150	150	150	152
Total	500	500	508	481	482

SOURCE: The LA:RISE random assignment system

Also shown in Exhibit II-2 is that fewer people were enrolled in the evaluation's program group than in the program itself (i.e., only 173 of the 182 individuals in the program were in the program group). Most of this discrepancy derives from US DOL's stipulation that veterans

³² For further discussion around the SEs recruitment approaches and the challenges they had in making their recruitment goals, see the evaluation's interim report (Geckeler et al., 2018).

granted entry into the program were to be exempted from random assignment.³³ At the point of eligibility determinations, SEs identified 26 veterans who were then placed into the program but not into the evaluation (i.e., they did not go through random assignment). In addition, one participant withdrew from the evaluation but remained in the program.³⁴

The composition of the 963 evaluation participants and the differences between program and control group members are shown in Exhibit II-3. Overall, the evaluation population resembled what one might expect given the program's commitment to serving its three priority populations.³⁵ Exhibit II-3 also shows that randomization worked as planned. There were no statistically significant differences between key characteristics of the program and control groups. The key features of the evaluation population are enumerated below:

- In terms of gender, males outnumbered females by more than two to one.
- In terms of race and ethnicity, nearly half of the evaluation participants were Hispanic, more than 80 percent of non-Hispanic participants were African American and fewer than 10 percent of non-Hispanic evaluation participants were white.
- In terms of the priority populations,
 - more than half the evaluation participants were youth, ages 18 to 24 years old, with the other half evenly distributed across older participants;³⁶
 - about two-thirds of the evaluation population lacked access to stable housing and were temporarily staying with friends or family, in transitional housing, on the street, or other place not meant for human habitation; and
 - about half the evaluation participants reported involvement with the criminal justice system, including arrests, convictions, incarcerations, or being on parole/probation.

³³ According to US DOL Training and Employment Guidance Letter 10-09, veterans are to be provided priority of service when it comes to WIOA and thus DOL determined that veterans were not to be excluded from Workforce Innovation Fund services for research purposes.

³⁴ Out of the control group, two people were withdrawn from the evaluation. One person withdrew voluntarily and was never included in any study participant counts. The other person was identified as ineligible for the program and subsequently withdrawn. However, this second person was only identified after the release of the evaluation's interim report. Thus, that report (Geckeler et al., 2018) incorrectly lists the number of evaluation participants at 964 and control group members as 483.

³⁵ Because the 26 veterans and anyone who withdrew from the study did not consent to allowing their information to be included in the study, this report only includes information on the 963 study participants.

³⁶ While not all the youth, ages 18 to 24 were opportunity youth, because of the program's eligibility requirements, most were since they were either also out of school or out of work.

Exhibit II-3: Baseline Characteristics of Program and Control Group Members

Characteristics	Program Group (%)	Control Group (%)	Difference (%)
Gender			
Male	70.7	70.3	0.4
Female	29.3	29.7	-0.4
Age			
18 to 24	53.4	54.4	-1.0
5 to 34	11.6	10.4	1.2
35 to 44	10.8	12.4	-1.6
45 to 54	15.6	16.2	-0.8
55 or older	8.5	6.6	1.9
Hispanic/Latino heritage	44.0 (480)	48.0 (481)	-4.0
Race, Non-Hispanic			
African American	81.8 (269)	85.2 (250)	-3.4
White	10.4 (269)	6.4 (250)	4.0
Other Non-Hispanic Race ¹	7.8 (269)	8.4 (250)	-0.6
Housing status			
Own or rent	32.6	33.0	-0.4
Halfway or transitional	14.6	14.1	0.5
Staying with someone	35.6	30.5	5.1
Homeless	14.3	18.3	-4.0
Other housing status ²	2.9	4.1	-1.2
Education level achieved			
Less than HS diploma	41.0	43.2	-2.2
HS diploma/equivalency	45.3	41.7	3.6
More than high school	10.0	12.2	-2.2
Other education ²	3.7	2.9	0.8
Have a disability	12.6 (475)	14.1 (476)	-1.5
Had a job in the past five years	64.3 (420)	66.3 (421)	-2.0
Received public assistance³			
TANF	4.2	3.5	0.7
SSI/SSDI	7.1	8.3	-1.2
General relief	26.8	22.6	4.2
SNAP	32.8	34.2	-1.4
Other public assistance ²	2.5	2.3	0.2
History with the criminal justice system			
Ever arrested	53.9 (477)	56.5 (480)	-2.6
Ever convicted	45.5 (477)	48.3 (478)	-2.8
Ever incarcerated	45.5 (475)	46.9 (478)	-1.4

Exhibit II-3: Baseline Characteristics of Program and Control Group Members (continued)

SOURCE: The LA:RISE random assignment system and participant baseline information form

NOTES: The full evaluation sample includes 481 program group members and 482 control group members. Variables with sample sizes less than the full sample (because some participants left all items for that question blank) are indicated in parentheses () after the percentage.

¹Other non-Hispanic race includes anyone who indicated that they were non-Hispanic and one of the following race categories that were too small to report individually: Asian, American Indian/Alaska Native, Native Hawaiian/Other Pacific Islander, multi-racial, other, or unknown.

²Other housing, education, and public assistance includes responses to open-ended questions not identifiable or categorizable.

³TANF = Temporary Assistance for Needy Families; SSI = Supplemental Security Income; SSDI = Social Security Disability Insurance; SNAP = Supplemental Nutrition Assistance Program

* indicates the difference between the program and control groups is statistically significant at the .05 level.

- In terms of other notable characteristics,
 - employment history was limited, with around one-third reporting not having had a job within the last five years;
 - educational attainment was low, with over 40 percent not having a high school diploma or its equivalent and only about 10 percent having anything more than a high school diploma or its equivalent; and
 - the general financial need was high, with about two-thirds reporting receiving some type of public assistance and a considerably higher use of assistance such as SNAP and general relief as opposed to assistance like TANF.

3. Control Group Member Access to LA:RISE-Like Services

One other important finding about how SEs enrolled participants is that some control group members had access to services delivered to program group members by SE partners. In particular, three SE partner organizations recruited participants primarily from other (non-LA:RISE) programs and services offered by the SE parent organization, thus delivering a set of services to both program and control group members prior to random assignment. Also, in the case of two SE partners, control group members were allowed to receive the same transitional employment services delivered to program group members after random assignment. Exhibit II-4 summarizes these occurrences.

At the three SEs where all evaluation participants received services prior to random assignment, recruitment and enrollment procedures were built around individuals having previously engaged in programs at the SEs, typically those that delivered training, work readiness classes, and even internships:

- **At DWC**, interested applicants had to complete a pre-employment training program (called Set to Work 1) to be able to enroll in LA:RISE.

- **At Chrysalis**, individuals completed two to four weeks of pre-employment training, including computer classes and resume development, before applying to LA:RISE.
- **At Homeboy**, participants had to be enrolled within the transitional employment program for approximately 60 to 90 days prior to LA:RISE enrollment.

Exhibit II-4: SE Services Available to Control Group Members Prior to and After Random Assignment

SE Partner	All evaluation participants received SE program services prior to RA	Control group has access to SE-provided transitional employment after RA
Chrysalis	Yes	Yes
CRCD	--	--
DWC	Yes	--
Goodwill	--	--
Homeboy	Yes	Yes
LA Conservation Corps	--	--

SOURCE: Implementation study site visits

These pre-random-assignment services were less intensive than and not nearly as long as LA:RISE program services. They were also offered to much broader, less-selective groups of individuals, many of whom were not otherwise eligible for LA:RISE. Furthermore, SEs used these activities to screen for individuals who were not work-ready and who would otherwise be good candidates for LA:RISE. Nevertheless, due to these procedures, LA:RISE control group members at these three SEs received services that were in many ways like LA:RISE services. Thus, they may have been better prepared to seek out work on their own than control group members at other SEs, potentially diminishing impacts of LA:RISE.³⁷

The two SEs that provided control group members with access to the same transitional employment services offered to program group members were not willing or able to restrict these services to program group members.³⁸ While control group members did access these transitional employment services, they did not receive other aspects of the LA:RISE program—

³⁷ At the other three SEs (CRCD, Goodwill, and LA Conservation Corps), LA:RISE candidates were new to the SEs and did not receive services through these agencies prior to RA. There was some degree of screening—involving interviews, multiple appointments, and other activities—that was designed to determine eligibility and identify a level of commitment to and interest in the program but not prepare individuals for work. At one end of the spectrum, Goodwill's screening activities were minimal. At the other end of the spectrum, CRCD's one- to two-week orientation included daily exercise sessions and all-day group activities.

³⁸ One partner had ample funding to supply transitional employment services and it was therefore arguably not ethical to withhold these services.

including coordinated co-enrollment into WIOA, coordination and delivery of services by PSPs, or access to bridge employers—and they were not subject to the same employment and work readiness requirements intended to improve their long-term employability (though they could potentially seek out such services on their own). The treatment of evaluation participants at these two SEs, as is noted in the discussion of subgroups in Chapter I, offers some interesting possibilities, but also caveats, for the impact study. On the one hand, the overlap in treatment between control group members and program group members diminishes the ability of the evaluation to detect impacts. On the other hand, this situation offers the potential to measure the added value of non-transitional employment services offered by the LA:RISE program over and above transitional employment services.

There are two additional ways in which control group members may have received program group services, thus affecting the ability of the evaluation to detect impacts. First, as indicated by the LA:RISE MIS, seven control group members (across SEs) were enrolled in later iterations (2.0 and 3.0) of the LA:RISE program and may have received at least some LA:RISE program services, even if these services were part of a later iteration of the program. Also, control group members in general had access to many of the same services delivered to LA:RISE program group members. In particular, control group members were eligible to receive both WIOA and PSP partner services, and WIOA services were certainly accessible since some of the SE providers operated WorkSource centers that partnered with LA:RISE. Control group members who availed themselves of these services, however, would not have benefited from any coordination of services between partners as was the case for program group members, or from any other program benefits such as incentives offered by PSPs for employment verification. Furthermore, they would have had to seek out these services on their own. Fortunately, as is discussed further below, enrollment in WIOA for control group members seems to have been relatively low, which suggests that most participants did not avail themselves of these services.

D. Service Delivery

According to the LA:RISE service delivery framework (Exhibit II-1), participants were supposed to achieve three key milestones, intended to prepare them for long-term employment: co-enrollment into WIOA (alongside transitional employment through an SE partner), successful completion of a Job Readiness Assessment (based on attaining a certain score on a customized exam at least twice), and completion of at least 300 hours of transitional employment. While working on these milestones, participants received case management, training, supportive services and employment placement services. The following sections discuss how these various aspects of service delivery were implemented over the life of the program; the focus is

primarily on accomplishment of program milestones not shared in the interim report and changes in service delivery that occurred after the preparation of that report.

1. New Service Components

Three over-arching lessons emerged from the early implementation of LA:RISE that motivated partners to make changes to the service delivery models. In each of these cases, partners developed additional capacity and adapted their services in response to participants' needs. Although most of the significant changes occurred in later iterations of LA:RISE, some were made during the period of operation being evaluated in this report.

First, during site visits, partners shared that some participants lacked interest in the specific career paths offered in the transitional work experiences. Furthermore, leadership partners indicated that SE partners did not consistently communicate to participants how the LA:RISE transitional work experience helped build transferrable skills that could be utilized in other settings. In later iterations of LA:RISE, partners invested in supportive services to help participants identify which career pathways were of interest to them. For example, DWC began conducting motivational interviewing during informal meetings as a way of helping participants create tailored professional development plans.³⁹

Second, partners expanded their transitional employment opportunities into new areas. For example, in partnership with the California Department of Transportation, Chrysalis developed a new transitional employment track involving highway litter abatement and brush trimming specifically for individuals on probation and parole. Chrysalis also leveraged its existing staffing services to create a form of bridge employment for clients who had not yet developed the hard skills needed to obtain a job with competitive employers, allowing them to apply to its staffing agency and gain additional experience through temporary employment. Goodwill added two new certifications and began partnering with New West Technical Academy to broaden the types of skills trainings offered to participants.

Because many participants struggled to meet expectations during the transitional employment experience, SEs recognized a need to provide them with more support. Some examples of additional changes SEs made include the following.

- Throughout LA:RISE, Homeboy provided participants with employment support from “navigators” who worked with the cohort. Navigators had completed an 18-month program to train them as peer mentors. In later iterations, staff members also established one-on-one relationships with participants to provide additional support throughout their transitional employment.

³⁹ Motivational interviewing is a goal-directed, client-centered counseling method for eliciting behavioral change by helping clients explore and resolve ambivalence (Amodeo, et al., 2011)

- Initially, Chrysalis employed two supervisors to provide formal feedback to participants. In order to strengthen the supervisory structure, Chrysalis hired a Program Manager to provide continuous, informal feedback for participants during daily field visits. This additional support reduced the need for official check-in meetings, which, in later iterations of LA:RISE, were reduced in frequency from six per year to three.
- Goodwill developed a Leadership Academy to provide participants with soft skills training that accompanied their transitional employment.

Third, in later iterations of LA:RISE, partners responded to participants' requests for legal support, referrals for expungements and felony reductions, and support in obtaining documentation for IDs. Chrysalis created a partnership with Restoration Law Center, Goodwill developed a restorative justice program, and AYE began providing information about employment law for participants.

2. Co-Enrollment in WIOA

All LA:RISE program participants were supposed to be co-enrolled into either the WIOA Adult or Youth program almost immediately upon beginning to receive LA:RISE services.⁴⁰ The evaluation team therefore wanted to confirm whether co-enrollment occurred as planned. To do so, the evaluation team examined data from the CalJOBS system, which WorkSources and YouthSources use to track WIOA participation. As shown in Exhibit II-5, 77 percent of program group participants had at least some level of WIOA service activity within one year after random assignment—a substantial improvement over the 5 percent of program group members who received WIOA services in the year prior to random assignment. Also, the 77 percent of program group members receiving WIOA services in the year after random assignment was substantially greater than the 12 percent of control group members that received WIOA services in the year after random assignment. In this regard, the program was clearly successful in encouraging co-enrollment.⁴¹

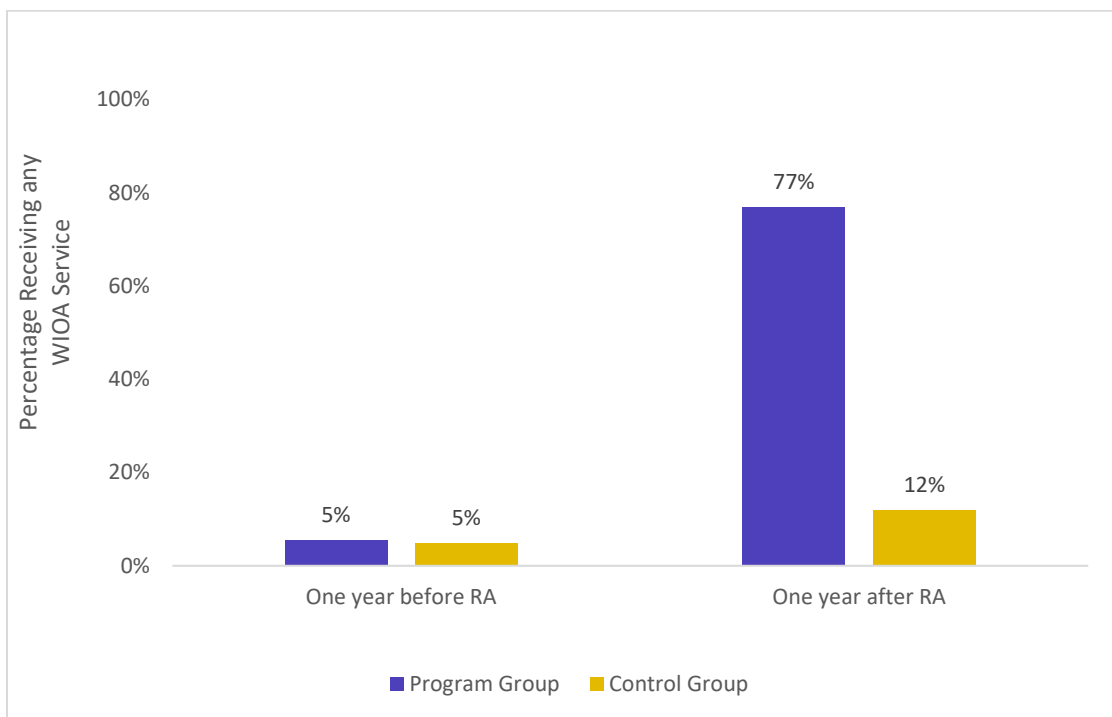
However, these data also tell another story: 23 percent of LA:RISE program group members did not enroll in WIOA as intended. Site visit interviews identified a few possible reasons why co-enrollment in WIOA was not higher.

⁴⁰ Whether participants enrolled in the WIOA Adult or Youth program was determined by participant age and appropriateness of the services for the individual participant. It was also, to some extent, directed by the specific SE/WDS partnerships as shown in Exhibit II-1. In other words, some SE partners only worked with WorkSources that provided Adult program services.

⁴¹ Even though co-enrollment was supposed to happen immediately after the start of LA:RISE, the evaluation team examined receipt of WIOA services at up to two years after RA. Within that time frame, receipt of WIOA services increased slightly to 79 percent of program group members and 17 percent of control group members.

- As discussed in the interim report, SE and WDS partners did not have well developed procedures around co-enrollment for much of the early implementation period. Some partner staff members were not clear about the timeline and process for co-enrollment.
- According to staff members, some participants did not provide all the documentation necessary to complete co-enrollment, or did not provide their signatures, and thus were never enrolled.
- Some participants left the LA:RISE program (e.g., they found work or simply became disconnected) before co-enrollment could occur.

Exhibit II-5: Percentages of LA:RISE Evaluation Participants Receiving Any WIOA Services, One Year Before and After Random Assignment



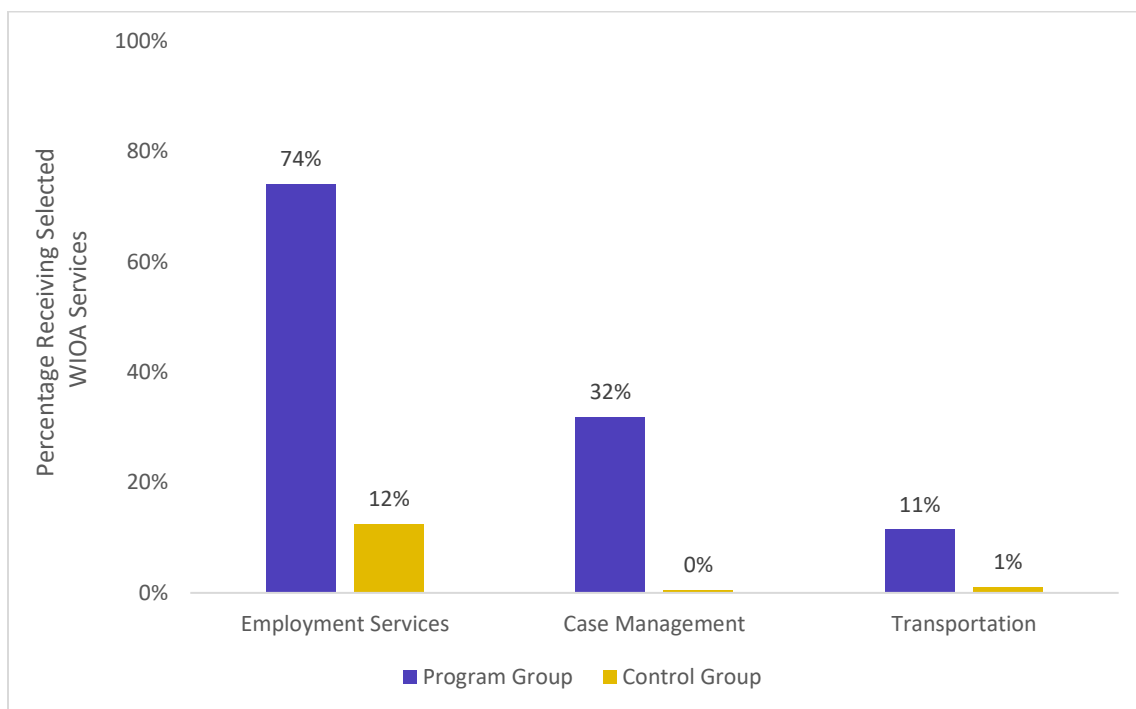
SOURCE: CalJOBS

3. WIOA Services

The evaluation also examined which WIOA services LA:RISE evaluation participants received, once enrolled. While these results are only based upon those receiving services and thus the program and control groups are not truly random, Exhibit II-6 shows that that program group members received several WIOA employment-related services (e.g., job clubs, job search and placement assistance, career guidance and planning, and pre-employment training), case management services, and transportation services at substantially higher rates than did control group members. In fact, almost no control group members received case management and

transportation services through WIOA. And these findings align nicely with the information shared by LA:RISE program staff, including how WDS partners were often responsible for helping with the employment placement services that participants needed and how transportation was a barrier that many individuals faced, especially when trying to find work.

Exhibit II-6: Percentages of LA:RISE Evaluation Participants Receiving Different Types of WIOA Services within One Year of Random Assignment



SOURCE: CalJOBS

4. Job Readiness Assessment

The LA:RISE service delivery framework established that participants should pass a job readiness assessment (JRA) prior to receiving employment placement services through the program (passing required reaching a certain score at least twice). The intention was to ensure that participants had mastered the soft skills they would need to retain a job once placed. REDF developed the JRA through a review of the skills required for more than 10 worker certifications and with input from SEs and employers such as Starbucks, Disney, and the Cheesecake Factory. It assesses 18 factors grouped into four areas (workplace performance, communication and attitude, attendance and punctuality, and workplace appearance).

The goal was to have at least 50 percent of participants achieve this milestone. According to the LA:RISE MIS, only 43 percent of program participants did so. In interviews, partner staff members discussed several reasons why more participants may not have achieved this

milestone. One reason may have had to do with personal readiness. Unstable housing resulted in an automatic failure, as did the presence of a chronic health conditions. A group of Chrysalis staff members, for example, noted that while many participants were able to pass the employment section of the JRA, it was these personal readiness categories that were the obstacle. Interviews also suggested that because scoring criteria were subjective, some staff members could impose higher standards than others. Other interviews suggested that low scores for some participants may have been due to not receiving supportive services. For example, some participants at Downtown Women’s Center may have scored higher on personal readiness had they received case management services.

REDF and EWDD addressed some of these potential shortcomings of the JRA in later iterations of LA:RISE. To reduce automatic failures based on unstable housing, chronic health conditions, and related personal issues, scores on only the employment and personal stability sections were counted towards meeting the job-readiness requirement. REDF and EWDD also made several other changes to the JRA based on lessons learned in implementing LA:RISE. The assessment was simplified and, to minimize the subjectivity of scoring, more than one staff member scored each JRA and the scorers met to discuss their rationale before finalizing scores. In addition, REDF provided JRA preparation workshops, allowed additional time for improvement between JRA testing episodes, and increased scheduling flexibility for participants with time conflicts.

5. Fulfillment of the 300-Hour Work Requirement

Participants were also supposed to have completed at least 300 hours of transitional employment prior to being referred to employment placement services through the LA:RISE program. Given that participants typically worked at their transitional employment job less than full time—they spent several hours each week meeting with case managers, receiving supportive services, and engaging in classes and other activities—the 300-hour work requirement meant that participants were typically working at least 10 weeks. Given the way some partners incorporated other components (e.g., secondary education for youth programs, job training classes, and additional supportive services) into the SE transitional employment experience, participants at some SEs worked even longer.

The program goal was to have at least 50 percent of participants pass this milestone. According to the LA:RISE module, 62 percent of participants did so. While this meant that the program exceeded its goal, the evaluation still looked into what may have helped to improve things further. Partners felt that the main reason more participants did not achieve the 300-hour goal was that many left the program before they accumulated the 300 hours. This issue of retention is discussed further in the challenges section below.

6. Job Search and Placement Services

As discussed in the evaluation's interim report, LA:RISE program partners were still developing job search and placement services midway through implementation. They had placed few participants in employment and were still developing the bridge employer aspect of the program. After that time, partners continued to develop these services and participant take-up of them increased, even as partners experienced new challenges in helping participants find employment such as the challenges noted about around working with bridge employers.

As indicated earlier, 77 percent of LA:RISE program participants engaged in WIOA employment services within one year of random assignment. In addition, participants engaged in some search and placement services through SE providers. SEs encouraged participants to guide their own job search using Individual Service Plans or similar plans, and some provided job search databases for participants to use. As described in the Interim Report, case managers utilized a range of tools to track participants' progress towards employment goals, but most used some kind of individual service plan that tracked barriers and progress towards goals and updated these every few months. In addition, SEs and WDS partners provided referrals to jobs, shared postings, job fairs, and hosted employers at their sites.

Leadership partners found that placement services were inconsistent across SEs and that larger SEs had a stronger emphasis on business development and greater capacity to provide job development services than smaller SEs.

As LA:RISE progressed to later iterations, SEs and WDS partners became more engaged in making employment connections. Additionally, as LA:RISE became more widely known, public and private employers became more actively engaged in seeking potential employees through the program. For example, the Los Angeles Department of Health Services recruited LA:RISE participants at Chrysalis for community health worker positions. Other employers included Chrysalis Staffing, Skid Row Housing Trust, W Hotel, Ace Parking PF Candles, The Little Market, Pacifica Palisades, Weingart, and other companies offering custodial, food service, security, and caregiving jobs. Chapter III address the actual impact the program had on employment.

E. Implementation Successes and Challenges

This section explores a number of broader successes and challenges partners experienced in implementing LA:RISE, as well as the implications of these for the future of the program.

1. Staff Perceptions of Success

During second-round site visits, staff members at different partner organizations talked about how the formal benchmarks of participant success in LA:RISE did not necessarily gauge success in the overarching goal of securing stable employment. They pointed to many anecdotal

examples of participants finding permanent employment or other means of ensuring an income. For example, one of DWC's participants left LA:RISE early to pursue a grant from the Center for Innovation, which funded the launch of her own fashion business.

Staff members also identified other kinds of achievements that were meaningful to staff and participants outside of employment. These included showing up on time, completing a work task, identifying a new career path, developing a plan to gain permanent employment, taking the transitional employment position seriously, making a positive transition of any kind, becoming more positive about life, building confidence, or meeting self-identified goals.

AYE staff members suggested that success could also be defined by the achievement of an educational milestone such as obtaining a high school diploma or certificate. Finally, other staff members identified milestones that, while outside the LA:RISE program model, emerged as key components of success, such as obtaining permanent housing, having a criminal record expunged, or re-connecting with family members.

"I am a member of a team here. My input matters and they encourage me to speak on it. I've had different supervisors. For one, it was based on his recommendation that I was given a promotion."

-- Chrysalis participant

2. Housing Challenges

A lack of permanent housing was a major obstacle for many LA:RISE participants. When asked about the biggest challenges they had in working with LA:RISE participants, Goodwill, Chrysalis, and Homeboy staff members identified participants' housing instability as the primary challenge. Staff members at DWC, LACC, and CRCD also discussed housing instability as a key barrier to participants successfully completing transitional employment, as well as in meeting other program milestones. Chrysalis staff members observed that it was difficult for participants to simultaneously pursue housing and employment opportunities because both require lengthy time commitments, completion of various assessments and paperwork, in-person interviews, and often long wait periods. Chrysalis staff members explained that many of their participants with housing vouchers had not yet been placed in housing due to the lack of

"Thriving means having housing, re-engaging in careers or education... For example, one participant gained housing and then regained custody of her child. Another was able to pay rent and connect to employment. Another was able to gain citizenship..."

-- LIFT staff

available units. Staff members at Chrysalis and DWC found that challenges associated with homelessness caused some participants to leave the program prior to completion.

As the shortage of affordable housing became increasingly problematic and as the incidence of homelessness in Los Angeles grew (see Chapter 1), LA:RISE participants became more vulnerable to housing instability. Goodwill and DWC staff members found that more participants were staying with family members or living in shelters, cars, or encampments as LA:RISE progressed to later iterations. As described above, participants who experienced homelessness during LA:RISE faced compounding barriers to successful program completion.

3. Retention Challenges

Many of the challenges discussed throughout this chapter were attributed in large part by staff members to difficulty in retaining participants in the program. Interview respondents offered several reasons why retention was an issue.

First, staff members at several SEs found that many participants were not interested in the kinds of transitional employment available through LA:RISE. While an important goal of SEs' transitional employment programs was to develop soft skills that would prepare participants for a broad range of career paths, it was the structuring of SE services within specific industries that staff noted often stood out to participants. A related challenge involved SE staff learning to effectively communicate to participants how the training experiences and skills gained would be transferable to many industries. LA:RISE program administrators believed that a failure to communicate this effectively to participants may have led to a perception of constraint that discouraged some participants from continuing with the program. Additionally, partner staff observed that vocational trainings that were sometimes available to participants, such as those focused on solar panel installation, felt like full-time jobs without the full-time wages.

"How can you help a client seek employment when they are sleeping on the street? You have to realize that some things take priority in the moment."

-- Chrysalis staff

Interviews with SE staff members also revealed that some participants left the program because of personal barriers including lack of housing, insufficient family support for their involvement in the program, family crises, personal crises, or health issues. Additionally, AYE staff members, who primarily worked with youth participants, noted during interviews that participation in LA:RISE sometimes inspired some individuals to

continue their education, and left the program early for this reason. Finally, interviews with staff members at SEs and leadership partners revealed that some participants left because they found employment opportunities. Thus, while much of the attrition was likely due to challenges too difficult for participants to overcome, others may have been the result of positive events for participants.

To address retention issues, LA:RISE Academy meetings provided an opportunity for partners to review placement numbers and to discuss supportive services available to encourage participants to stay engaged (e.g., the Earned Income Tax Credit, housing resources, legal services, and immigration services related to the Deferred Action for Childhood Arrivals (DACA)). In later iterations of LA:RISE, CRCD leveraged funding for stipends for vocational training to provide the financial support needed to address housing or health needs and to offset the opportunity cost of program participation in lieu of employment.

F. Summary and Conclusion

Over the course of implementing the program, the evaluation team found that LA:RISE leadership organized a widespread group of partner organizations to implement a well-thought-through service delivery framework designed to provide participants with the services they needed to overcome many of their barriers and find long-term employment. The evaluation team also found that partners were able to organize and implement this service delivery framework as planned, and that SE and WDS partners were able to work together to coordinate the delivery of both transitional employment and workforce system services. SEs were also successful in implementing random assignment, meeting their enrollment goals, and enrolling participants that fit the description of the program's three priority populations.

However, other aspects of implementation were less successful. While participants met some of the programs service delivery goals, they fell short in other areas. The program also encountered some challenges when it came to coordinating services with PSP partners and bridge employers. Finally, a range of personal issues and other barriers may have prevented participants from staying with the program for longer.

Overall, the implementation study found that LA:RISE had much to offer participants. As interview respondents noted, participants who stuck with the program achieved many successes, including personal transformation, improved education, and stable employment. Also, despite not meeting its goals, the program made some remarkable progress in helping participants get there such as getting 77 percent of participants co-enrolled or 62 percent to their 300-hour mark. Finally, program leaders and partner agencies learned much about implementing a program of this scale. LA:RISE has already evolved over four subsequent iterations with many of the lessons learned being incorporated into program modifications: the use of PSPs has been scaled back by bringing long-term support services for many participants under the umbrella of SEs; the approach SEs use in administering the JRA has been modified; SEs have targeted employment placement services based on participants' interests; and partners have learned to better coordinate services.

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III. Impacts on Employment and Earnings

LA:RISE leadership partners, EWDD and REDF, designed the program to help individuals from the program's three priority populations find a job and increase their earnings. The program was also designed to have a lasting effect on participants' employment and earnings. This chapter examines the impact the program had on employment and earnings for participants in the 12-quarter follow-up period, beginning with the quarter of random assignment (RA).

Key Findings

- **LA:RISE had a positive impact on employment during the first three quarters of the follow-up period, but there were no impacts in subsequent quarters.** Peak impacts were realized in the quarter after random assignment (RA), when 62 percent of the program group was employed, compared to 54 percent of the control group. The program group and control group had similar rates of employment, that fluctuated around 50 percent, between the third and eleventh quarter after RA. The impacts on employment appear to be closely related to the transitional employment provided by SE partners.
- **LA:RISE had no impact on earnings over the follow-up period.** Earnings for both program and control groups consistently increased over the follow-up period. This upward trend is not surprising given that the individuals that sought SE services were seeking to re-enter the labor market. But at no time during the follow-up period was the difference in wages between groups statistically significant.
- **LA:RISE appears to have had a sizeable impact on employment and earnings for participants at one SE type.** Two SEs were part of the high-contrast subgroup (i.e., control group members were not offered any LA:RISE services) and served adults of all ages (as compared to those which served only opportunity youth, 18 to 24). For this subgroup, impacts on employment reached a 41-percentage point difference in the quarter after RA and while they decreased, they lasted until the eighth quarter after RA. Impacts on earnings were observed in 10 out of 11 quarters with the peak difference in average earnings (\$2,031) occurring in the 11th quarter after RA. No positive impacts on employment and earnings were observed at low-contrast SEs and SEs serving only opportunity youth.
- **Across other subgroups, there were minimal deviations from the evaluation's overall employment and earnings findings.** The limited impacts observed for subgroup categories other than SE type or between subgroup pairs supported the impact findings for the full evaluation sample and the SE type analysis.

A. Data Sources and Limitations

To analyze employment and earnings impacts, the evaluation team obtained wage data for all evaluation participants from the California Employment Development Department (EDD). The evaluation team obtained quarterly wage and employer data from the third calendar quarter (July through September) of 2013 through the first calendar quarter (January through March) of 2019. These data enabled the evaluation team to examine employment, earnings, and employers for all 963 evaluation participants (481 program group members and 482 control group members) for at least eight quarters prior to the quarter of RA¹ and an eight-quarter period after RA (including the quarter of RA). In subsequent quarters, sample sizes progressively decreased (since random assignment ended in April 2017 and there were no more than two years of data for these individuals and thus the full sample). Due to this reduction in sample size and the associated diminished analytic power, the evaluation team decided to examine data during a 12-quarter follow up period which begins with the quarter of RA (Q0 through Q11). For calculations involving the final quarter in that period, the evaluation sample was reduced to 51 percent of the full sample (245 program group members and 245 control group members).

There are two potential limitations to these data, both having to do with individuals not being included in the data. First, the data do not contain information on the approximately 5 percent of workers not covered by the state's unemployment system, which includes individuals such as those who are self-employed or employed by the federal government.² The wage data also do not include individuals who obtained employment in other states. In both cases, the instances of non-inclusion are likely low because of the types of jobs participants tended to have and because the program is located in an area which does not border on nearby states. As a result, the employment rates reported in this chapter are considered a lower bound, but since these limitations would likely affect both program and control group members equally, the actual rates are unlikely to be different from those reported.³ Second, the wage data do not capture any unreported employment (e.g., payment for work that an employer does not report) (Czajka et al., 2018). While this limitation exists for both program and control group members, it is possible that control group members, with their less-supported work experiences, are more likely than program group members, who received transitional employment through the

¹ The evaluation team collected wage records prior to RA in order to create covariates in the regression modeling shown in Appendix A.

² The U.S. Department of Labor estimates that unemployment insurance earnings data covers 95 percent of jobs in the United States (<https://www.bls.gov/cew/cewover.htm>). EDD indicates unemployment insurance covers the majority of California's workforce (https://www.edd.ca.gov/pdf_pub_ctr/de8714b.pdf).

³ While some study participants may move out of state to find employment, the likelihood is the same for the control and program group (because of random assignment), so it does not affect the impact estimates.

program, to have unreported employment. If this occurred, the impacts on employment and earnings reported in this chapter would be slightly inflated.

B. Impacts on Employment and Earnings

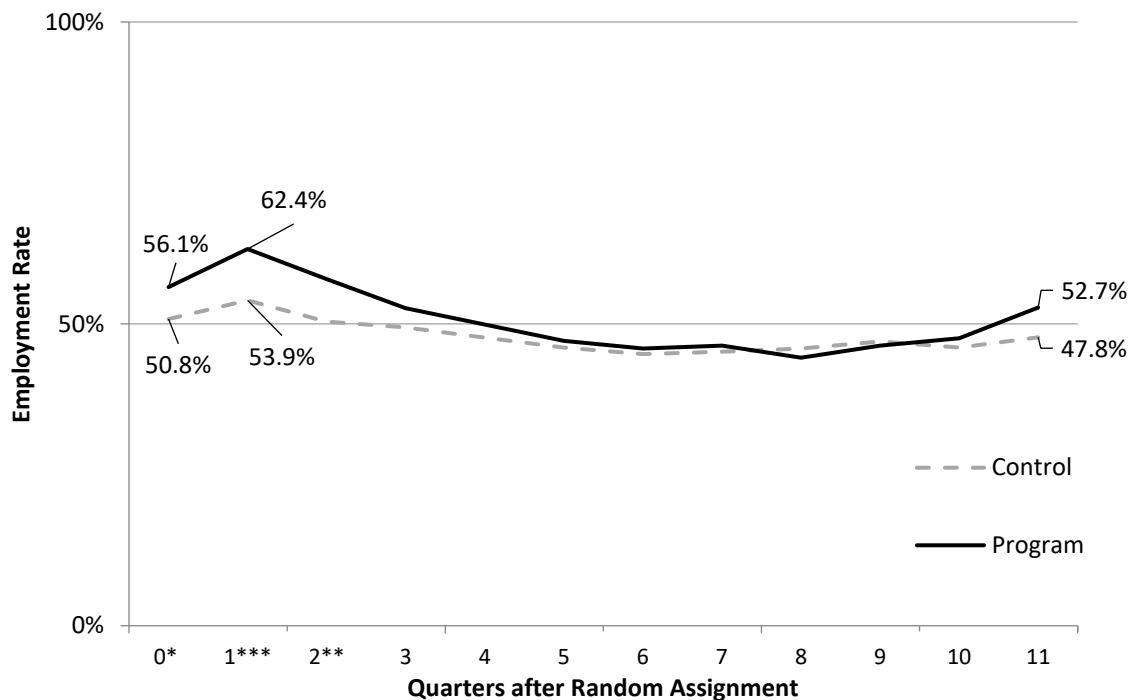
To determine the impact LA:RISE had on employment and earnings, the evaluation team compared the average rate of employment or average earnings of program group members to control group members in each quarter or year-long period examined, beginning with the quarter of RA (Q0) through the 11th quarter after RA (Q11). The evaluation team defined employment as an individual having non-zero wages in a given quarter or year. The evaluation team also inflation-adjusted all wages to October 2014 dollars (when the grant was awarded) to align earnings with grant award amounts, which is important when considering program costs, as is done in Chapter VI. The evaluation team computed average wages in a given quarter or year for the whole sample (both employed and unemployed evaluation participants).⁴

1. Impacts on Quarterly Employment

The evaluation team found that LA:RISE had an impact on employment but only in the quarters closest to RA. As depicted in Exhibit III-1, LA:RISE improved employment for program group members for the quarter of RA (Q0) and the two subsequent quarters (Q1 and Q2) with the peak difference observed in Q1 where there was an 8 percentage point difference between the rate of employment for the program and control groups. This impact, however, was not sustained in subsequent quarters: from Q3 to Q11, the program and control groups had similar rates of employment, with both fluctuating around 50 percent.

⁴ We computed the average wage for all study participants irrespective of their employment status because conditioning average wages on employment would change the comparison from program group vs. control group, which is random, to the employed members of the program group vs. the employed members of the control group, which is not random.

Exhibit III-1: Quarterly Employment Rates of Program and Control Group Members in the Follow-up Period



SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, estimates were calculated using the full evaluation sample (481 program group members and 482 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 477, 366, 315, and 245, while sample sizes for the control group during this same period are 479, 363, 310, and 245.

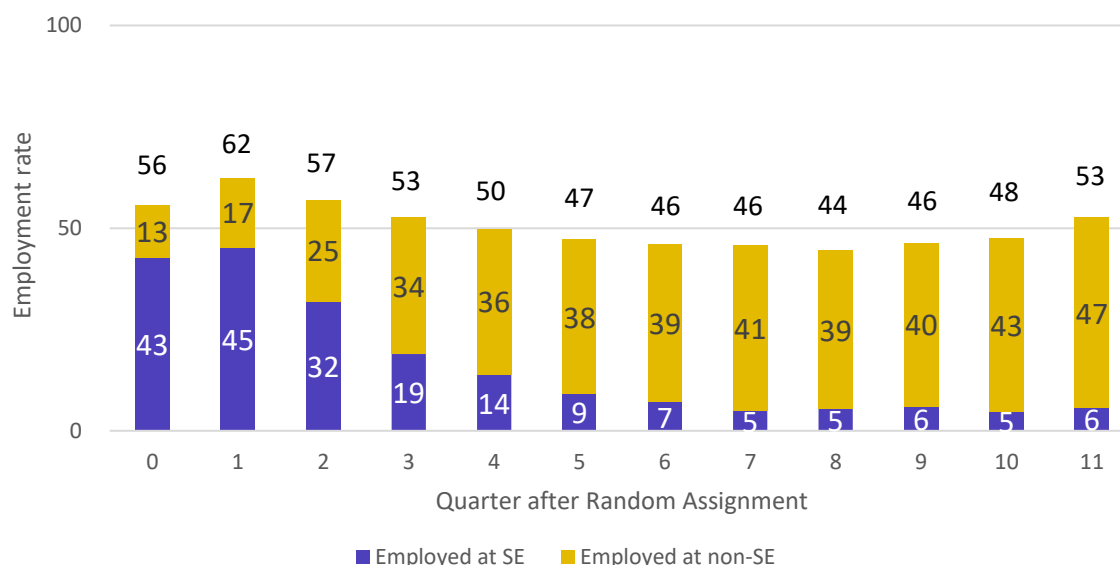
*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Based on the findings from other studies of transitional employment programs (Barden et al., 2018; Jacobs, 2012; Jacobs and Bloom, 2011; Fontaine et al., 2015; Rotz et al., 2015), the tapering of employment impacts observed in Exhibit III-1 is expected and likely driven by participants ending transitional employment (since transitional employment, provided by the SEs, is viewed as temporary and as a means of helping people find permanent employment). To test this theory, the evaluation team examined whether program group members were employed at the SE at which they were enrolled during each quarter of the follow-up period (since as social enterprises, SEs were the employer of record for transitional employment).⁵

⁵ Because the impact study uses an intent-to-treat model, it could be more precise to say “at the SE at which an individual was randomly assigned” since technically individuals did not need to participate in any SE services.

Exhibit III-2 illustrates the results of this analysis, indicating the percentage of program group members employed at the SE at which they were enrolled and the percentage employed only at other (non-SE) employers.⁶

**Exhibit III-2: Quarterly Program Group Employment Rate in the Follow-up Period
Disaggregated by SE and non-SE Employment^a**



SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, the employment rate was calculated using the full program group (481 participants). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 477, 366, 315, and 245.

^a“Employed at SE” means that a program group member had wages reported for them during a given quarter by the same SE at which they were enrolled, even if they also had wages reported for them by other employers during that quarter. “Employed at non-SE” means that a program group member only had wages reported for them during a given quarter by employers who were not the SE at which they were enrolled.

As can be seen in Exhibit III-2, most program group participants who were employed in the first few quarters after RA were employed at the SE at which they were enrolled. For instance, in Q1, 45 percent of program participants were employed at this SE and 17 percent were employed only at other organizations.⁷ By Q3, that pattern reverses with the rate of

Nevertheless, EWDD assumed that all participants randomly assigned to the program group were considered “enrolled” and counted for the purposes of outcome reporting.

⁶ In a given quarter, if a participant was employed at an SE employer, they also could have been employed at other employers. The data do not show whether this employment was simultaneous or sequential.

⁷ The percentages in Exhibit III-2 likely underestimate SE employment because in some instances SEs may not have been listed in wage records as the employer of record. This most frequently occurred when an SE was a

employment at SEs diminishing, but staying consistent at around five to six percent. While the evaluation team could not completely determine what might be happening with these five to six percent of program group members consistently employed at their SEs, interviews with program staff suggested that these participants simply stayed in transitional employment for longer (since some SEs allowed participants to be employed for up to two years) or participants moved into permanent employment at these SEs, an option that some SEs make available. For example, Goodwill has retail stores which hire participants full-time and Chrysalis offers participants the ability to move into a permanent driver position for its street cleaning crews which provide that SE's transitional employment.

To further understand employment impacts, the evaluation team created three additional "SE type" subgroups, which are based on two key factors. The first factor is whether an SE was part of the high-contrast or low-contrast subgroup, as discussed in Chapters I and II.⁸ The second factor relates to the types of participants that SEs served. Two of the four high-contrast SEs and the two low-contrast SEs were "adult-serving" meaning they served adults of all ages. The other two high-contrast SEs were "youth-serving" meaning that they only served opportunity youth (ages 18-24). The two youth-serving SEs were different than the "adult-serving" SEs not only in their populations but because they tended to emphasize education (completion of a diploma or equivalent degree and college coursework) and training (completion of certificates) while providing transitional employment through their social enterprise as an experience-building opportunity (Geckeler et al., 2018). The youth-serving SEs also rotated participants between school and work experiences (in outdoor maintenance or construction) which meant that employment at the SE sometimes did not occur immediately after RA and was not always continuous. As discussed in prior research of opportunity youth programs in Los Angeles that involved these two SEs, this variation in the timing of transitional employment and focus on education likely delays competitive labor market entry, but also has positive impacts on secondary and postsecondary educational attainment (Geckeler et al., 2017).

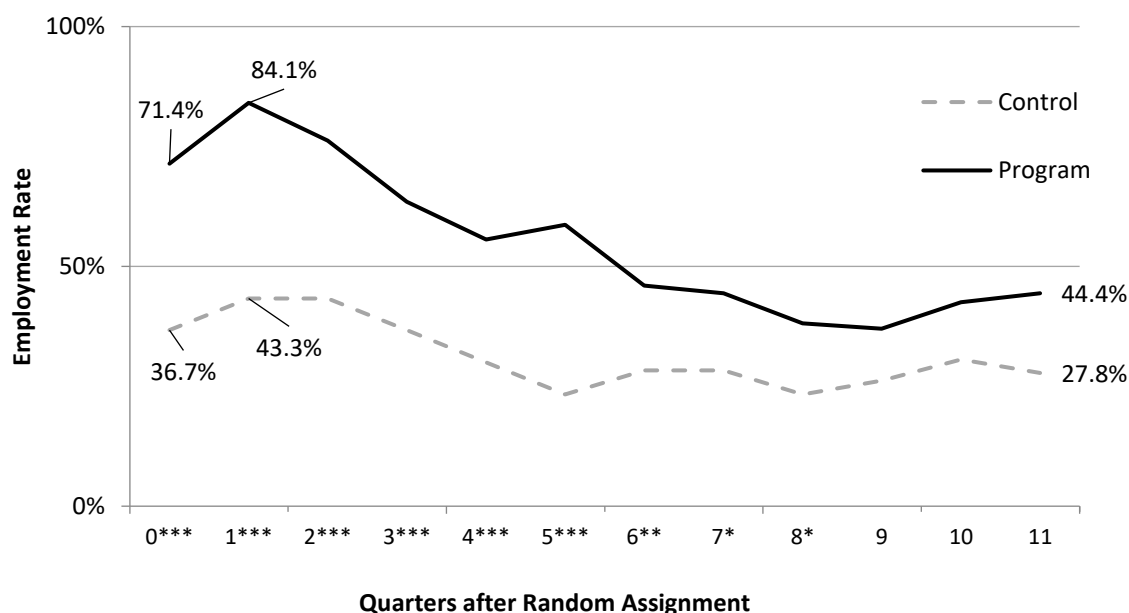
The evaluation team subsequently examined the impact of LA:RISE on employment and earnings for all three of these subgroups: 1) the adult-serving high-contrast SEs, 2) the youth-serving high-contrast SEs, and 3) the low-contrast SEs. These findings are shown in Exhibits III-3,

501(c)(3) organization that elected to use a reimbursable method to cover their unemployment insurance as opposed to providing wage records to the state. Information about the reimbursable method for 501(c)(3) organizations was retrieved from: https://www.edd.ca.gov/pdf_pub_ctr/de231np.pdf

⁸ At the four high-contrast SEs, program group members had access to all LA:RISE services, and control group members did not have access to any LA:RISE services. At the two low-contrast SEs, the program group had access to all LA:RISE services, and the control group had access to transitional employment services but no other LA:RISE services. These subgroups are important to define since there is a greater chance of detecting program impacts when there are more pronounced differences (a high contrast) in the services received between program and control groups than when there is not (low contrast).

III-4, and III-5. As with all subgroup analyses in this evaluation, these analyses are exploratory and findings should be viewed with some caution. The sample sizes are often small and subject to problems of multiple comparisons, and since these groupings of SEs do not represent the full evaluation sample, the evaluation is inconclusive as to whether any impacts observed are due to the LA:RISE model or perhaps some features that are unique to the ways in which these SEs hire or serve participants.

Exhibit III-3: Quarterly Employment Rates of Program and Control Group Members at Adult-Serving High-Contrast SEs in the Follow-up Period^a



SOURCE: California Employment Development Department

NOTES: For Q0 to Q8, estimates were calculated using the sample of evaluation participants randomly assigned at the two adult-serving high-contrast SEs (63 program group members and 60 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q9 to Q11 are 46, 40, and 36 respectively, while sample sizes for the control group during this same period are 42, 36, and 36. While sample sizes begin to decline for the full evaluation sample in Q8, the decline begins in Q9 for these two SEs because they completed RA by the first quarter of 2019.

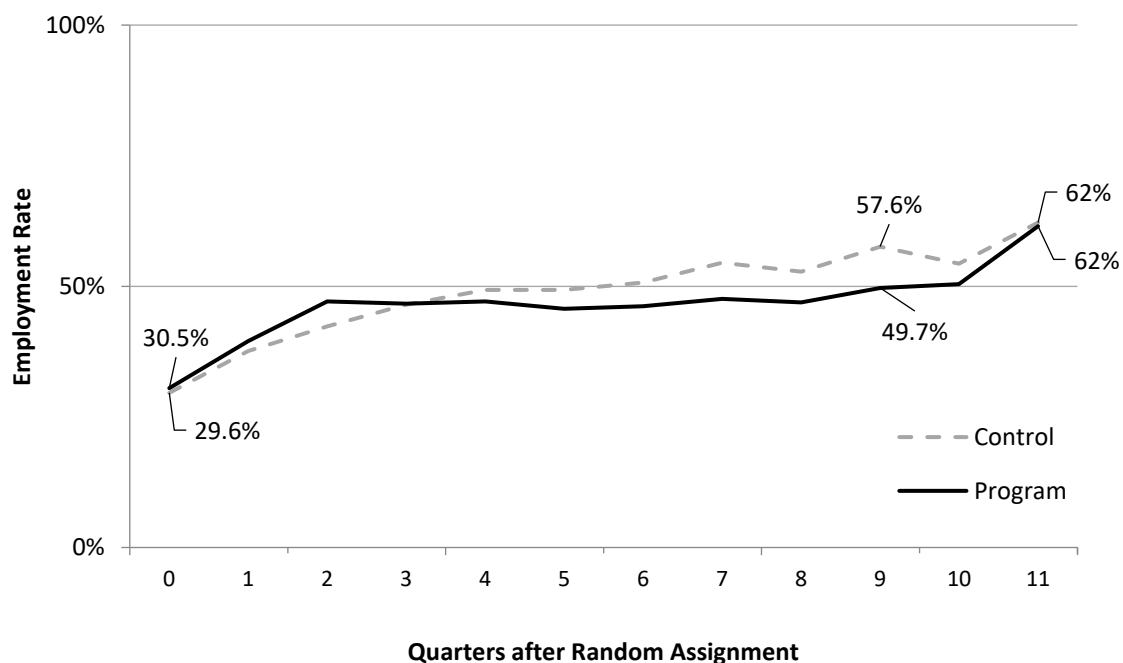
^aAdult-serving high-contrast SEs are defined as SEs serving adults of all ages and which were part of the high-contrast subgroup, meaning that control group members were not offered any LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

As depicted in Exhibit III-3, the impact that LA:RISE had on employment for program group members at the adult-serving, high-contrast SEs was substantially larger and lasted longer than impacts observed for the full evaluation sample. Exhibit III-3 shows a peak difference between program and control groups of 41 percentage points in the first quarter after RA. While impacts

on employment taper, they can be observed up through the eighth quarter after RA, at which point the program group's employment rate is still 15 percentage points higher than the comparison group's employment rate and after which sample sizes become increasingly smaller, thus limiting the ability of the analysis to detect any differences in employment between the program and control groups. In contrast, as is shown in Exhibits III-4 and III-5, there were no impacts on employment for individuals randomly assigned at the youth-serving high-contrast SEs or the adult-serving low-contrast SEs in any quarters of the follow-up period. In other words, disaggregating the full sample by SE type suggests that LA:RISE has the potential to produce longer-term impacts on employment.

Exhibit III-4: Quarterly Employment Rates of Program and Control Group Members at the Youth-Serving High-Contrast SEs in the Follow-Up Period^a



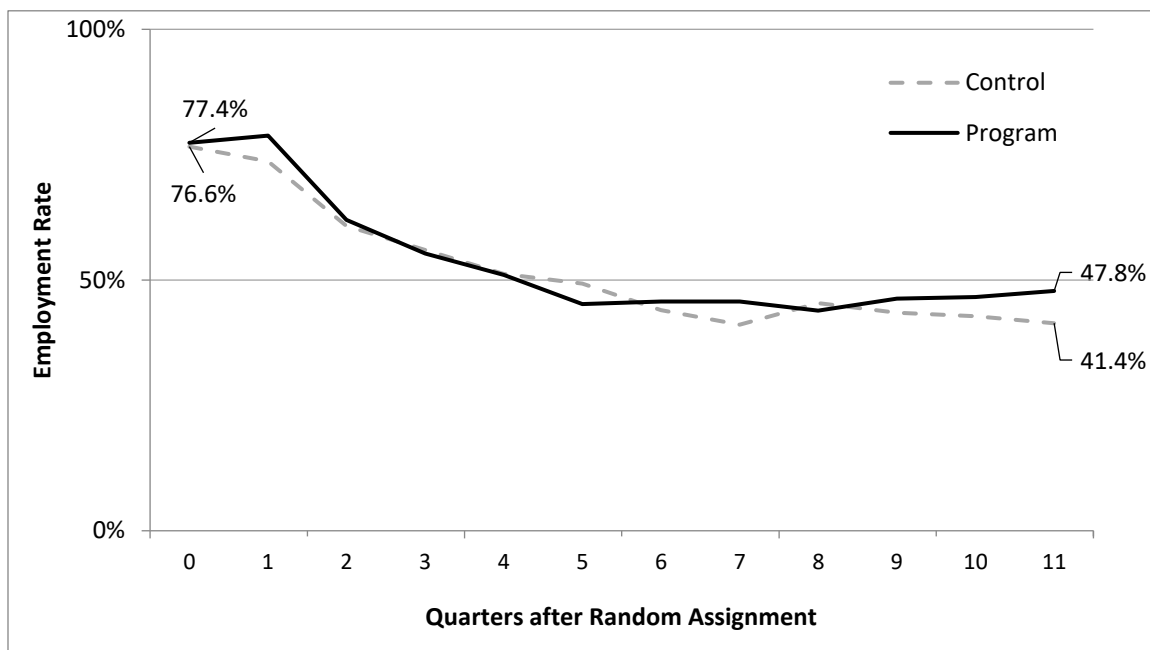
SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, estimates were calculated using the sample of evaluation participants randomly assigned at the two youth-serving high-contrast SEs (210 program group members and 213 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 209, 143, 129, and 96, respectively, while sample sizes for the control group during this same period are 212, 144, 129, and 98.

^a Youth-serving high-contrast SEs are defined as SEs serving opportunity youth and which were part of the high-contrast subgroup, meaning that control group members were not offered any LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Exhibit III-5: Quarterly Employment Rates of Program and Control Group Members at Adult-Serving Low-Contrast SEs in the Follow-up Period^a



SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, estimates are calculated using the sample of evaluation participants randomly assigned at the two low-contrast SEs (208 program group members and 209 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 205, 177, 146, and 113, respectively, while sample sizes for the control group during this same period are 207, 177, 145, and 111.

^aAdult-serving low-contrast SEs are defined as SEs serving adults of all ages and at which control group members were offered transitional employment services, but not other LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

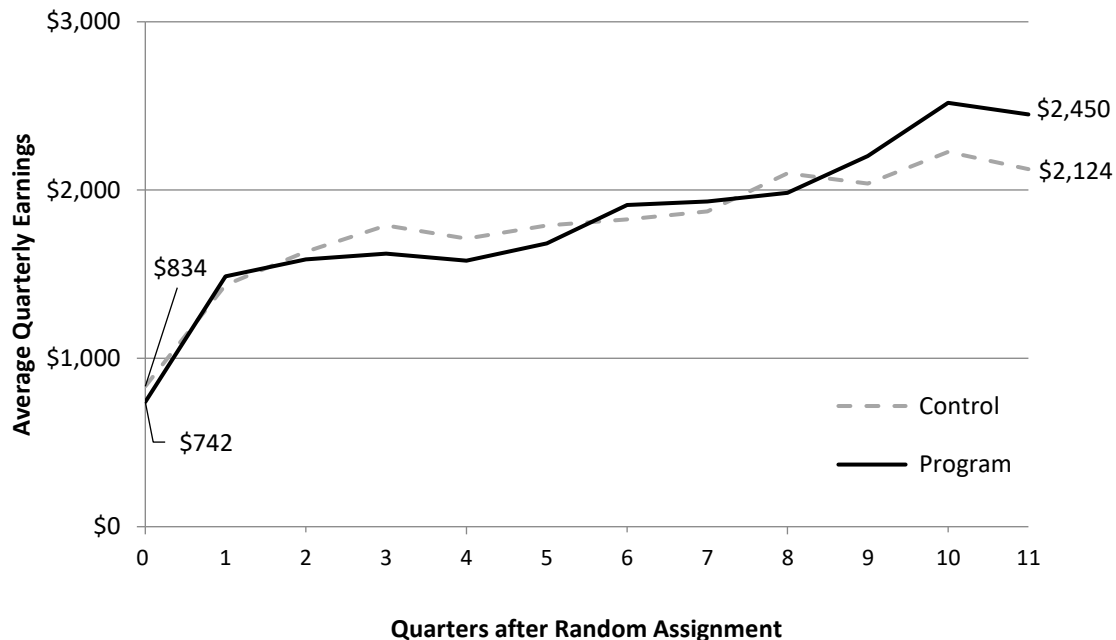
2. Impacts on Quarterly Earnings

Average quarterly earnings for both program and control group members are shown in Exhibit III-6. These data show three notable patterns.

- Despite the short-term impacts observed for the full sample on employment, LA:RISE had no impact on quarterly earnings. In other words, there is no statistically significant difference in the average quarterly earnings between program and control group members in any quarters of the 12-quarter follow-up period. One reason why earnings for program group members may not have been higher during the quarters immediately following RA (when they members were employed at a higher rate than control group members) is that transitional employment at SEs often was only part-time. As discussed in Chapter II, transitional employment worked this way so that participants could also

receive case management and other supportive services and training throughout the week. Even though the control group had fewer members who worked during these first few quarters, it is possible that those who did, worked longer hours and thus earned more overall. However, wage data do not have information on hours worked so it was not possible to empirically check the variation in full-time vs. part-time employment.

Exhibit III-6: Average Quarterly Earnings for Program and Control Group Members in the Follow-up Period



SOURCE: California Employment Development Department

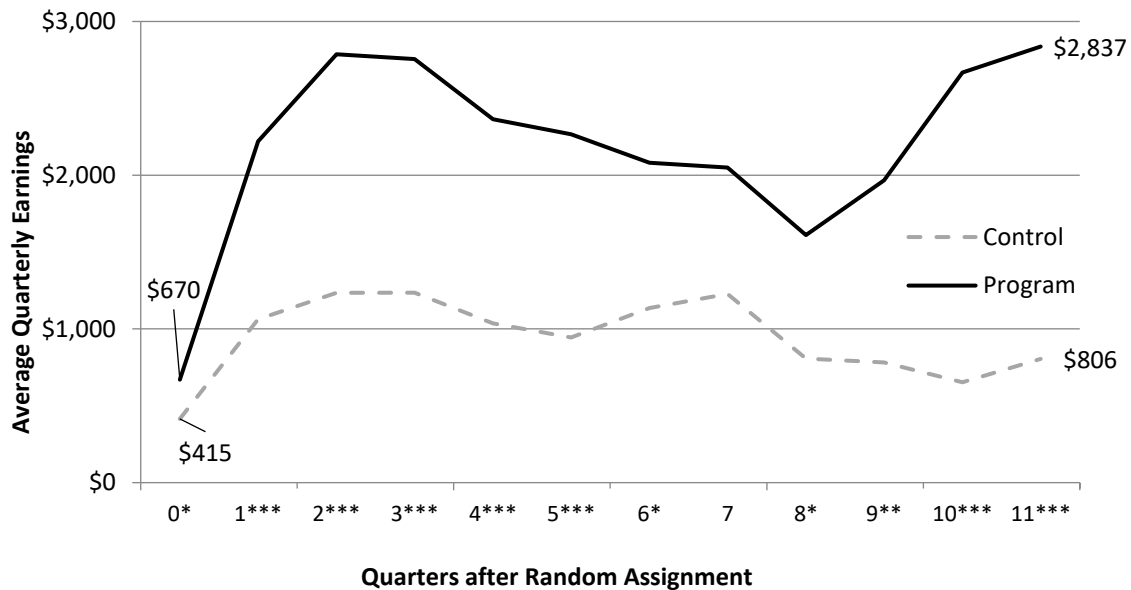
NOTES: For Q0 to Q7, estimates are calculated using the full evaluation sample (481 program group members and 482 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 477, 366, 315, and 245, while sample sizes for the control group during this same period are 479, 363, 310, and 245.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

- As is also illustrated in Exhibit III-6, average quarterly earnings for both program and control group members followed the same upward trend, increasing from about \$800 in the quarter of RA to well over \$2,000 for each group by Q11. This rapid rise in earnings is not entirely surprising. It is likely due to members of both groups actively seeking to enter the job market or increase their earnings, which is supported by the fact that they were looking for an opportunity to work at an SE partner organization.

- While program group members had higher average earnings than control group members in the last three quarters of the follow-up period, these differences were not statistically significant. However, sample sizes in this period are greatly reduced and thus so is the evaluation's ability to detect impacts. Furthermore, the subgroup analyses as explained below offer some additional suggestions as to this difference.

Exhibit III-7: Average Quarterly Earnings of Program and Control Group Members at Adult-Serving High-Contrast SEs in the Follow-up Period^a



SOURCE: California Employment Development Department

NOTES: For Q0 to Q8, estimates were calculated using the sample of evaluation participants randomly assigned at the two adult-serving high-contrast SEs (63 program group members and 60 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q9 to Q11 are 46, 40, and 36 respectively, while sample sizes for the control group during this same period are 42, 36, and 36. While sample sizes begin to decline for the full evaluation sample in Q8, the decline begins in Q9 for these two SEs because they completed RA by the first quarter of 2019.

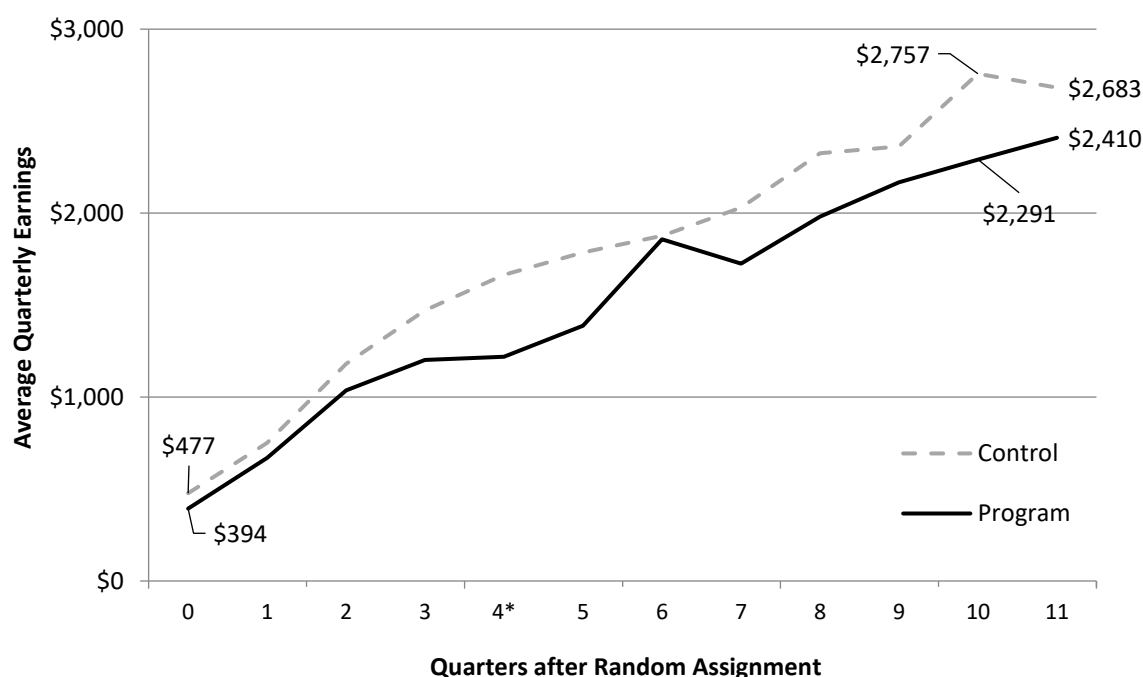
^aAdult-serving high-contrast SEs are defined as SEs serving adults of all ages and which were part of the high-contrast subgroup, meaning that control group members were not offered any LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

As with the analysis of impacts on quarterly employment, the evaluation team also examined impacts on quarterly earnings by SE type with findings resembled the analysis for employment. As is shown in Exhibit III-7, the program group at adult-serving high-contrast SEs earned more than the control group in the quarter of RA through the eleventh quarter, with a statistically significant difference in all but Q7. This result is also reflected in the subgroup analysis later in

the chapter which shows that program participants 25 and older had higher (statistically significantly different) earnings than the control group in the third year after RA.

Exhibit III-8: Average Quarterly Earnings of Program and Control Group Members at Youth-Serving High-Contrast SEs in the Follow-up Period^a



SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, estimates were calculated using the sample of evaluation participants randomly assigned at the two youth-serving high-contrast SEs (210 program group members and 213 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 209, 143, 129, and 96, respectively, while sample sizes for the control group during this same period are 212, 144, 129, and 98.

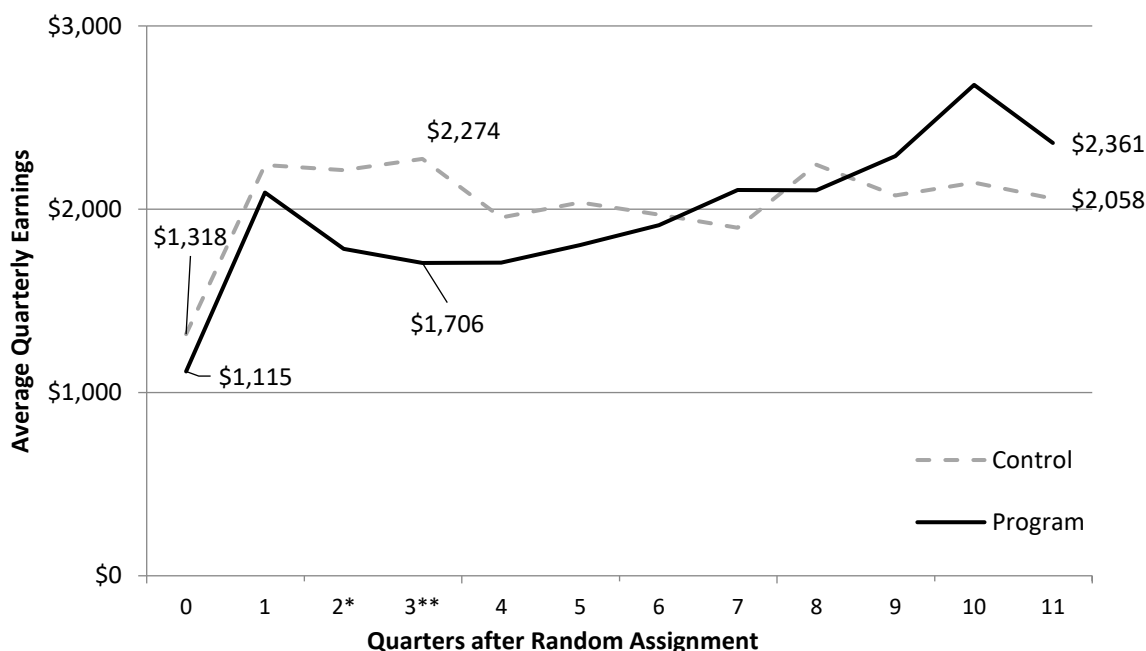
^a Youth-serving high-contrast SEs are defined as SEs serving opportunity youth and which were part of the high-contrast subgroup, meaning that control group members were not offered any LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

The evaluation team also examined the average quarterly earnings for the youth-serving high-contrast SEs (Exhibit III-8) and the adult-serving low-contrast SEs (Exhibit III-9). The results of this analysis for both of these groups were similar, both to each other and with the analysis of quarterly earnings for the full sample. There was an upward trend in earnings and little difference between program and control group members. The one exception, as shown in Exhibits III-8 and III-9, is that there were a small number of quarters where there was a negative impact on earnings (i.e., the control group had higher average earnings for the control group as

compared to the program group). These instances occurred in Q4 for the youth-serving high-contrast SEs and in Q2 and Q3 for the adult-serving high-contrast SEs. As described earlier, the overall lack of difference in earnings observed is likely due to program group members working less than full time or the staggered approach youth-serving SEs take with employment.

Exhibit III-9: Average Quarterly Earnings of Program and Control Group Members at Adult-Serving Low-Contrast SEs^a



SOURCE: California Employment Development Department

NOTES: For Q0 to Q7, estimates are calculated using the sample of evaluation participants randomly assigned at the two low-contrast SEs (208 program group members and 209 control group members). Sample sizes decrease in subsequent quarters because wage records only include data up through the first quarter of 2019. Sample sizes for the program group from Q8 to Q11 are 205, 177, 146, and 113, respectively, while sample sizes for the control group during this same period are 207, 177, 145, and 111.

^a Adult-serving low-contrast SEs are defined as SEs serving adults of all ages and at which control group members were offered transitional employment services, but not other LA:RISE services.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

3. Annual Impacts on Employment and Earnings

To better assess the program's impacts over time, the evaluation team examined participants' rate of employment and average earnings using three timeframes: within 1 year after RA (defined as Q0 through Q3), between 1 and 2 years after RA (defined as Q4 through Q7), and between 2 and 3 years after RA (defined as Q8 through Q11). An evaluation participant was considered employed if they were employed in at least one quarter in the four quarters of the

relevant period of time and earnings were defined as the total earnings for the participant across the four quarters in that period. Exhibit III-10 shows the results of this analysis.

The results of this analysis are similar to the analysis of employment and earnings for the full evaluation sample. The data show short-term impacts on employment in the first year after RA but no impacts on employment in the subsequent two-year period and no impacts on earnings in any of the three-year periods.

Exhibit III-10: Annual Employment and Earnings of Program and Control Group Members

	Program	Control	Difference
Within one year of RA¹			
Ever Employed (%)	80.3	75.5	4.7*
Average Earnings (\$)	5,441	5,695	-254
Within one to two years after RA²			
Ever Employed (%)	66.3	65.2	1.2
Average Earnings (\$)	7,107	7,200	-93
Within two to three years after RA³			
Ever Employed (%)	63.3	59.2	4.1
Average Earnings	8,941	8,045	896

SOURCE: California Employment Development Department

NOTES: Ever employed within each period in the exhibit is defined as employment within any of the four quarters within that period. Average earnings within each period in the exhibit are the sum of all wages across the four quarters in that period.

¹“Within one year of RA” includes data from Q0 to Q3 of the follow-up period. Estimates for this period were calculated using the full evaluation sample (481 program group members and 482 control group members).

²“Within one to two years of RA” includes data from Q4 to Q7 of the follow-up period. Estimates for this period were calculated using the full evaluation sample (481 program group members and 482 control group members).

³“Within two to three years of RA” includes data from Q8 to Q11 of the follow-up period. Estimates for this period were calculated using the number of evaluation participants for which there was complete data for all four quarters (245 program group members and 245 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

C. Variation in Impacts for Subgroups

The evaluation team also examined impacts on employment and earnings for subgroups based on demographic groups of interest and implementation study findings, as defined in Chapter I. As can be seen in Exhibits III-9a and III-9b, there are a few statistically significant differences

Exhibit III-9a: Annual Impacts on Employment and Earnings by Demographic Subgroups^a

	Age		Gender		Ethnicity	
	18-24	25+	Male	Female	Non-Hispanic	Hispanic
Within one year of RA¹						
Ever Employed (%)	0.6	9.3***	5.7**	2.4	5.2	3.5
Average Earnings (\$)	-786	302	-429	142	-272	-234
Within one to two years after RA²						
Ever Employed (%)	-3.2	6.6	3.6	-4.7	6.2	-4.1
Average Earnings (\$)	-1,075	1,044	-228	212	658	-773
Within two to three years after RA³						
Ever Employed (%)	1.1	6.6	1.4	9.8	0.9	8.3
Average Earnings (\$)	-1,224 [†]	2,784*	744	1,261	617	1,168

SOURCE: California Employment Development Department

NOTES: Numbers in the exhibit represent the impact estimates—that is, the difference within each subgroup between the incidence or mean value for the program group versus the control group. A positive number denotes that the incidence or mean value is higher for the program group than for the control group. A negative number denotes that the incidence or mean value is higher for the control group.

Ever employed within each period in the exhibit is defined as employment within any of the four quarters within that period. Average earnings within each period in the exhibit are the sum of all wages across the four quarters in that period.

^aSubgroup categories are described in Chapter I. Sample sizes for each calculation can be found in Exhibit A-3a in Appendix A.

¹“Within one year of RA” includes data from Q0 to Q3 of the follow-up period.

²“Within one to two years of RA” includes data from Q4 to Q7 of the follow-up period.

³“Within two to three years of RA” includes data from Q8 to Q11 of the follow-up period.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

† indicates the difference in the impact between subgroups is statistically significant at the .05 level (the symbol is placed by the impact estimate of the first group of the subgroup pair if significant).

Exhibit III-9b: Annual Impact on Employment and Earnings by Implementation Study Defined Subgroups^a

	Period of Enrollment		Service Contrast	
	Early	Late	High Contrast	Low Contrast
Within one year of RA¹				
Employed (%)	1.6	7.9**	7.3*	1.4
Average Earnings (\$)	-328	-178	590 [†]	-1,351*
Within one to two years after RA²				
Employed (%)	2.9	-0.6	1.5	0.8
Average Earnings (\$)	667	-878	90	-329
Within two to three years after RA³				
Employed (%)	4.1	na ^b	3.2	5.2
Average Earnings (\$)	896	na ^b	945	813

SOURCE: California Employment Development Department

NOTES: Numbers in the exhibit represent the impact estimates—that is, the difference within each subgroup between the incidence or mean value for the program group versus the control group. A positive number denotes that the incidence or mean value is higher for the program group than for the control group. A negative number denotes that the incidence or mean value is higher for the control group.

Ever employed within each period in the exhibit is defined as employment within any of the four quarters within that period. Average earnings within each period in the exhibit are the sum of all wages across the four quarters in that period.

^aSubgroup categories are described in Chapter I. Sample sizes for each calculation can be found in Exhibit A-3b in Appendix A.

^b11 quarters of post-RA data is not available for people who enrolled in the last 11 months of the enrollment period.

¹“Within one year of RA” includes data from Q0 to Q3 of the follow-up period.

²“Within one to two years of RA” includes data from Q4 to Q7 of the follow-up period.

³“Within two to three years of RA” includes data from Q8 to Q11 of the follow-up period.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

† indicates the difference in the impact between subgroups is statistically significant at the .05 level (the symbol is placed by the impact estimate of the first group of the subgroup pair if significant).

between program and control group members for the individual subgroup categories and between subgroup pairs.⁵⁰ The results of these exploratory analyses divide as follows.

The first type of finding is where the impact estimate for one subgroup item is statistically significant but the difference between the subgroup pair is not statistically significant. While potentially only suggestive of areas for future exploration, these impacts align with the findings presented for the confirmatory analyses conducted in this chapter: that LA:RISE had impacts on employment rates for the short term only and no impacts on earnings. More specifically, the subgroup analyses show positive impacts on employment during the first year of RA for participants who were: male, 25 and older, enrolled later in the enrollment period, and at the high-contrast SEs.

Two other subgroup analyses show a statistically significant difference in the subgroup pair. The first is the negative impact on earnings experienced by program group members in the low-contrast group—as compared to no impact on earnings observed for the high-contrast group—during the first year after RA. Second is the positive impact on earnings experienced by participants 25 and over in the third year after RA—as compared to no impact on earnings observed for the 18- to 24-year old participants. These findings point to trends not observed in the impact analysis of the full sample, but they are consistent with the findings observed in the subgroup analysis by SE type, and specifically the impacts noted for the adult-serving, low contrast SEs and the adult-serving, high-contrast SEs.

D. Summary and Conclusion

This chapter examined the impact of LA:RISE on two key outcomes: employment and earnings. The confirmatory analyses in this chapter show the following.

- For employment, the evaluation shows that LA:RISE had a short-term positive impact during the quarter of RA and the two quarters following it. During this period, the employment rate of the program group exceeded that of the control group by a statistically significant margin. After that, the difference in the rate of employment between program and control groups diminished, and at no point after the second quarter after RA were these differences statistically significant. The analysis further shows that the short-term employment impacts of LA:RISE appear to be closely related to the transitional employment provided directly by SE partners. As individuals moved further away from RA, they were less frequently employed by SEs and more frequently employed by non-SE employers.

⁵⁰ It is important to note that findings from the subgroup analysis must be interpreted with caution since statistical power is decreased when the sample is divided into subgroups. Similarly, making multiple comparisons greatly increases the likelihood that statistically significant findings will be found by chance. For these reasons, the subgroup analyses should be considered exploratory.

- For earnings, the evaluation showed that LA:RISE had no impact on wages in any quarter after RA in the three-year follow-up period. Program and control group members even had similar average wages in the quarters where program group members had a higher rate of employment than control group members. Notably, throughout the follow-up period, wages for both groups steadily increased. Since both groups were interested in and eligible for the LA:RISE program, it is evident that they were seeking to enter (or re-enter) the labor market. Therefore, it is not unexpected that both groups would experience a steady increase in wages.

These impacts on employment indicate that LA:RISE functioned as intended in the short run by providing an opportunity for employment that participants would not have otherwise had if not for the program. However, these findings also raise an important question: why did LA:RISE not produce larger and/or more lasting impacts on employment or any impacts on earnings? Put another way, why did the enhancements to transitional employment programs that were part of the LA:RISE model not take hold?

While the answer may be that the model itself did not work as planned, there are some other possibilities. First, the program's modest performance could lie in its implementation; the implementation challenges reported in Chapter II could certainly have tempered the program's effects on participants' employment and earnings. Second, with a larger sample size, it is possible that long-term impacts could have been observed, although the decrease in impacts over time observed in the data suggest that this would not have occurred when looking at the full study sample.

More importantly, the subgroup analyses in this chapter, especially the analysis of SE type, suggest another possibility. Participants at adult-serving, high-contrast SEs were employed at a much higher rate than the comparison group from the quarter of RA to the eighth quarter after RA, and the impact on earnings for these participants extended from the quarter of RA through the eleventh quarter after RA (with the exception of the seventh quarter). No such impacts on either employment or earnings were observed at the other two SE types. Furthermore, subgroup analyses based on demographic groups and on implementation study findings support the findings of the analyses by SE type. Knowing this, it seems that impacts for the full sample were likely obscured by effects that are SE type specific.

That said, the evaluation is unable to determine whether the impacts observed at the adult-serving high-contrast SEs were due to LA:RISE or some other program elements unique to these two SEs. Also, the lack of impacts on employment and earnings observed at low-contrast SEs further clouds the matter, leaving it unclear whether the lack of impacts for those SEs was due to some aspect of implementation, something unique to those SEs, or some insufficiency in the enhancements made to the transitional employment model.

The evaluation is subsequently able to say three things about the impacts LA:RISE has on employment and earnings. First, it replicates previously observed effects of transitional jobs on short-term employment. Second, it may make sense to treat youth-serving SEs differently since the lack of impacts at these SEs are likely low due to the way these SEs focus foremost on education and training services. Third, the findings at adult-serving, high-contrast SEs provide ample suggestion for the need for further research to identify what about those SEs resulted in the substantial impacts observed and whether they can be replicated.

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IV. Impacts on Criminal Justice System Outcomes

While the LA:RISE program does not include any formal services designed to reduce the risk of involvement with the criminal justice system, there are two reasons to expect that LA:RISE may have such an effect. First, the program aimed to increase employment, and being employed may be an important factor in reducing involvement in the criminal justice system (Lageson & Uggen, 2013; Schochet et al., 2008; Uggen, 2000). Second, as discussed in Chapter II, some LA:RISE partners offered services specifically aimed towards helping participants with past involvement in the criminal justice system address their criminal records, such as with legal services, or otherwise obtain services designed to help them overcome these barriers. This chapter explores whether LA:RISE decreased criminal justice involvement over a three-year follow-up period after random assignment (RA).

Key Findings

- **LA:RISE did not have an impact on participants' rates of arrests, convictions, or jail incarcerations.** The evaluation team examined the impact of LA:RISE on these measures within one, two, and three years after random assignment. The evaluation team also examined whether the program's demonstrated short-term impact on employment delayed the time until participants were arrested, convicted or incarcerated. In none of these analyses were there any statistically significant differences between program and control groups.
- **Analyses of subgroups suggest that further research is needed to explore potential impacts on arrests.** A more refined analysis of the data shows several patterns and findings that suggest LA:RISE may have had some effect on certain participants' arrest rates. Among these findings: though never reaching statistical significance, there is a remarkably consistent direction for the impact estimates for the analysis of arrest rates for the full evaluation sample and for a risk analysis of arrests; subgroup analyses do indicate positive impacts on arrests for non-Hispanic participants; and some of the alternative specifications of the analysis model do identify statistically significant differences in arrests. Thus, while overall there are no clear impacts on criminal justice involvement, perhaps a larger sample size, or the addition of other services designed to reduce criminal justice involvement would solidify these potentially promising results.

A. Criminal Justice System Data Sources and Limitations

The evaluation team gathered administrative data from two sources to conduct the analyses discussed in this chapter. First, the California Department of Justice (CADOJ) provided evaluation participants' arrest and conviction records from September 2013 through April 2019. These data enabled the evaluation team to conduct confirmatory analyses of overall rates of arrest and conviction and exploratory analyses on a wider range of criminal justice system outcomes such as the severity (e.g., felony vs. misdemeanor) of the charge associated with each arrest and conviction as well as its type (e.g., violent crime, property crime, drug crime, or public order crime). The dates of these data enabled the evaluation team to examine arrests and convictions for all 963 evaluation participants (481 program group members and 482 control group members) for up to two years prior to and two years after RA.⁵¹ After this point, sample sizes progressively decrease. Due to this reduction in sample size and the associated diminished analytic power, the evaluation team decided to examine data during three-year follow-up period after RA. At three years from RA, the evaluation sample was reduced to 51 percent of the full sample (245 program group members and 245 control group members).

Second, the Los Angeles Sheriff's Department (LASD) provided participants' incarceration records from the Los Angeles County Jail from September 2013 to March 2017.⁵² These data enabled the evaluation team to conduct confirmatory analyses on incarceration rates and exploratory analyses on the length of jail stay. The dates of the incarceration data allowed the evaluation team to examine jail admissions for all 963 evaluation participants for up to two years prior to RA and up to 23 months after RA. After that point, sample sizes progressively decreased. Despite this reduction and the associated diminished analytic power, the evaluation team determined that it was still feasible to examine impacts at up to three years, but at that point, the evaluation sample was reduced to 35 percent of the full sample (167 program group members and 170 control group members).

These two sets of data have two main limitations. First, they are geographically limited. The arrest and conviction records are from within California only and the jail records are from within Los Angeles County only. If someone was arrested or convicted outside California, or incarcerated outside Los Angeles County, these outcomes would not have been captured in the analysis. Second, the arrest and conviction data exclude youth justice system records. As a

⁵¹ The evaluation team collected data prior to RA in order to create covariates in the regression modeling shown in Appendix A.

⁵² The evaluation team also requested data from the California Department of Corrections and Rehabilitation in order to examine prison incarceration records. CDCR, however, was in the midst of changing its data request process, the timing of which made it not possible for SPR to submit a request given the evaluation timeline.

result of these two limitations, the criminal justice system outcomes reported in this chapter likely undercount incidents to some degree.

B. Impacts on Criminal Justice System Outcomes

To examine the effect of LA:RISE on participants' criminal justice system outcomes, the evaluation team conducted several analyses, examining the differences between program and control group members' rates of arrest, conviction, and jail incarceration. The following are descriptions of and results for these analyses.

1. Impacts on Arrests, Convictions, and Jail Incarcerations

Whether LA:RISE had an impact on participants' arrests, convictions, and jail incarcerations were all part of the evaluation's confirmatory analyses. As is shown in Exhibits IV-1 and IV-2, LA:RISE did not have such an impact at either one, two, or three years after RA for any of these outcomes. In other words, during these three periods, there were no statistically significant differences observed between program and control groups for rates of arrests, convictions, or incarcerations in Los Angeles County jails. Furthermore, as is shown in these exhibits, the impact estimates are small. Even if the number of evaluation participants was large enough to detect a difference with these impact estimates, the size of this impact may not be meaningful (though, given the costs of criminal justice system involvement, stakeholders might decide that even a small impact is worthwhile).

Exhibits IV-1 and IV-2 also show the results of the evaluation team's exploratory analyses into the impact of LA:RISE on the severity and type of charge attached to participants' arrest and conviction records and length of jail stay. The question with regards to arrests and convictions was whether LA:RISE had an effect on some types or severities of crime but not others. Exhibit IV-1 shows that LA:RISE may have had a small, negative impact on property crime at both one and two years after RA (although no impacts on any other measures of charge type or severity). In other words, program group members had fewer property crime charges than control group members in these two periods of analysis. However, this finding should be considered with some caution. Given the lack of impacts on arrests and convictions overall and consistent with prior cautions raised earlier in this report about subgroup analyses, these impacts are at best suggestive and an area for future research. As Exhibit IV-2 shows, there were no statistically significant differences at any point after RA between program and control groups for length of jail stay.

Exhibit IV-1: Arrest and Conviction Rates for Program and Control Group Members

	Program	Control	Difference
Within one year after RA			
Arrested for any crime (%)	17.1	19.1	-2.0
Convicted of any crime (%)	7.3	8.4	-0.9
Convicted of a felony (%)	2.1	3.1	-1.0
Convicted of a misdemeanor (%)	5.0	5.6	-0.6
Convicted of an infraction (%)	0.4	1.0	-0.6
Convicted of a drug crime (%)	1.7	1.2	0.5
Convicted of a property crime (%)	1.9	4.2	-2.3*
Convicted of a public-order crime (%)	2.7	2.9	-0.2
Convicted of a violent crime (%)	0.2	0.0	0.2
Within two years after RA			
Arrested for any crime (%)	24.1	27.8	-3.7
Convicted of any crime (%)	13.1	15.6	-2.5
Convicted of a felony (%)	5.0	6.2	-1.2
Convicted of a misdemeanor (%)	8.7	11.0	-2.3
Convicted of an infraction (%)	1.0	1.9	-0.9
Convicted of a drug crime (%)	3.5	3.5	0.0
Convicted of a property crime (%)	4.6	6.0	-1.4**
Convicted of a public-order crime (%)	4.2	6.2	-2.0
Convicted of a violent crime (%)	0.8	0.2	0.6
Within three years after RA			
Arrested for any crime (%)	30.7	29.1	1.6
Convicted of any crime (%)	16.6	18.5	-1.8
Convicted of a felony (%)	8.1	7.5	0.6
Convicted of a misdemeanor (%)	11.6	13.5	-1.8
Convicted of an infraction (%)	1.0	2.1	-0.9
Convicted of a drug crime (%)	5.6	4.2	1.5
Convicted of a property crime (%)	5.6	7.7	-2.1
Convicted of a public-order crime (%)	6.2	6.6	-0.4
Convicted of a violent crime (%)	1.0	0.2	0.8

SOURCE: California Department of Justice

NOTES: Within one and two years after RA, estimates were calculated using the full evaluation sample (481 program group members and 482 control group members). Within three years after RA, estimates were calculated using evaluation participants for whom the evaluation had three full years of data (202 program group members and 201 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Exhibit IV-2: Jail Incarceration Rates for Program and Control Group Members

Outcome	Program	Control	Difference
Within one year after RA			
Incarcerated in a Los Angeles County Jail (%)	7.1	6.2	0.8
Total days incarcerated in a Los Angeles County jail (%)	3.1	3.2	-0.1
Within two years after RA			
Incarcerated in a Los Angeles County Jail (%)	10.9	11.7	-0.8
Total days incarcerated in a Los Angeles County jail (%)	10.1	10.1	0.0
Within three years after RA			
Incarcerated in a Los Angeles County Jail (%)	16.0	16.6	-0.6
Total days incarcerated in a Los Angeles County jail (%)	13.8	14.6	-0.8

SOURCE: Los Angeles Sheriff's Department

NOTES: Within one year after RA, estimates were calculated using the full evaluation sample (481 program group members and 482 control group members). Within two and three years after RA, estimates were calculated using evaluation participants for whom the evaluation had two or three full years of data. At two years this includes 477 program group members and 479 control group members. At three years this includes 167 program group members and 170 control group members.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

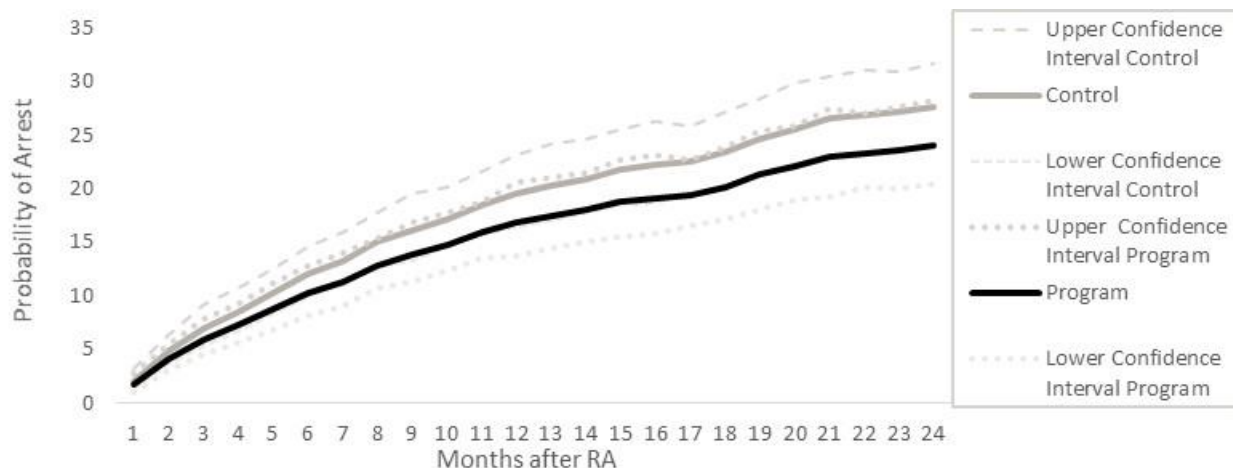
2. Delays in Criminal Justice System Involvement

Although the analysis above indicates that LA:RISE did not have an impact on arrests, convictions, or jail incarcerations within one, two, or three years after RA, it is possible that the short-term, positive impact that LA:RISE had on employment (see Chapter III) could have *delayed* criminal justice system involvement. To test this hypothesis, the evaluation team calculated the probability that an arrest, conviction, or incarceration occurred by a given number of months after RA using the cumulative incidence function (CIF). The estimates from these calculations represent the cumulative probabilities for program and control group members of having been arrested (Exhibit IV-3), convicted (Exhibit IV-4), or incarcerated in jail (Exhibit IV-5) at least once in a given month, up to 24 months after RA.⁵³ These three exhibits each tell a similar story: there is no statistically significant difference in the time it took program versus control group members until their first arrest, conviction, or incarceration. Exhibits IV-3 and IV-4 do suggest a possible widening gap in outcomes between program and control groups

⁵³ Due to the substantial reduction in sample size in the third year after RA, which would have affected the overall sample size for these analyses, the evaluation team opted to present results for these analyses for up to 24 months. The evaluation team also ran these analyses at 36 months after RA, which produced similar results.

over time and the impact estimates show a consistent direction. However, the evaluation team could not detect any statistically significant differences given the sample size and measurement period for the current study.

Exhibit IV-3: Failure Curves for the Probability of Arrest for Program and Control Groups

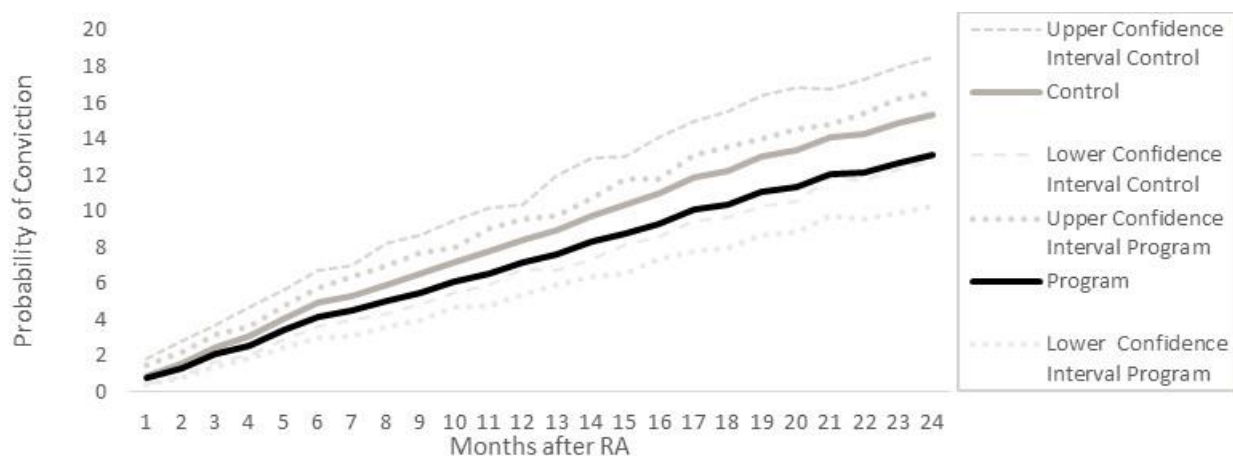


SOURCE: California Department of Justice

NOTES: Estimates were calculated using the full evaluation sample (481 program group members and 482 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Exhibit IV-4: Failure Curves for the Probability of Conviction for Program and Control Groups

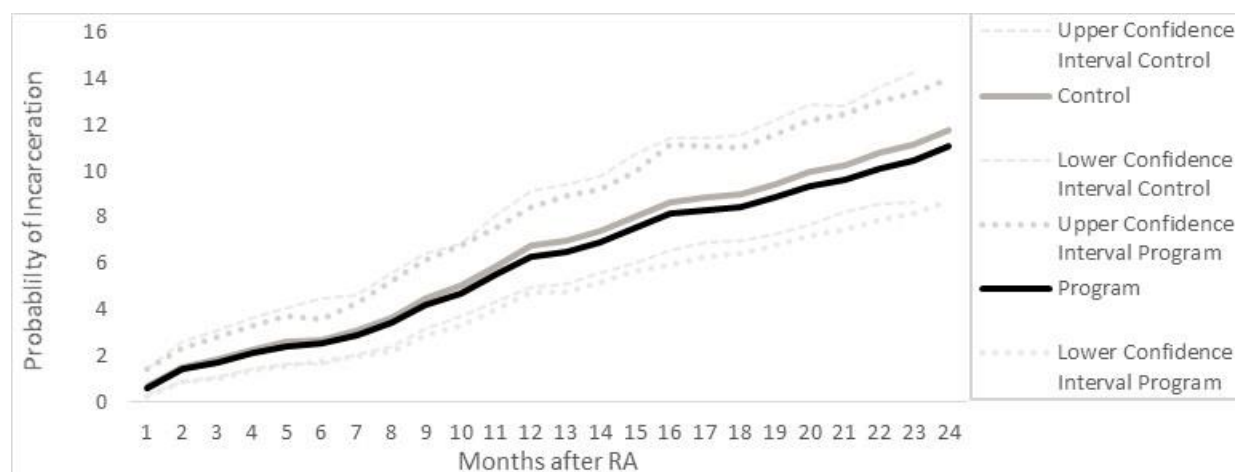


SOURCE: California Department of Justice

NOTES: Estimates were calculated using the full evaluation sample (481 program group members and 482 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Exhibit IV-5: Failure Curve for the Probability of Incarceration for Program and Control Groups



SOURCE: Los Angeles Sheriff's Department

NOTES: Estimates were calculated using evaluation participants for whom the evaluation had two full years of data (477 program group members and 479 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

C. Variation in Impacts for Subgroups

The evaluation team also examined impacts of LA:RISE on arrests, convictions and jail incarcerations for subgroups based on demographic groups of interest and implementation study findings, as defined in Chapter I.⁵⁴ As can be seen in Exhibits IV-7a and IV-7b, there are only two comparisons between program and control group members for individual subgroups where the difference is statistically significant—the difference in rates of arrest at one year after RA between non-Hispanic program and control group members and the difference in rates of jail incarceration at one year after RA between low-contrast program and control group members.⁵⁵ These findings are not themselves that meaningful given that there were no statistically significant differences between subgroup pairs or no impacts observed for the full sample. While these results do align with the direction of the impact estimates for arrests and incarcerations shown in Exhibits IV-1 and IV-2, they are, at best, suggestive that there could be something further to explore in future research.

⁵⁴ It is important to note that findings from the subgroup analysis must be interpreted with caution since statistical power is decreased when the sample is divided into subgroups. Similarly, making multiple comparisons greatly increases the likelihood that statistically significant findings will be found by chance. For these reasons, the subgroup analyses are considered exploratory.

⁵⁵ Due to small sample sizes and the lack of impacts observed for the full sample, the evaluation team excluded charge type and severity and length of jail stay from the subgroup analyses.

Exhibit IV-6a: Impacts on Criminal Justice System Outcomes for Demographic Subgroups^a

	Age		Gender		Ethnicity	
	18-24	25+	Male	Female	Hispanic	Non-Hispanic
Within one year of RA						
Arrested for any crime (%)	-3.9	-0.8	-2.1	-3.4	-0.6	-3.6
Convicted of any crime (%)	-3.3	1.7	0.0	-3.5	-3.8	1.0
Incarcerated in a Los Angeles County jail (%)	-1.8	4.0	3.2	-4.9	0.2	1.5
Within two years of RA						
Arrested for any crime (%)	-1.5	-6.4	-3.3	-4.7	2.6	-9.0***
Convicted of any crime (%)	-2.8	-1.6	-2.1	-2.7	-0.6	-4.2
Incarcerated in a Los Angeles County jail (%)	-1.7	0.3	0.3	-3.5	-0.8	-0.9
Within three years of RA						
Arrested for any crime (%)	1.3	-5.1	-0.7	-4.0	6.1	-8.1
Convicted of any crime (%)	-2.0	-1.7	-0.9	-4.1	2.4	-6.0
Incarcerated in a Los Angeles County jail (%)	-2.6	1.2	1.9	-6.6	-1.5	0.3

SOURCES: Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff's Department.

NOTES: Numbers in the exhibit represent the impact estimates—that is, the difference within each subgroup between the incidence or mean value for the program group versus the control group. A positive number denotes that the incidence or mean value is higher for the program group than for the control group. A negative number denotes that the incidence or mean value is higher for the control group.

^aSubgroup categories are described in Chapter I. Sample sizes for each calculation can be found in Exhibit A-3a in Appendix A.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

† indicates the difference in the impact between subgroups is statistically significant at the .05 level (the symbol is placed by the impact estimate of the first group of the subgroup pair if significant).

Exhibit IV-6b: Impacts on Criminal Justice Outcomes for Implementation Study Defined Subgroups^a

	Period of Enrollment		Service Contrast	
	Early	Late	Low Contrast	High Contrast
Within one year of RA				
Arrested for any crime (%)	-2.5	-2.5	-0.4	-4.0
Convicted of any crime (%)	-2.9	0.9	2.0	-3.3
Incarcerated in a Los Angeles County jail (%)	0.4	1.3	6.3*	-3.3
Within two years of RA				
Arrested for any crime (%)	-6.5	-0.7	-2.3	-4.8
Convicted of any crime (%)	-5.7	1.3	1.0	-4.8
Incarcerated in a Los Angeles County jail (%)	-2.0	0.5	0.1	-1.5
Within three years of RA				
Arrested for any crime (%)	-2.5	na ^b	-0.3	-2.6
Convicted of any crime (%)	-3.7	na ^b	-0.4	-2.9
Incarcerated in a Los Angeles County jail (%)	-0.8	na ^b	3.7	-4.1

SOURCES: Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff's Department.

NOTES: Numbers in the exhibit represent the impact estimates—that is, the difference within each subgroup between the incidence or mean value for the program group versus the control group. A positive number denotes that the incidence or mean value is higher for the program group than for the control group. A negative number denotes that the incidence or mean value is higher for the control group.

^aSubgroup categories are described in Chapter I. Sample sizes for each calculation can be found in Exhibit A-3b in Appendix A.

^bThree years of post-RA data is not available for people who enrolled in the last 11 months of the enrollment period.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

† indicates the difference in the impact between subgroups is statistically significant at the .05 level (the symbol is placed by the impact estimate of the first group of the subgroup pair if significant).

D. Summary and Discussion

The evaluation team's analysis of criminal justice system data show that LA:RISE did not have an impact on arrests, convictions, or jail incarcerations within one, two, or three years after RA. Furthermore, most of the exploratory analyses show no impacts on any measures of criminal justice system involvement. One exception is that there appears to be a small but statistically significant difference between program and control group members when it comes to convictions around property crimes. If true, this finding is of limited value given the very small size of the impact, but it may still be worth further investigation.

A somewhat more notable pattern in the data is the convergence of several analyses suggesting that with a larger sample or a longer measurement period, the evaluation might have been able to detect impacts on arrests. The results for the impact analysis of the full sample for arrests and the failure curve analysis for arrests, for example, both show that arrest rates for the program group are consistently lower than those for the control group. While the difference is not statistically significant, it is consistently in the same direction, which suggests a possible small effect that would require a larger sample to be deemed statistically significant or which might grow over a longer period of time. Furthermore, subgroup analyses indicated that non-Hispanic individuals had a lower arrest rate than control group members. Finally, some of the alternative models that the evaluation team ran to check the robustness of its confirmatory analysis findings (see Appendix A) indicate a significant difference between program and control groups for rates of arrest. Taken together, these findings suggest there may be some small effect of LA:RISE on arrest rates that would require a larger sample size or longer measurement period (assuming a widening gap) to detect clearly.

Overall, the lack of significant impacts is not surprising given that LA:RISE did not include services designed to reduce criminal justice system involvement and since the impact on employment was short-lived. As noted earlier in report, LA:RISE did not include such services in its service delivery framework although some individual partners did provide such services independent of the program. Such services might include the introduction of risk assessment tools to better assess an individuals' criminogenic needs, which can then be used to pair them with services appropriate to these needs. It might also involve providing legal services that help individuals clear past records, helping people learn to talk about their criminal record with potential employers, or any of several cognitive behavioral therapies aimed at helping individuals manage anger or other issues that might result in behaviors that get them involved or re-involved in the criminal justice system. Many such approaches are currently being or have

recently been evaluated and may offer LA:RISE an opportunity to more explicitly address the needs of one of its priority populations.⁵⁶

⁵⁶ Many federal agencies, as well as other sources offer clearinghouses for identifying such evidence-based practices. One of the most notable for these types of practices is the U.S. Department of Justice's www.crimesolutions.org.

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V. Impacts on Linkages to Housing Opportunities

LA:RISE prioritized serving individuals with unstable housing (those who were homeless or at risk of homelessness), and it succeeded in doing so. As presented in Chapter II, about two-thirds of evaluation participants did not have access to stable housing at the point of random assignment (RA), and a lack of permanent housing was an ongoing obstacle for many LA:RISE program participants when it came to participating in program services. While LA:RISE did not include a housing services component, leadership partners hoped that the program might improve the housing stability of program participants through housing services provided by individual partners, by connecting them with employment to support their ability to secure housing, or both. Ideally, the evaluation would be able to directly measure the program's impact on the housing stability of participants. However, because no readily available sources of data on participants' housing stability existed, the evaluation team examined the impact the LA:RISE program had on the utilization of programs in Los Angeles designed to assist individuals who were homeless or at risk of homelessness. This chapter includes the results of this exploratory analysis, information on the types of programs utilized by participants and an explanation of the importance of this information, and a discussion around the implication of these findings for future LA:RISE services, noting changes made in later iterations of LA:RISE.

Key Findings

- **LA:RISE has a short-term impact on the rate at which program group members utilized programs for people at risk of homelessness.** Within a year after RA, program group members utilized Los Angeles Continuum of Care (LA CoC) programs at a higher rate than control group members. This difference was statistically significant but was not observed within two years after RA.
- **LA CoC data suggest that LA:RISE participants are utilizing services less likely to improve housing stability.** Program group members that utilized LA CoC programs tended to utilize emergency and day shelters (which are less likely to lead to housing stability) more than permanent housing and rapid re-housing programs (which provide housing thereby improving housing stability).
- **LA:RISE implementation resulted in an understanding that housing stability was a critical component for obtaining employment.** This understanding laid the groundwork for improved linkages to housing opportunities such as rapid re-housing vouchers in later iterations of LA:RISE, and provided a foundation for the continued expansion of homelessness-related services.

A. Data Source and Limitations

To conduct the exploratory analyses in this chapter, the evaluation team obtained data describing the programs provided by the Los Angeles Continuum of Care (LA CoC)—the entity responsible for coordinating LA’s homeless programs, ranging from emergency shelters to permanent supportive housing, and their utilization by LA:RISE evaluation participants.

Participation in LA CoC programs is tracked through the Homeless Management Information System (HMIS), which is managed by the Los Angeles Homeless Services Authority (LAHSA). LAHSA provided the evaluation team with individual-level records for all LA:RISE evaluation participants in the HMIS system, starting in September 2013 and ending in March 2019. These data allowed the evaluation team to determine the numbers of evaluation participants that utilized LA CoC programs, as well as the types of programs utilized, for up to two years prior to and up to 23 months following RA for all evaluation participants and slightly less than the full sample (477 program group members and 479 control group members) for analyses at up to two years after RA.

There are three limitations to these data in describing LA:RISE participant experiences. First, the HMIS data included utilization of services by LA:RISE participants which LA:RISE could not have influenced. In particular are street outreach services, which involve workers identifying individuals where they are, on the streets, and helping them connect with LA CoC programs. Because LA:RISE had no capacity to help link participants to services provided by this program, the evaluation team excluded them from the analysis below.⁵⁷ Second, while participation in LA CoC programs indicates that an individual experienced homelessness (at least for the night preceding program access), HMIS data does not accurately capture incidence of homelessness or risk of homelessness in the general population. In other words, HMIS data is not an indicator housing stability for LA:RISE evaluation participants. Third, utilization of some LA CoC programs, such as emergency shelter and transitional housing, does not indicate that a participant’s housing crisis was resolved as these programs only offer temporary support and are not long-term solutions. In short, HMIS data do not serve as a clear indicator of improvements to housing stability, although, as discussed below, utilization of certain programs can suggest it.

B. Impacts on Utilization of LA CoC Programs

The evaluation team found that LA:RISE had short-term impacts on the utilization of LA CoC services. As shown in Exhibit V-1, program group members utilized LA CoC programs at a higher

⁵⁷ HMIS data also show that two program group members utilized LA CoC programs denoted as “other” in the period following RA. Given the undefined nature of these services and the small number of participants that utilized them, the evaluation team also excluded these from the impact analysis. However, if they had been included they would have further supported the positive impacts reported in Exhibit V-1.

rate than control group members within one year of RA, and this difference was statistically significant. However, the evaluation team did not observe an impact on the utilization of LA CoC services within two years after RA.

Exhibit V-1: Utilization of Los Angeles Continuum of Care Programs by Program and Control Group Members

	Program	Control	Difference
Used LA CoC Service within one year after RA (%)	19.1	14.3	4.8**
Used LA CoC Service within two years after RA (%)	22.0	19.3	2.7

SOURCE: Los Angeles Homeless Services Authority, Homeless Management Information System

NOTES: Within one year after RA, estimates were calculated using the full evaluation sample (481 program group members and 482 control group members). Within two years after RA, estimates were calculated using evaluation participants for whom the evaluation had two full years of data (477 program group members and 479 control group members).

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

Interpreting these findings is challenging because there is no clear theory for how changes in utilization of housing services might relate to changes in the *housing stability* of program participants. Greater utilization could mean that the need for the services has increased, indicating *reduced* housing stability. Or greater utilization could mean that people in need are being better connected to the services and those services are providing them with stable housing, thus indicating *increased* housing stability. The data do, however, suggest two things. First, that LA:RISE program group participants are likely underutilizing LA CoC programs. Given the high rate of housing instability indicated by participants at the point of RA (see Chapter II), it seems likely that far more individuals than shown in Exhibit V-1 needed these services. Second, as is discussed in the next section, the types of programs that participants utilized were not necessarily those most likely to lead to situations involving more stable housing.

C. Types of LA CoC Programs Used by Program Participants

While there are many programs included within the LA CoC, there is a core group of programs that form a continuum ranging from temporary emergency shelters to permanent housing. Five of these (emergency shelters, transitional housing, rapid re-housing, permanent housing, and supportive services) are federally funded programs (through the U.S. Department of Housing and Urban Development) that exist nationwide while one of them (day shelters) is funded locally. As is shown in Exhibit V-2, at one end of this continuum, emergency shelters and day shelters are critical in helping people meet basic survival needs for shelter, food, clothing, and personal hygiene, while also helping them connect to permanent housing opportunities (USICH,

2018).⁵⁸ At the other, programs such as rapid re-housing or permanent housing are best aligned with improving housing stability since they provide actual stable housing along with other supports (Gubits et al., 2018).

Exhibit V-2: Summary of Core LA CoC Programs

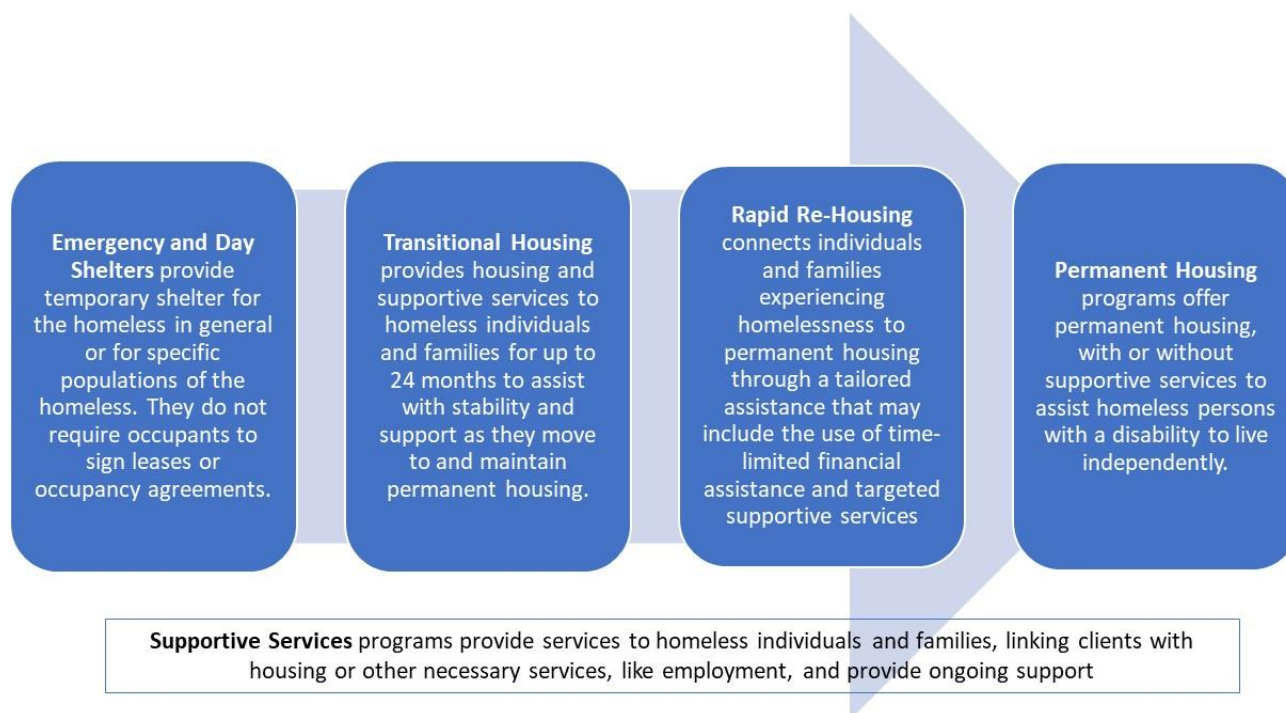


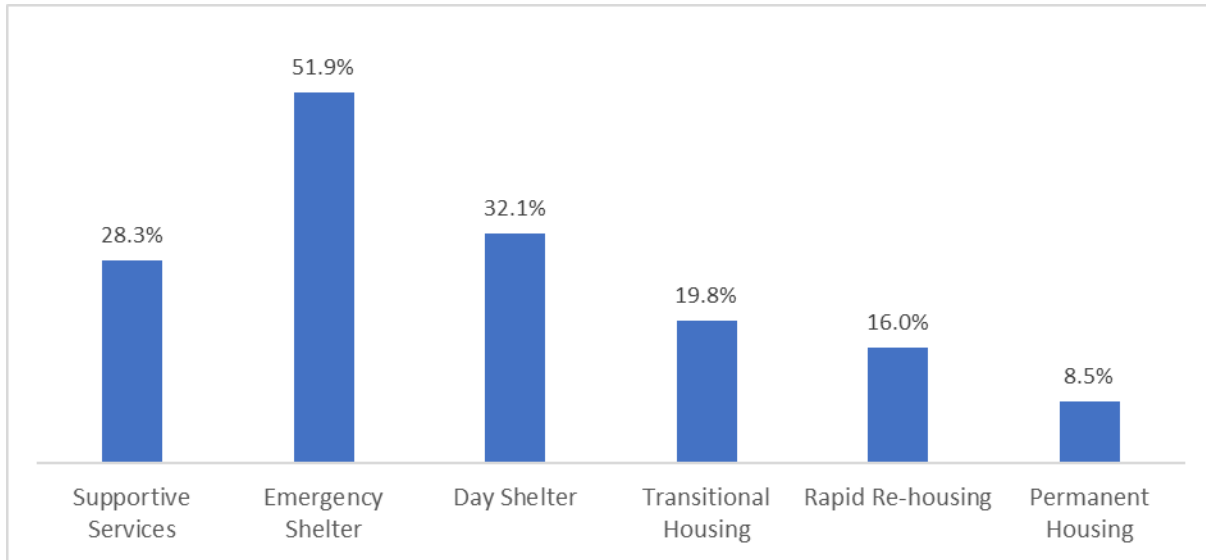
Exhibit V-3 shows the percentage of program group participants that utilized each of these six programs (out of those utilizing any LA CoC programs) in the two years following RA. As the exhibit shows, a greater percentage of program group members utilized emergency shelters and day shelters⁵⁹ as compared to other programs while a much smaller percentage utilized permanent housing. In other words, while LA:RISE increased participants' connections to LA CoC programs, participants did not always access programs that were associated with increased housing stability. The evaluation team also examined whether LA:RISE had an impact on the utilization of any of these programs individually, but there was little difference between program and control group members in their utilization.⁶⁰

⁵⁸ That said, federal resources are now directed towards strengthening diversion strategies to assist people to access safe alternatives to emergency shelter.

⁵⁹ The exhibit does not reflect that fact that some individuals utilized the same programs multiple times.

⁶⁰ The only significant difference in utilization of these six programs between program and control groups within one and two years after RA was for permanent housing. Within two years after RA, program group members

Exhibit V-3: The LA CoC Programs Utilized by LA:RISE Program Group Members



SOURCE: Los Angeles Homeless Services Authority, Homeless Management Information System

NOTES: The exhibit shows the percentage of program group members utilizing the six LA CoC programs included in the impact analysis. Calculations are based on 106 program group members. Percentages sum to more than 100 percent because an individual could utilize more than one program.

D. Discussion of Findings

These findings suggest that LA:RISE is well-positioned to address housing instability. LA:RISE increased linkages to CoC programs within a year after RA, which is potentially beneficial to participants given the high level of need for these services, but only so long as they are connected to the right types of programs (and ideally this increase would endure). Fortunately, the LA CoC has recently implemented a Coordinated Entry System (CES), designed to connect individuals accessing all LA CoC programs with interventions designed to most efficiently and effectively resolve their housing crises. In other words, by continuing to increase linkages to LA CoC programs, LA:RISE may be able to help participants better achieve housing stability.

To some extent, LA:RISE leadership partners began to move in this direction in later iterations of the LA:RISE program. Some examples of new partnerships and increased linkages to housing and housing services supported in later iterations of LA:RISE include:

utilized permanent housing programs slightly less than control group members. Because the impact estimate was small (-.8 percentage points) and the overall utilization of this program was low, this information is not particularly informative.

- In early 2017, EWDD and REDF partnered with LAHSA to launch the Rapid Re-housing Pilot with the goal of providing housing for 50 LA:RISE participants in Council Districts 2 and 8.
- In 2019, LA:RISE received \$1 million from the City General Fund to establish a partnership with the Mayor's Bridge Home project to provide transitional employment opportunities to residents of the Bridge Homes (former homeless encampments).
- LA:RISE received funding from the County of Los Angeles through Measure H to provide transitional employment and employment opportunities to participants experiencing or at risk of experiencing homelessness.
- LA:RISE partners began providing additional housing services such as: connecting participants to community-based housing at one of the partner agencies and rapid re-housing programs elsewhere in the area; adapting the program's job readiness assessment to not penalize participants experiencing homelessness and using the assessment as an opportunity to connect individuals to housing programs; and pursuing partnerships with transitional housing agencies and drop-in centers for recruitment.

Continuing to expand and grow these types of partnership activities and increased linkages to housing and services may help address the housing needs of LA:RISE program participants. These changes create a template for replication across subsequent iterations of LA:RISE as well as expansion more broadly.

E. Summary and Conclusion

The public workforce development system (as authorized by the WIOA) and the homeless service system (as funded through LA CoC programs) have not typically worked in tandem (Schnur & Young, 2018). LA:RISE seems a good opportunity for this type of partnership. Programs like LA:RISE may be a complementary strategy for further supporting housing stability and services like rapid re-housing programs are a good fit with LA:RISE since rapid re-housing is ideally offered without preconditions to entry—like income, absence of criminal record or sobriety requirements (USICH, 2018). Furthermore, the LA:RISE program, as discussed in Chapter II, strengthened partnerships between social enterprise organizations and the public workforce system, strengthening their collective capacity to meet the needs of individuals with high barriers to employment. LA:RISE may therefore also present an opportunity to integrate the workforce system and homeless service system because housing stability and employment are closely linked outcomes, yet neither system has the capacity to support individuals in achieving both. One way to realize this would be to design and implement an “enhanced coordinated entry system” (Schnur & Young, 2018) that more fully assesses the housing and

employment needs of participants prior to placement in LA:RISE in order to support them in having a housing plan in addition to one for employment.

The examination of HMIS data presented in this chapter show that LA:RISE increased participants' utilization of LA CoC programs. Given the high level of housing instability among LA:RISE participants, continuing to support and develop linkages with LA CoC programs seems important. However, based upon an analysis of the LA CoC programs that participants are utilizing, it seems that any increased support for linkages should focus on rapid re-housing and permanent housing programs, or, at the very least, ensuring that connections to services like shelters and transitional housing eventually lead to more permanent housing options through better assessment and planning. Future iterations of LA:RISE present two opportunities. At the participant level, LA:RISE can (and in later iterations does) provide rapid re-housing vouchers. At the system level, LA:RISE has the opportunity to provide a response to housing and economic instability through the development of an enhanced coordinated assessment that can address the shared goal of increasing self-sufficiency for individuals accessing these public programs.

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VI. Program Costs and Cost-Effectiveness

This chapter describes the costs of operating LA:RISE's pilot phase and considers these costs in terms of the impact the program had on employment. It begins by describing the sources of the cost data, the evaluation team's analysis of the data, some assumptions about the data, and key limitations of the analysis. The chapter then details how EWDD, the Workforce Innovation Fund (WIF) grantee, and each of the LA:RISE partner organizations (all subcontractors for the grant) used the \$5.1 million of WIF grant funds available for program and administrative services.¹ The final part of the chapter combines findings from the descriptive portion of the cost study with findings from the impact study to examine the cost-effectiveness of LA:RISE.

Key Findings

- **EWDD spent about one-third of WIF grant funds administering LA:RISE and providing system-level support to the partners.** As shown in earlier chapters, this support was critical for coordinating service delivery.
- **Despite wide variation in total spending, all partner organizations used the largest percentage of their grant dollars for staff labor.** Given that LA:RISE involved a service-intensive approach to support populations with high barriers to employment, this allocation of dollars is not surprising.
- **The average cost of serving an LA:RISE participant was \$9,090, compared to \$417 for Workforce Innovation and Opportunity Act (WIOA) Adult or \$3,286 for WIOA Youth services.** This amount included EWDD spending on system-wide support as well as services provided by Social Enterprise (SE), Workforce Development System (WDS), and Personal Support Provider (PSP) partners.
- **At the partner level, SEs and PSPs spent more per participant than did WDS partners.** The latter leveraged WIOA funding, lowering their grant expenditures.
- **The cost of producing a temporary increase in employment rate for the program group was considerable.** However, LA:RISE's leveraged costs and information about control group members' participation in programs other than WIOA were not available, which skewed cost estimates. In addition, the program startup costs included in LA:RISE's expenditures inflate the cost of LA:RISE relative to what it might be if the program was more established.

¹ The cost study does not include funds that were earmarked for the evaluation conducted by SPR. These costs were excluded from the analysis since the evaluation was not a program service and did not play a role in any changes the program made in participant outcomes.

A. Approach to the Cost Study

Using the data sources and analytic approach outlined below, the cost study sought to determine how each of the LA:RISE program partners spent WIF grant funds, to calculate the cost effectiveness of LA:RISE, and to compare the program's cost effectiveness to that of WIOA Adult and Youth programs.

1. Data Sources

The analysis in this chapter draws on the following types of data, as well as on the outcomes and impacts reported in earlier chapters.

- **System-level expenditure data** describe the spending of the leadership partners (EWDD and REDF) on the LA:RISE program; these are the costs leadership partners incurred to manage and coordinate the program, but not the funds EWDD paid to service partners for their LA:RISE expenditures. These data come from EWDD expenditure reports for fiscal years (FY) 2014-2015, 2015-2016, 2016-2017, and 2017-2018, as well as partial FY expenditure reports for 2018-2019.²
- **Service delivery partner expenditure data** detail spending by LA:RISE service delivery partners, including SE, PSP, and WDS partners (the latter include both WorkSource Center [WSC] and YouthSource Center [YSC] partners).³ These data come from grant expenditure reports completed by each service delivery partner for FYs 2015-2016, 2016-2017, and 2017-2018, and an additional report with cumulative spending by each partner through January 2019.⁴
- **Site-level WIOA Adult and Youth program expenditure data** for FYs 2016-2017 and 2017-2018 describe program costs for the control group. These data were used for the cost effectiveness analysis.
- **WIOA participant activity data** for FYs 2016-2017 and 2017-2018 report on total numbers of active participants in WIOA Adult and Youth program services administered by the City of Los Angeles WSCs and YSCs. These participant counts were also used for the cost effectiveness analysis.

² The FY encompassed the time period from July 1 through June 30, though in the first FY of LA:RISE services (2015-2016), most partners did not report any spending until September or October 2015. The partial FY 2018-2019 data provides information on LA:RISE spending through January 31, 2019.

³ For a full discussion of all partners and partner types, please see Chapters I and II.

⁴ As described in more detail in the data limitations section below, two partners were missing expenditure reports for one FY.

2. Analytic Approach

To conduct the analysis, the evaluation team compiled and organized the cost data. The first step of the analysis was to distribute the data presented in the various cost reports into the following five categories:

- staff labor costs (both direct and indirect) for administrative and program service staff;
- overhead and administrative costs;
- materials and supplies;
- outside services or subcontract costs; and
- participant costs, such as for participant incentives and bus passes.

Then, to account for inflation during the grant period, the evaluation team standardized all amounts using the Consumer Price Index for October 2014 (the month U.S. Department of Labor [US DOL] released WIF grant funds to EWDD). The evaluation team then analyzed the data from several different perspectives, as described below.

- **Overall costs**, divided costs **by cost category**, and separated **system-level** from **partner-level costs**.
- **Partner-level costs overall and by type of partner** (SE, PSP, or WSC/YSC). Grouping partner-level spending by partner type allowed for an understanding of whether spending on different categories varied by partner type.
- **Costs per program participant** based on reported enrollment numbers. As described in more detail below, the evaluation team also calculated **costs per expected participant** based on planned enrollment for the PSP partners, since there were large discrepancies between their expected and reported enrollment numbers.
- **A cost-effectiveness analysis**, which looks at the cost of creating the impacts discussed in previous chapters.

3. Data Assumptions

Throughout the cost study, the evaluation team made the following assumptions.

- **Total number of program participants.** As explained in Chapter II, while 508 individuals enrolled in LA:RISE, only 481 were a part of the evaluation's program group. Nearly all of this difference is due to US DOL's stipulation that veterans granted entry into the program were to be exempted from random assignment. SEs identified 26 veterans who were placed into the program but not the evaluation. In addition, one participant withdrew from the evaluation but remained in the program. Because these 27 individuals who were enrolled in the program but not in the evaluation received services and incurred costs, the analyses in this chapter assume the full universe of 508, rather than 481, participants.

- **Veteran enrollment in WIOA program services.** Because veterans were not included in the evaluation, the evaluation team did not have a way to identify these individuals and therefore did not have the same access to enrollment data at WDS partners for these 26 veterans as for evaluation participants. While the evaluation team had information about each veteran's SE enrollment, the team made assumptions about WDS (WSC and YSC) enrollment based upon the LA:RISE service delivery framework, which describes how each SE is linked to specific WDS partners (see Exhibit II-1). For the cost study analysis, the evaluation team assumed that each veteran received services from the WDS partner associated with their SE. This assumption may have resulted in an overcount of WDS partner enrollment if some veterans did not actually receive services from their expected WDS partner.

4. Limitations of the Analysis and Corrective Measures Taken

The data used in the analysis and the analyses themselves have several limitations that are important to consider when interpreting the results.

- **Leveraged resources are not included in the cost calculations.** Individual partners leveraged significant resources from other grants and programs to run LA:RISE. For example, WIOA funding supplemented program services, the SEs paid for participant wages, and most partners also received other private and public grant funding. Also, some partners expended WIF funds early in the grant cycle and used leveraged funds to support programming in later program years. However, partners were not required to track the use of these resources. The resulting lack of data made it impossible for the cost study to include leveraged resources in cost calculations. While this means that the cost study does not account for all costs associated with operating LA:RISE, it does provide an illustration of the program's costs over and above the existing community resources that it leveraged.
- **Missing cost data.** EWDD provided cost data for the 13 service provider partners. However, there was some missing data among these partners' more detailed, line-item expenditure reports.
 - The evaluation team received the final (FY 2017-2018) expenditure reports for all 13 partners. However, seven partners spent some grant funds after submitting these reports and through January 31, 2019. The evaluation team collected information on the total amounts each partner spent during this time, but not how these partners divided these costs across spending categories (staff labor, participant costs, etc.). Accordingly, where the analysis looks at partner spending by category, it only considers costs through the end of the third program year. When cumulative spending by partner is considered, the more comprehensive data that describe expenditures through January 31, 2019 are included.
 - Two partner expenditure reports were missing. Specifically, Homeboy's FY 2016-2017 report and UCLA's FY 2015-2016 report were unavailable. While spending on

line-item categories was available for both these partners for the cumulative three-year period, the evaluation team had to estimate the amount of money spent overall and on individual categories for the missing FYs. For the missing annual total, the evaluation team divided cumulative spending evenly between the missing year and the subsequent one. To estimate spending on individual categories, the evaluation team also divided the cumulative spending by category between the missing year and the subsequent one. Because the analysis focuses on overall partner spending across grant years as opposed to spending by individual program year, these estimates only affect cost discounting and not any larger spending trends reported here.

Neither instance of missing partner expenditure data affects the evaluation team's ability to calculate overall spending; it only limits the ability of the analysis (in these specific cases) to determine how spending on line-item categories may have shifted over time.

- **Multiple sources of PSP participant enrollment numbers.** For most partners, the evaluation team used participant enrollment numbers as reported in the LA:RISE management information system, the LA:RISE module (a customized module in CalJOBS, the state's workforce data management system). However, as discussed in Chapter II, in addition to enrolling fewer program participants than expected, PSP partners also likely under-reported LA:RISE program participants in the module. ARC and Friends Outside self-reported slightly higher numbers of program participants than indicated in the module.⁵ Given this discrepancy, the evaluation team elected to use the slightly higher, self-reported PSP enrollment numbers for ARC and Friends Outside. EWDD was not able to provide the study team with LIFT's self-reported LA:RISE program enrollment number, so this analysis uses the LA:RISE module enrollment numbers for that PSP partner. It is possible that this may be an under or overcount of LIFT's true LA:RISE program enrollment.
- **Lack of information about control group enrollment in programs other than WIOA.** The evaluation team was able to compare the cost of serving an LA:RISE program participant with the cost of serving an individual in the WIOA Adult or Youth program. However, while 12 percent of the control group enrolled in WIOA services within one year of random assignment, control group members may also have accessed other programs and services, such as those offered by the Los Angeles County Department of Public Social Services. Because participation in such programs is unknown to the evaluation team, using only the cost of WIOA program participation, at the level at which control group members participated in WIOA, may undercount the full cost of services the control group accessed. This would artificially inflate the difference in cost between

⁵ The LA:RISE module indicated that ARC enrolled 16 program participants while the organization self-reported that they enrolled 21 program participants; the LA:RISE module indicated that Friends Outside enrolled 29 program participants while the organization self-reported that they enrolled 44 program participants.

serving the program and control group. To account for this possibility, in the cost effectiveness analysis, the evaluation team also calculates the cost of serving comparison group members as if they had all enrolled in WIOA services. This creates an upper bound estimate of the costs of serving that group.

B. LA:RISE Program Expenditures

To operate LA:RISE, the leadership team (EWDD and REDF) and the 13 service provider partners spent WIF dollars on staff labor, overhead and administration, materials and supplies, outside services and subcontracts, and participant costs. The amounts they spent and the ways they divided their spending over these categories varied. The analysis below provides details about their spending at both the system and partner levels.

1. Overall Expenditures and LA:RISE Cost per Program Participant

As shown below in Exhibit VI-1, LA:RISE program partners spent \$4,617,841 of the WIF grant on the operation of the LA:RISE program between October 2014 and January 2019. After excluding the funds earmarked for the evaluation, which are not included in the cost study analysis since this activity was not a direct program cost, around 90 percent of grant funds were expended by the end of January 2019.⁶ Given that the program served 508 individuals, the total cost per program participant was \$9,090. The evaluation team also calculated the total cost per program participant excluding REDF's grant expenditures and the dollars EWDD spent on LA:RISE planning prior to program enrollment. Because REDF's technical assistance and EWDD's early spending could be considered LA:RISE startup costs, the cost per participant without these expenses better estimates what ongoing costs might be for a more established program.⁷

The remainder of this section explores program expenditures and cost per program participant at the system level and at the level of the three different types of service provider partners. It also considers the types of expenditures service provider partners made and cost per participant figures by type of partner.

⁶ This number is less than \$6 million in part due to cost discounting to account for inflation, and because EWDD reserved some grant dollars to pay for remaining project management costs (such as managing the evaluation) after January 2019.

⁷ While this calculation removes startup costs associated with REDF's technical assistance and EWDD's early planning, it likely still overestimates the cost per participant for an established LA:RISE program. This is because EWDD and individual partners also had startup costs as part of their expenditures even once program enrollment began. However, it is not possible to remove these startup costs from calculations as they cannot be isolated in the same way as REDF's expenditures and EWDD's costs in FY 2014-2015.

Exhibit VI-1: Total LA:RISE Program Expenditures and Cost Per Program Participant

	Total Expenditures	Number of Program Participants	Cost Per Program Participant
Total	\$4,617,841 ^a	508	\$9,090
Total Excluding REDF Expenditures and EWDD Startup Costs	\$3,799,711	508	\$7,480

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2014-2015, 2015-2016, 2016-2017, 2017-2018, and partial data for FY 2018-2019. Program participant numbers are from SPR's random assignment system.

NOTES:

^aIf all grant funds not earmarked for the evaluation had been spent, then total expenditures (with cost discounting) would have been \$4,918,852 and the cost per program participant would have been \$9,683.

2. System-Level Expenditures

The LA:RISE-related expenditures of the two leadership partners, EWDD and REDF, are defined as the system-level costs of the program. These partners spent a total of \$1,898,045 in grant funds—close to one-third of the total grant amount and almost 40 percent of actual grant expenditures, excluding evaluation costs (see Exhibit VI-2).⁸ The largest system-level expenditure was staff labor (both salaries and fringe benefits) for EWDD employees with the programmatic responsibilities of overseeing program implementation, tracking performance measures, managing contracts, and managing WIF grant finances. The cost of EWDD's subcontract with REDF to deliver technical assistance and partner management services was the next-largest expenditure.⁹ EWDD spent much smaller amounts on overhead and administration (e.g., rent and office expenses, staff travel, and payments to other city departments) and materials and supplies (e.g., printing, copying, and program materials).

EWDD's system-level expenses represent \$3,736 per enrolled program participant, or about 40 percent of the total LA:RISE cost per program participant.

⁸ Technically, these expenses were incurred by EWDD with REDF as a subcontractor, although the organizations operated in close partnership with one another.

⁹ The nature of these services is discussed further in both Chapter II and in the evaluation's interim report (Geckeler et al., 2018).

Exhibit VI-2: System-Level LA:RISE Expenditures

System-Level (EWDD) Expenditure Categories	Amount
Staff Labor (Salary and Fringe)	\$ 882,368
Outside Services/Subcontracts (REDF)	\$ 785,087
Overhead/Administration	\$ 123,522
Materials and Supplies	\$ 107,068
Total	\$ 1,898,045
System-Level Cost Per Program Participant	\$ 3,736

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2014-2015, 2015-2016, 2016-2017, 2017-2018, and partial data for FY 2018-2019. Program participant numbers are from SPR's random assignment system.

3. LA:RISE Partner Expenditures

Each of the 13 LA:RISE service provider partners received a portion of the WIF grant to pay for their delivery of LA:RISE program services. The amount of funding per partner ranged from \$22,081 for AYE to \$744,974 for Chrysalis. The two YSC partners received the smallest allocations while two of the SEs (Chrysalis and LACC) and the two WSC partners received the largest amounts.

These partner-level expenditures varied for several reasons. First, the partner organizations were expected to serve widely varying numbers of participants. For example, among the SEs, DWC was expected to serve 10 program participants while Chrysalis was expected to serve 180. Second, the partners delivered different types of programs with different costs. As previously described in this report, SEs delivered transitional employment services, WDS partners delivered WIOA-funded workforce services, and PSPs delivered support services to participants who were transitioning out of transitional employment. Third, some partners were expected to pay for specific services, such as participant incentives, that others were not. Finally, EWDD negotiated grant allotments to partners based on their capacity to leverage other funding.

Over the course of the grant, EWDD also redistributed service provider partner subgrants from three partners to five others based primarily on enrollment number adjustments. The cost study includes both the original and final allocations each partner received to illustrate how actual spending aligned with expectations.

Exhibits VI-3a through VI-3c display information about partner expenditures in three tables, organized by partner type (SE, PSP, and WDS partners). The exhibits show the initial and final

WIF sub-grant amount each partner was allocated¹⁰ and each partner's expenditures for site-level program operations as of January 31, 2019 (these amounts do not include the system-level costs discussed above). The exhibits also show the percentage of the final grant allocation spent and each partner's enrollment number.

Exhibit VI-3a: SE Partners' Grant Amounts and Expenditures

	Chrysalis	CRCD	DWC	Goodwill	Homeboy	LACC
Original WIF Sub-Grant Amount	\$476,783	\$178,794	\$29,799	\$134,095	\$59,598	\$506,582
Final WIF Sub-Grant Amount	\$744,974	\$178,794	\$29,799	\$193,693	\$104,296	\$446,984
WIF Grant Expenditures	\$726,739	\$172,202	\$29,169	\$138,125	\$99,690	\$438,103
Percent of Final Sub-Grant Spent	98%	96%	98%	71%	96%	98%
Enrollment	182	60	12	69	35	150

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, 2017-2018, and partial FY year for 2018-2019. Program participant numbers are from SPR's random assignment system.

Across the SE partners, Chrysalis and LACC had by far the largest grant allocations, the highest total costs, and the highest enrollments. Chrysalis and Goodwill agreed to take on more participants mid-program and so received additional funding. All SEs except Goodwill spent nearly all of their final WIF sub-grant amount.

Exhibit VI-3b: PSP Partners' Grant Amounts and Expenditures

	ARC	Friends Outside	LIFT
Original WIF Sub-Grant Amount	\$110,018	\$244,868	\$183,363
Final WIF Sub-Grant Amount	\$122,434	\$244,868	\$183,363
WIF Grant Expenditures	\$88,939	\$194,497	\$155,305
Percent of Final Sub-Grant Spent	73%	79%	85%
Enrollment	21	44	61

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, 2017-2018, and partial FY year for 2018-2019. ARC and Friends Outside participant numbers self-reported by grantees. LIFT program participant number from the LA:RISE module.

¹⁰ The final WIF subgrant amounts are taken from the latest data provided by EWDD, which show budgeted grant allocations as of January 31, 2019.

PSP partners received mid-sized grant allocations that they underspent by an average of close to 20 percent. As Chapter II discusses in greater detail, reported PSP enrollment numbers were also lower than planned.¹¹

Exhibit VI-3c: WDS Partners' Grant Amounts and Expenditures

	CRDC WSC	Goodwill WSC	AYE	UCLA
Original WIF Sub-Grant Amount	\$206,090	\$360,657	\$95,684	\$147,207
Final WIF Sub-Grant Amount	\$397,065	\$360,657	\$22,081	\$70,659
WIF Grant Expenditures	\$278,249	\$308,362	\$21,310	\$69,100
Percent of Final Sub-Grant Spent	70%	86%	96%	98%
Enrollment	104	238	9	43

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, 2017-2018, and partial FY year for 2018-2019. Program participant numbers from SPR's random assignment system and WIOA participant records.

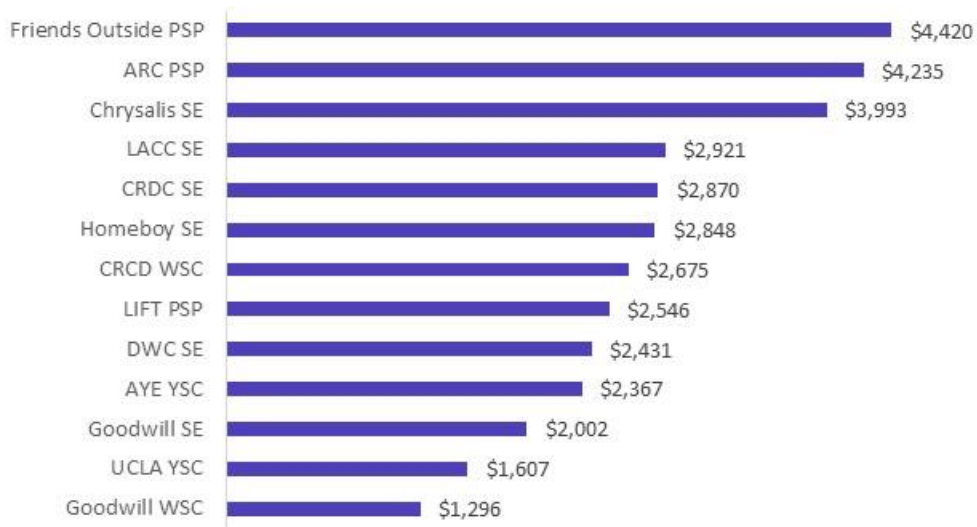
The WSC and YSC partners varied greatly in terms of spending levels and number of participants served. The WSC partners spent smaller percentages of their subgrant than did the two YSCs, both of which spent nearly all of their grant allotment. As expected, based on enrollment goals and grant allotments, the WSCs served considerably more people.

4. Partner-Level Costs per Program Participant

The evaluation team examined the variation across partners in cost per program participant—the total amount each partner reported spending as of the end of January 2019 divided by the reported number of program participants it served. These numbers are displayed in Exhibit VI-4. Importantly, these costs are considerably different from the overall cost per program participant of \$9,090 described above. Two factors account for this divergence. First, the costs displayed in Exhibit VI-4 do not include the costs incurred by EWDD and REDF in managing the program. Second, since each participant theoretically received services from up to three different partners (an SE, PSP, and WSC or YSC partner), the non-cumulative, per-partner costs in Exhibit VI-4 represent only part of the cost of serving each participant in the overall program.

¹¹ Reasons presented in Chapter II for lower than planned PSP participation include distances and difficulty participants had navigating another program provider as well as under-reporting in the program's management information system (MIS). Enrollment numbers presented here for ARC and Friends Outside were self-reported by those partners, so the latter issue only applies to LIFT.

Exhibit VI-4: Cost per Program Participant, by Partner



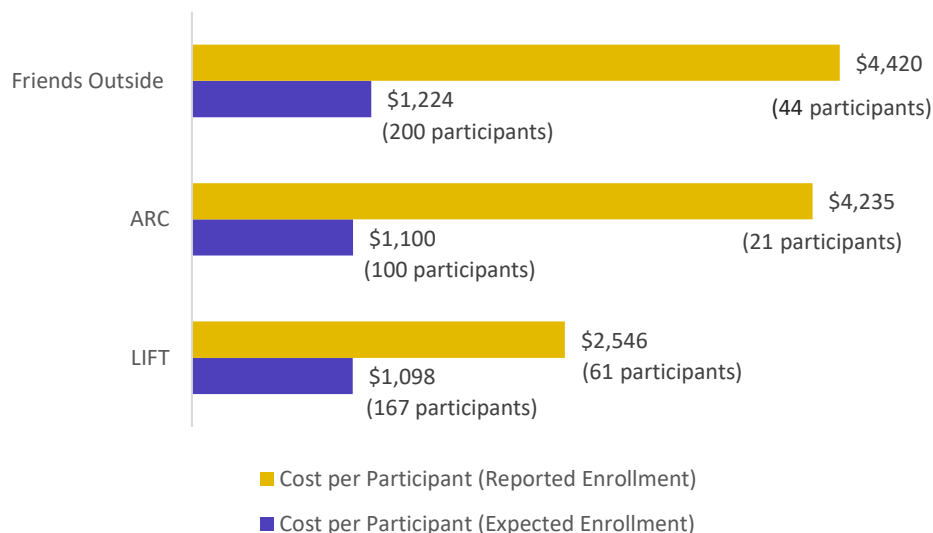
SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, and 2017-2018 and partial FY year for 2018-2019. Program participant numbers come from the LA:RISE module, SPR's random assignment system, WIOA participant records, and grantee reports for Friends Outside and ARC.

As seen in Exhibit VI-4, the partner cost per program participant ranged from a low of \$1,296 to a high of \$4,420, with an average cost per program participant of \$2,645 and a median of \$2,675. Eight of the partners spent between \$2,000 and \$3,000 per program participant. Two particularly interesting patterns emerge when looking at expenditures in this way.

First, two PSPs (Friends Outside and ARC) had costs per program participant that were higher than other partners—about 1.65 times higher than the average. These PSPs' higher costs per program participant are likely due to lower participation numbers than expected. While data entry or other challenges using the module could have influenced these numbers, the evaluation team used self-reported enrollment numbers for both ARC and Friends Outside, which should have mitigated the role that such challenges played in their lower than expected enrollment. Because the expected numbers of PSP participants were much higher, the evaluation team compared the cost per program participant based on actual enrollment to the cost per program participant based on expected enrollment for the three PSPs. Exhibit VI-5 shows the results of these calculations. In each case, the expected cost represents the cost per program participant that would have been incurred if all of the initial grant allocation had been spent and the PSP had enrolled its expected number of participants (EWDD's enrollment goal for the PSP is included in parentheses under the cost per expected program participant). Because PSPs may have reported fewer participants than they actually served, the real cost per program participant may fall somewhere between the reported and expected costs.

The second notable finding is that some of the lowest costs per program participant, and the two lowest costs overall, were those of WDS partners. This may be because these partners provided WIOA program services. While they used grant funds to support staff positions and some services, most of their services were supported through WIOA funds. Thus, these programs relied heavily on leveraged funds (not reported) to offer LA:RISE services.

Exhibit VI-5: PSPs' Cost per Program Participant, Reported versus Expected Numbers



SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, and 2017-2018 and partial FY year for 2018-2019. Reported program participant numbers self-reported by ARC and Friends Outside and from the LA:RISE module for LIFT.

5. Cost per Program Participant by Partner Type

Finally, the evaluation team analyzed costs per program participant by partner type (SE, PSP, and WDS partner), summarizing the analysis done above. Exhibit VI-6 illustrates these costs.

Exhibit VI-6: Cost per Program Participant, by Partner Type

Partner Type	Number of Partners	Cost Per Program Participant
Social Enterprise (SE)	6	\$3,158
Personal Support Provider (PSP)	3	\$3,482
WorkSource Center (WSC)	2	\$1,715
YouthSource Center (YSC)	2	\$1,738

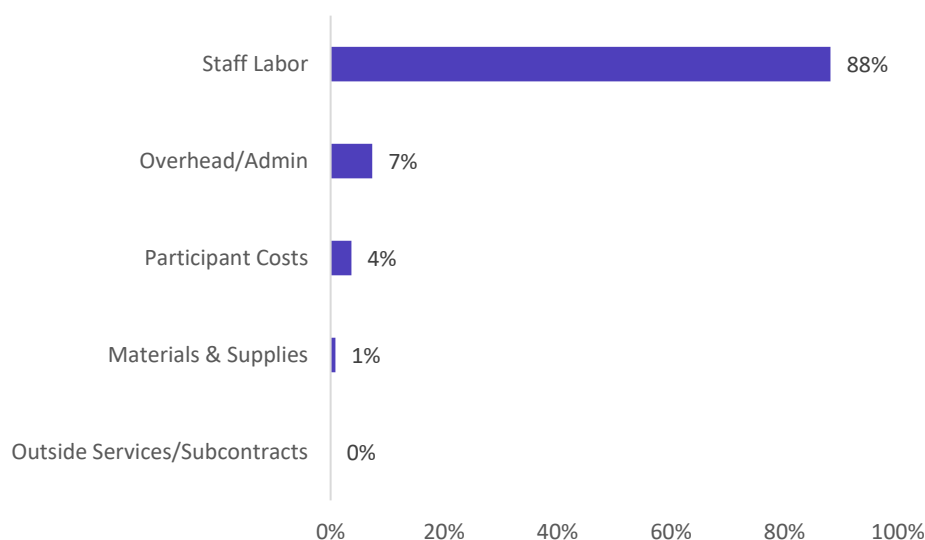
SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, and 2017-2018. Program participant numbers come from SPR's random assignment system, WIOA participant records, and self-reported.

Overall, PSPs had the highest cost per program participant, followed by SEs. As explained in detail above, PSP costs would have been lower if the partners had enrolled closer to their expected number of participants. Interestingly, WSC and YSC partners had nearly identical per program participant costs despite their different target groups. Given that SEs played the central role in service provision for LA:RISE, it makes sense that their costs are significantly higher than those of the WSC and YSC partners.

6. Types of Partner-Level Expenditures

Another important aspect of examining LA:RISE program expenditures is understanding how program partners spent their funds. Exhibit VI-7 shows the percentage of total grant funds partner spending accounted for by each cost category through the end of FY 2017-2018. By far the largest portion of partner grant funds was spent on staff labor, an important cost for LA:RISE given its service intensive approach. Spending in this category was followed by overhead and administrative costs, participant costs, and materials and supplies. Partners spent very little on outside services and subcontracts.

Exhibit VI-7: Percentage of Partner Spending by Category, across Partners



SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, and 2017-2018.

NOTES: This exhibit displays spending through the end of FY 2017-2018 and does not include later spending (done by seven of the grantees) as line-items were not available for that later timeframe. As explained in the data limitations section, these percentages were calculated using estimated expenditures for UCLA, FY 2015-2016 and Homeboy, FY 2016-2017. Spending on outside services/subcontracts appears as zero in this chart due to rounding.

Exhibit VI-8 provides more detail about each partner's expenditures by line-item type with partners grouped by type (SE, PSP, or WDS partner). Overall, partners spent similarly high

amounts on staff labor, while there was some variation in how they spent in other categories. This may reflect slightly different service models or the use of leveraged funds. Several observations can also be made for each cost category:

- **Staff labor.** Across partners, staffing expenditures represented by far the largest share of program expenditures. Overall, staff labor expenditures accounted for nearly 90 percent of partner grant spending, with six partners spending over 90 percent on staff labor and none spending less than 68 percent. LA:RISE used a service-intensive approach for its high-need target population, and this model required significant staffing costs to cover program functions.
- **Overhead and administration.** The amount that partners spent on overhead and administration ranged from \$0 to over \$70,000, with about seven percent of partner expenditures spent on this category overall. Overhead and administration expenses involved in-house accounting, human resources, program rent, and other items that supported program operations. The partners that reported zero or very little spending in this category likely leveraged other funding sources to cover these needs.
- **Participant costs.** Participant costs included bus passes, tuition, on-the-job training funds, and client incentives, such as the Visa gift cards that participants received after reporting to their PSP case manager that they were employed. While many partners did not have any participant expenditures, for five partners it was a significant expense. ARC, Goodwill SE, Goodwill WSC, Friends Outside, and LACC all spent at least five percent of their grant allotment on participant costs, with Goodwill SE spending fully 18 percent of their allotment on this category. The latter partner spent significant amounts on tuition fees and bus passes, which implementation data revealed were key for participants. Across partners, about three percent of grant funds were spent on participant costs.
- **Materials and supplies.** Spending on materials and supplies was fairly limited and included items needed for program operation, such as printed forms, postage, and office supplies. CRCD SE and CRCD WSC spent the largest amounts on this category while three other partners did not report spending any grant funds on this category. Those partners spending less may have leveraged other funds for these costs or simply had less of a need due to their program models or the number of participants served.
- **Outside services and subcontracts.** Spending in this area was limited to three partners and consisted mostly of drug and background checks. Partners may not have had other types of expenses in this category in part because the system-wide support they received from EWDD and REDF covered some services they would otherwise have had to procure themselves.

Exhibit VI-8: Partner-Level LA:RISE Costs, by Partner

	Staff Labor (Salary and Fringe)	Overhead/ Administration	Participant Costs	Materials and Supplies	Outside Services/ Subcontracts	Total
SE Partners						
Chrysalis	\$579,173	\$0	\$0	\$0	\$0	\$579,173
CRCD SE	\$161,645	\$107	\$0	\$4,631	\$0	\$166,384
DWC	\$29,169	\$0	\$0	\$0	\$0	\$29,169
Goodwill SE	\$91,456	\$17,782	\$24,505	\$163	\$143	\$134,049
Homeboy	\$92,266	\$7,360	\$0	\$2,200	\$0	\$101,826
LACC	\$342,100	\$72,245	\$22,520	\$1,230	\$25	\$438,119
<i>Total</i>	\$1,295,809	\$97,494	\$47,025	\$8,224	\$168	\$1,448,720
PSP Partners						
ARC	\$80,089	\$0	\$8,850	\$0	\$0	\$88,938
Friends Outside	\$142,532	\$13,453	\$11,431	\$223	\$0	\$167,638
LIFT	\$148,321	\$672	\$3,307	\$1,935	\$0	\$154,236
<i>Total</i>	\$370,942	\$14,125	\$23,588	\$2,158	\$0	\$410,812
WDS Partners						
CRCD WSC	\$219,104	\$256	\$459	\$8,120	\$0	\$227,939
Goodwill WSC	\$222,870	\$62,727	\$17,081	\$1,966	\$94	\$304,739
AYE	\$16,139	\$4,871	\$14	\$277	\$0	\$21,301
UCLA	\$63,446	\$3,073	\$2,558	\$22	\$0	\$69,100
<i>Total</i>	\$521,559	\$70,927	\$20,112	\$10,386	\$94	\$623,078

SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2015-2016, 2016-2017, and 2017-2018

NOTES: This exhibit displays spending through the end of FY 2017-2018 and does not include later spending (done by Chrysalis, CRCD SE, Goodwill SE, Friends Outside, LIFT, CRCD WSC, and Goodwill WSC) as line-item break downs were not available for that later timeframe. As explained in data limitations, the evaluation team estimated line-item spending for Homeboy's missing expenditure report (FY 2016-2017) and for UCLA's missing expenditure report (FY 2015-2016)

C. The Cost Effectiveness of LA:RISE

The cost-effectiveness analysis examines LA:RISE program expenditures in relation to the impact LA:RISE had on employment. It combines findings from the impact study with the descriptive portion of the cost study to determine the cost of increasing employment among LA:RISE participants relative to the employment of control group members in WIOA programs. The first step in this analysis, detailed below, is to estimate the per-participant costs of LA:RISE on the one hand and those of the WIOA Adult and Youth programs on the other.

1. LA:RISE's per-Participant Costs Compared to those of the WIOA Adult and Youth Programs

The first step of the cost-effectiveness analysis is calculating the average cost per participant for the WIOA Adult and Youth programs. These cost figures enabled the evaluation team to determine the total cost of serving the control group based on actual WIOA enrollment by control group members. To make these calculations, the evaluation team used the total costs and unique enrollment for the WIOA Adult and Youth programs based on WIOA activity and expenditure reports for FYs 2016-2017 and 2017-2018.⁷² The average per-participant costs, calculated for the Adult and Youth programs, reflect a duration similar to what was used to calculate the LA:RISE cost per program participant.⁷³ The average cost per participant for WIOA was calculated as:

$$\text{Cost/Participant}_{\text{Program}} = \frac{\text{Total Spending in FY 2016-2017 and FY 2017-2018}_{\text{Program}}}{\text{Total Enrollment in FY 2016-2017 and FY 2017-2018}_{\text{Program}}}$$

where *Program* represents either the WIOA Adult or Youth program.

⁷² EWDD provided the number of active enrollments in the WIOA Adult and Youth programs over the stated years. Note that the “active enrollment” definition is slightly different than the “participation in at least one WIOA service” designation that was used to account for program and control group participation in WIOA in Chapter II. EWDD staff indicated that all individuals who are “actively enrolled” in WIOA should also have been participating in at least one service and that all individuals participating in a WIOA service should also have been enrolled in the program. However, if there are differences, the active enrollment, based on the analysis in Chapter II, would be lower, if only slightly, thus also lowering the WIOA cost per participant slightly.

⁷³ The cost per program participant for LA:RISE was calculated with a slightly longer timeframe (September 2015-January 2019 for LA:RISE per program participant costs as opposed to July 2016-June 2018 for WIOA per participant costs) that reflects the program’s enrollment period and expenditure reporting calendar, which were different than WIOA’s. The evaluation team had access to fewer years of WIOA expenditure data. However, spending and enrollment in the WIOA Adult and Youth programs appeared fairly stable over time, and given that these costs per participant calculations are averaged over FYs, the discrepancy in time periods should not make a difference in the overall analysis.

The total cost for WIOA was calculated as

$$\text{Total Cost} = \Sigma \text{Cost/Participant} * \text{Participation}_{\text{Program}}$$

Exhibit VI-9 presents the average cost per participant and actual WIOA participation⁷⁴ for control group members, by WIOA program, as well as the total cost associated with serving the control group members who accessed WIOA services. The exhibit also shows that an equal number of control group members enrolled in the WIOA Adult and WIOA Youth programs within one year of random assignment. The average cost per participant for the WIOA Adult program was significantly less than the average cost per participant for the WIOA Youth program, reflecting the lighter touch services that some WIOA Adult participants receive.⁷⁵

Exhibit VI-9: Average Cost per Participant for WIOA Adult and Youth Programs and Total WIOA Cost for Control Group Members

WIOA Adult Program	
Average Cost Per Participant	\$417
Unduplicated Enrollment	31
Adult Program Cost for Control Group Members	\$12,927
WIOA Youth Program	
Average Cost Per Participant	\$3,286
Unduplicated Enrollment	31
Youth Program Cost for Control Group Members	\$101,866
TOTAL COST	\$114,796
<i>SOURCE:</i> WIOA expenditure reports from EWDD for FY 2016-2017 and FY 2017-2018 and WIOA participation reports from EWDD for FY 2016-2017 and 2017-2018.	
<i>NOTES:</i> The timeframe for calculating the LA:RISE cost per program participant is slightly longer (September 2015-January 2019) than the time period for calculating the average WIOA costs per participant (July 2016-June 2018). However, the cost per participant calculations are all averaged over FYs, so it is still possible to conduct a comparison of average costs per participant.	

Using these numbers, the evaluation team first compared the cost of serving an individual in the WIOA Adult and Youth programs to the cost of serving an individual in LA:RISE when including the full cost of that program, then made similar comparisons after removing LA:RISE

⁷⁴ Participation in WIOA by control group members is defined as the total number of control group members participating in at least one WIOA Adult or Youth service within one year of random assignment.

⁷⁵ While some WIOA Adult program participants receive more expensive training services, the evaluation team did not have access to data that differentiated WIOA services. The average cost per WIOA Adult program participant used here averages costs across service types, and includes spending on On-the-Job Training and Individual Training Accounts.

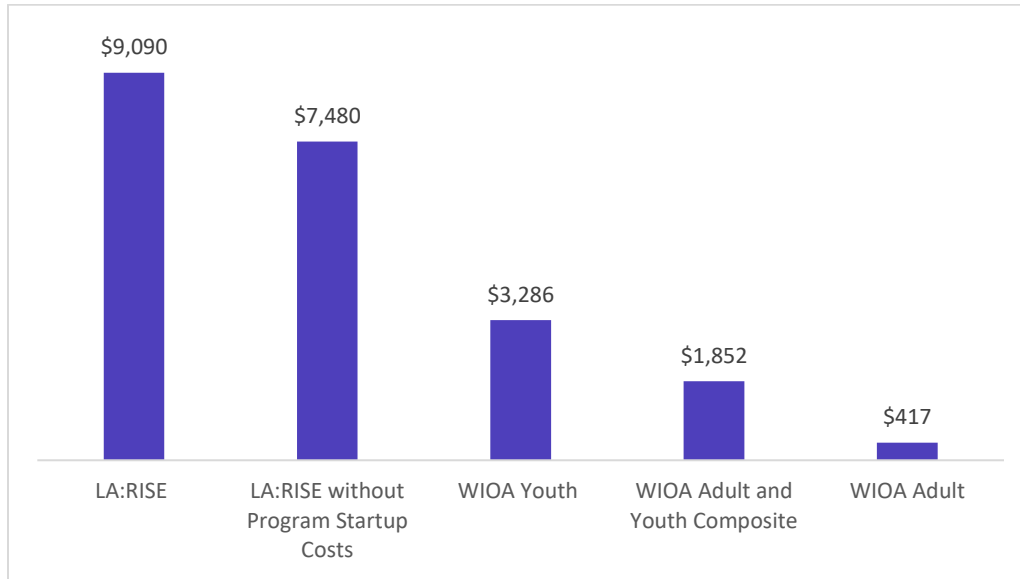
startup costs. On average, when including startup costs and ongoing expenditures, the former of which may inflate LA:RISE's cost, the program costs more than twenty times as much as the WIOA Adult program to serve an individual. As displayed in Exhibit VI-10, the former cost about \$9,090, on average, per participant and the latter cost about \$417, on average, per participant. As the average cost of serving an individual in the WIOA Youth program was considerably higher than that of serving an individual in the WIOA Adult program, there is a smaller difference between the cost per LA:RISE program participant and the cost per WIOA Youth participant. The average cost of serving an individual in the WIOA Youth program was \$3,286, which is a little less than three times as much as the cost of serving an individual in LA:RISE. To produce a single measure of WIOA per-participant costs, the evaluation team weighted the average costs for WIOA program services in a way that reflected the division of control group members between the WIOA Adult and WIOA Youth programs. This WIOA composite cost is \$1,852, on average, per participant, which is about five times less than the cost of serving an individual in LA:RISE.

All of these differences in costs between serving an LA:RISE participant and a WIOA Adult or Youth program participant are reduced when the startup costs associated with LA:RISE, EWDD's spending on LA:RISE in 2014-2015 (before program enrollment began) and all of REDF's grant expenditures, are removed.⁷⁶ The evaluation team considered the cost of LA:RISE without these startup costs included because the established WIOA Adult and Youth programs lack such costs. However, even when removing startup expenditures, the differences in cost between the LA:RISE and WIOA programs are still considerable. When excluding startup costs, the average cost per LA:RISE program participant was still \$7,480. This is about 18 times as much as the average cost per WIOA Adult program participant, two times as much as the average cost per WIOA Youth program participant, and four times as much as the composite cost per participant. LA:RISE's intensive service model and its target population, which had significant barriers to employment, likely accounted for at least some of the differences in cost between LA:RISE and the WIOA Adult and Youth programs that remain even after LA:RISE startup costs are removed.⁷⁷

⁷⁶ As REDF provided technical assistance to help partner organizations operationalize LA:RISE, the study team considered its expenditures to be startup costs.

⁷⁷ For example, while WIOA Adult services can include training, many participants also receive much lighter touch services such as short-term assistance with a job search, that are much less intensive than the LA:RISE program model. Also, the WIOA Adult program serves individuals with significant barriers to employment, but it does not target only those experiencing homelessness or who have justice involvement.

Exhibit VI-10: Average Cost per Participant by Program



SOURCE: LA:RISE grant expenditure reports from EWDD for FY 2014-2015, 2015-2016, 2016-2017, 2017-2018, and partial data for FY 2018-2019. Program participant numbers are from SPR's random assignment system. WIOA expenditure reports from EWDD for FY 2016-2017 and FY 2017-2018 and WIOA participation reports from EWDD for FY 2016-2017 and 2017-2018.

NOTES: The timeframe for calculating the LA:RISE cost per program participant is slightly longer (September 2015-January 2019) than the time period for calculating the average WIOA costs per participant (July 2016-June 2018). However, the cost per participant calculations are all averaged over FYs, so it is still possible to conduct a comparison of average costs per participant.

As noted earlier, the WIOA program costs presented in Exhibit VI-9 likely underestimate the total cost for services received by the control group, as they do not include costs for other programs or services that control group members may have received in addition to or instead of WIOA-funded services. To account for this limitation, the evaluation team also calculated the total amount of WIOA expenditures that would have been spent on the control group if all members had enrolled in WIOA Adult and Youth programs in the same ratio as what was observed. While this level of enrollment did not actually occur, it serves as an upper-bound estimate for the cost of other services that control group members may have accessed. This calculation finds that even if its assumptions held true, the total spent would still have only been about \$892,449, which is significantly less than the \$4.6 million spent on LA:RISE program participants (or about \$3.8 million after removing REDF expenditures and EWDD grant spending in FY 2014-2015). Even if all control group members had enrolled in the more expensive WIOA youth services, total spending would have been less than half the cost of LA:RISE, even with startup costs removed.

2. Cost Effectiveness

A cost-effectiveness analysis is instructive in considering the program costs required to achieve observed differences in outcomes between the program group and the control group. The cost effectiveness of LA:RISE can be estimated as follows:

$$\text{Cost per percentage-point difference in outcome} = \frac{\text{Cost}_{\text{program}} - \text{Cost}_{\text{control}}}{\text{Outcome}_{\text{program}} - \text{Outcome}_{\text{control}}}$$

Since the only confirmatory outcome measure on which LA:RISE had a statistically significant impact was the rate of employment (see Chapters III and IV), this analysis made cost effectiveness calculations using that outcome.⁷⁸

Exhibit VI-11 shows the data used in the cost-effectiveness calculation; these include the program costs and the employment rates of LA:RISE participants and comparison group members in the second quarter after random assignment, which was when the employment rate of the program group peaked relative to that of the control group. (It must be noted that the cost data may be imprecise due to the low WIOA enrollment rate for control group members and the fact that control group members may have accessed other services not captured in the available financial data.)

Exhibit VI-11: Per-percentage Point Cost of Increasing Employment Rate of LA:RISE Participants in the Second Quarter after Random Assignment

	Cost	Percentage Employed in the Second Quarter after RA	Cost/Percentage Point Change in Employment
Program Group	\$4,617,841	62%	—
Control Group	\$114,796	54%	—
Difference	\$4,503,045	8%	\$562,881

SOURCE: Employment data come from the California Employment Development Department. See Exhibits VI-1 and VI-9 for information on total costs for LA:RISE and WIOA.

The cost effectiveness analysis shows that in the second quarter after random assignment, program group members obtained employment at a rate eight percentage points higher than members of the control group. To achieve this difference, the LA:RISE program invested approximately \$562,881 for each percentage point gain in employment. This is a steep cost, especially for gains in employment that did not endure. (As detailed in Chapter III, the positive

⁷⁸ As discussed in Chapter V, the evaluation team also found some impacts on LA:RISE participant connections to programs and services designed to address housing crises as coordinated by the Los Angeles Continuum of Care in the first year after random assignment. However, since this was an exploratory analysis, the associated impacts are not included in cost effectiveness calculations.

impacts the LA:RISE program had on employment began decreasing after the second quarter after random assignment.)

As a sensitivity analysis, the evaluation team also looked at the cost of increasing the employment rate of LA:RISE participants using two assumption scenarios that help mitigate limitations of the data. First, to account for the lack of information about control group member enrollment in programs other than WIOA, the evaluation team calculated the cost of a percentage point increase in employment for the program group relative to employment for the control group using the assumption that all control group members enrolled in WIOA (rather than the observed 12 percent). In this analysis, the costs of the WIOA Adult and Youth programs stand in for the costs of other programs that control group members may have accessed. Because it is unlikely that all control group members received other services, this assumption creates an upper-bound estimate for the cost of serving control group members and results in a lower-bound estimate for the cost of increasing program group employment.

Second, the evaluation team calculated the cost of increasing the employment rate of LA:RISE participants without including program startup costs. Given that the LA:RISE evaluation examined outcomes for a relatively short period during and immediately following LA:RISE program implementation, all the costs of program planning, development, and implementation are included in the cost of serving the LA:RISE participants. Some of these expenditures—such as the training of staff or the development and implementation of new partnerships between SEs and PSPs—can be thought of as investments in developing the longer-term capacity of LA:RISE providers, but would be sunk costs in a cost-effectiveness analysis looking at an existing version of LA:RISE. By removing EWDD’s FY 2014-2015 grant expenditures and all of REDF’s costs, this analysis estimates the cost of increasing participant employment rates if LA:RISE was a previously established, mature program.

Exhibit VI-12 shows the results of the calculations for each of the assumption scenarios. It also shows the result of combining the two assumption scenarios—that is, estimating the per-percentage-point cost of increasing the employment rate of LA:RISE participants with the startup costs of the program removed and the upper-bound estimated cost of providing services to all control group members being used. While each assumption scenario lowers the cost of achieving employment gains, that cost remains very expensive. Even when the two scenarios are combined, it still costs \$363,408 to increase the employment rate of program participants by one percent. Based on this analysis, the actual cost of increasing the employment rate of LA:RISE program participants by one percent likely falls somewhere between \$363,408 and \$562,881, the lower- and upper-bound estimates.

Exhibit VI-12: Per-percentage-point Cost of Increasing the Employment Rate of LA:RISE Participants in the Second Quarter after RA Under Two Scenarios, Separately and Combined

	Control Group Members Enrolled in WIOA Adult and Youth Programs as Observed	All Control Group Members Enrolled in WIOA Adult and Youth Programs
LA:RISE – Full Cost	\$562,881	\$465,674
LA:RISE – Startup Costs Removed	\$460,614	\$363,408

SOURCE: Employment data come from the California Employment Development Department. See Exhibits VI-1 and VI-9 for information on total costs for LA:RISE and WIOA.

D. Summary and Conclusions

The first part of the cost study, the analysis of program costs, surfaced the following findings:

- **Together, EWDD and REDF spent about one-third of WIF grant funds administering LA:RISE and providing system-level support to the partners.** This support was key in enabling the partners to build relationships and produce system wide changes to coordinate service delivery.
- **At the provider level, costs per program participant varied, with PSP partners spending the most, followed by SEs and WSC partners.** The higher amount spent per program participant by PSPs was explained by their lower-than-planned enrollment numbers. Since WSC partners also provided WIOA programming, their lower costs were likely related to the ability to leverage WIOA resources.
- **Staffing represented the main partner-level grant expenditure, consistent with LA:RISE’s intensive service model and its target population with high barriers to employment.** Disconnected youth, justice-involved individuals, and those who have experienced homelessness all need substantial support to stay engaged in programming and connect to employment, which means that such programs require staff members experienced in providing this support. Across providers, salaries and fringe benefit accounted for nearly 90 percent of total partner grant expenditures.
- **Because partners supplemented the WIF grant by leveraging resources from community partners and other grants and were not required to report the leveraged resources, the cost study analysis presented here undercounts the full cost of starting and running LA:RISE.** Leveraged funding likely represented a significant share of overall program costs. While this limitation means the cost study cannot provide a complete picture of LA:RISE program costs, it does illustrate program costs over and above the community resources that the program leveraged.

The second portion of the cost study, the cost-effectiveness analysis, found that the cost of increasing employment was quite high. Specifically, the study found that it cost the LA:RISE program between \$363,408 and \$562,881 to increase the employment rate of participants by

one percentage point. However, several factors need to be considered when interpreting this finding:

- **LA:RISE's intensive service model and high-need target population may reflect the true costs of serving populations with high barriers to employment.** LA:RISE's program model, with each participant accessing services from multiple partners and staff members, is more involved than many services offered through the WIOA Adult and Youth programs, and this model was deemed necessary because LA:RISE serves individuals with high barriers to employment who need intensive and expensive services. While WIOA programs also serve such individuals, they are not the programs' sole focus.
- **The cost effectiveness analysis did not consider the results of exploratory analyses despite what they suggest about potential effects of the program.** For example, the cost effectiveness calculations did not include the larger and longer-lasting employment and earnings impacts observed for participants at one subgroup of SEs or the slightly larger number of connections to Los Angeles Continuum of Care services by program group members compared to comparison group members. While these trends were excluded from the cost study because they were exploratory, LA:RISE may actually be more cost effective than shown here if these other impacts could be confirmed.
- **The high costs reported in the cost-effectiveness analysis are partially due to the inclusion of program startup costs.** Starting a new program is resource-intensive and may make a program such as LA:RISE appear cost-ineffective in comparison to the established WIOA Adult and Youth programs. Furthermore, such established programs often have a wide distribution of infrastructure costs across a greater number of participants, making them appear more cost-effective. While the evaluation team attempted to remove startup costs for part of the analysis as a way to better illustrate what LA:RISE might cost if it were a more mature program (such as later iterations of the program), it was only possible to isolate the startup costs associated with EWDD's spending prior to participant enrollment and REDF's technical assistance expenditures. Individual SE, PSP, and WSC partners also had startup costs that could not be isolated from their other costs. These startup costs were included in the analysis and increased the overall cost of LA:RISE.
- **The cost-effectiveness study may underestimate the cost of serving the control group.** Although WIOA Adult and Youth programs were a clear alternative to LA:RISE, just twelve percent of control group participants enrolled in WIOA within one year of random assignment. Furthermore, even considering an assumption where all control group members received WIOA services may undercount the cost of any services received by these individuals. Other such services might include other transitional employment programs in Los Angeles or Department of Public Social Services programs, including CalFresh Employment and Training (Supplemental Nutrition Assistance Program Employment and Training) and CalWORKs (Temporary Assistance for Needy Families) programs. Because a complete recording of costs for serving control group

members was not available, the cost effectiveness study relied on readily available WIOA cost data to create a lower-bound estimate of how much was spent on the control group. As an upper-bound estimate, the evaluation team also calculated the costs that would have been incurred if all of the control group had enrolled in WIOA services. However, if the other services that control group members accessed were more expensive than WIOA, then this estimate would not capture all control group member costs.

VII. Conclusion

This report concludes SPR's 52-month evaluation of the pilot phase of the LA:RISE program for the Los Angeles Economic Workforce Development Department (EWDD), which was funded through a Workforce Innovation Fund (WIF) grant from the U.S. Department of Labor (US DOL). Prior chapters have presented analyses and findings from the evaluation's implementation, impact, and cost studies. This chapter summarizes the key findings from these studies. It then discusses the implications of those findings for EWDD as it continues to operate and expand the LA:RISE program. Finally, the evaluation team recommends next steps to consider with regards to LA:RISE and transitional employment programs more generally.

A. Program Summary

Leadership partners, EWDD and REDF, began designing and implementing the LA:RISE program in September 2014 as part of the US DOL-funded WIF grant. With LA:RISE, EWDD and REDF sought to bring together social enterprise (SE) organizations that were part of REDF's portfolio of providers with service providers within the public workforce development system to provide transitional employment services, workforce system services, and other supports that would help improve the long-term employment prospects for three populations with high barriers to employment: opportunity youth, individuals with criminal records, and individuals with unstable housing. After a year of planning, LA:RISE began operating in September 2015 with the enrollment of its first program participant. While enrollment ended in April 2017, the 13 LA:RISE service delivery partners—which included six SEs, four workforce development system (WDS) partners (consisting of both WIOA Adult program providers, known as WorkSources, and WIOA Youth program providers, known as YouthSources), and three personal support provider (PSP) partners—continued to provide services and to follow up with participants until June 2018. The evaluation then continued to follow participants up through April 2019. EWDD and REDF continue to expand and grow the program and have offered subsequent, numerically identified iterations in the years since. LA:RISE 1.0 was the pilot phase of the program examined in this evaluation while LA:RISE 5.0 is the current, latest iteration of the program. A Los Angeles County version of LA:RISE is also underway.

B. Summary of Key Findings

The current policy landscape—in which federal, state, and local policies are encouraging agencies and organizations to both work with high-barrier populations like those prioritized by LA:RISE and to explore approaches like transitional employment—makes the findings of this evaluation especially relevant. Given the shortcomings of transitional employment programs found by previous research, these findings have the potential to inform improvements leading

to discernable benefits. Below are the key findings of the evaluation's implementation study, impact study, and cost study, framed in terms of the evaluation's research questions.

1. Key Findings from the Implementation Study

The following are the answers to each of the implementation study's research questions.

- **To what extent were the program designers able to increase and strengthen connections between publicly and privately funded programs providing transitional employment and other employment-related and supportive services to populations with high barriers to employment? Also, what did the program look like in terms of the services provided and the ways in which partners coordinated service delivery?**

EWDD and REDF created important systems-level changes in the service-delivery community, bringing together SE, WDS, and PSP partner organizations that had either not worked together at all or not previously coordinated services across different funding streams. With the support of the WIF grant, EWDD and REDF developed a service delivery framework that was responsive to the shortcomings of transitional employment programs identified in the literature and which was explicitly designed to create uniformity in service delivery across partners in working with the program's three priority populations. In addition to developing the LA:RISE service delivery framework, EWDD and REDF provided technical assistance and support to partners to help them learn about how to coordinate service delivery across the programs' many partners.

- **What was the program able to achieve in terms of program enrollment, services delivered, and service intensity? To what extent did these program outputs overcome the shortcomings in transitional employment services observed in past research?**

LA:RISE was able to enroll individuals from each of the three priority populations. About 53 percent of the program group were youth ages 18 to 24 and based on program eligibility criteria were considered out of school or out of work. About 54 percent of the program group reported having ever been arrested while about 46 percent reported having ever been convicted or incarcerated. Also, about 64 percent reported having unstable housing (either homeless, in halfway or transitional housing, or temporarily staying with someone else).

While some SEs experienced recruitment challenges, others were more than able to compensate due to high demand. As a result, **LA:RISE partners met their goal of enrolling 500 program participants.** SEs randomly assigned 481 individuals to the program group and 482 individuals to the control group, leading to 963 evaluation participants. (Because veterans were exempt from the study, the LA:RISE program actually enrolled 508 total participants.) Randomization also worked as planned, with no statistically significant differences between the observed characteristics of the program and control groups.

LA:RISE partners delivered the services described in the program's service delivery framework, which included transitional employment services (i.e., subsidized employment along with employment-related and supportive services), co-enrollment into either WIOA adult or youth programs, additional supportive services through PSPs, and access to bridge employers. Participants were also supposed to achieve certain milestones which were intended to help standardize services and improve participant work readiness, thus overcoming shortcomings with transitional employment programs identified in the literature. **Participants exceeded some of these milestones but fell short of the program's stated goals with regards to others.**

- 62 percent of participants achieved the 300 hours of transitional employment milestone (the goal was 50 percent).
- 77 percent of participants were co-enrolled into WIOA (the goal was 100 percent).
- 43 percent of participants completed the job readiness assessment milestone (the goal was 50 percent).
- Between 26 and 46 percent of participants (the range due to different methods of capturing these data) received PSP services (all participants were to receive support services, but these may have been delivered through SE or WDS partners).

Overall, these results represent a sizeable accomplishment for a pilot program, but indicate that the program may have not fully achieved its goals regarding service enhancements intended to overcome known transitional employment shortcomings.

- **What did LA:RISE look like in terms of the ways in which services to program group members remained distinct from those delivered to control group members?**

Some control group members received services at SE partner organizations both prior to and after random assignment (RA), which limited the evaluation team's ability to detect impacts. Three SE partners provided employment services to evaluation participants prior to RA. These three SEs recruited participants primarily from other (non-LA:RISE) programs that these SEs offered. While not as intensive as LA:RISE services (programs were often shorter in duration and did not involve employment), these services may have increased the likelihood that control group members were better equipped to engage in job search activities on their own, potentially reducing program impacts. Also, two SEs (referred to as lower-contrast SEs) allowed control group members to participate in the same transitional employment services delivered to program group members, but not other LA:RISE services like coordinated co-enrollment in and service delivery through WIOA Adult or Youth programs or PSP providers as well as referrals to bridge employer. This lower contrast in service delivery between program and control group members, as compared to that at other SEs, further diminished the evaluation teams' ability to detect impacts of LA:RISE for the full evaluation sample even if it did provide

an opportunity to examine the marginal benefit of LA:RISE's additional non-transitional employment services by looking at impacts at these two lower-contrast SEs.

Also, since RA did not exclude individuals from seeking out services otherwise available to them in the community, control group members had access to WDS and PSP partner services (although without any of the coordination that existed for LA:RISE participants or other supports or services provide by the program). In fact, some of the SE partners were also WDS partners and operated WIOA programs in which control group members could have enrolled. Nevertheless, only 12 percent of control group members used WIOA services, and only seven control group members received services through later iterations (2.0 and 3.0) of the LA:RISE program (despite being technically ineligible to do so due to the evaluation). These findings suggest that **control group members did not access many of the primary alternative services in great numbers and may have preferred to seek out employment on their own.**

- **What challenges did LA:RISE partners have in implementing program elements? How did they overcome these challenges and what did they learn?**

In addition to the challenges in getting participants to achieve program milestones, discussed above, **the program was unable to implement certain program components, especially those related to data tracking and placement services, in a timely manner.** One such challenge was getting the program's management information system (the LA:RISE module) operating on time for partners to use it to track participant activity. These delays lead to some level of under-reporting in the service delivery data, which staff compensated for through regular coordination meetings between partners and self-reporting. Another issue had to do with employment placement services. Bridge employers tended to be more challenging to work with than initially planned due to the more limited nature of the employment opportunities they had available relative to those of the larger employers that many partners already worked with. Also, other employment services, and training around helping partners coordinate these services, were implemented later than planned, meaning that those enrolled in the program earlier may not have fully benefited from LA:RISE placement services.

Despite these challenges, partners shared ways in which the program helped participants. As interview respondents noted, some participants who stuck with the program achieved many successes, ranging from personal transformation to stable employment. Also, staff reported how many program participants made progress during the program despite their barriers to employment, and how they were more engaged in services and therefore better prepared for employment than they were previously. Finally, program leaders and partner agencies learned much about implementing a program of this nature and scale which were later incorporated into subsequent iterations of the LA:RISE program.

2. Key Findings from the Impact Study

The impact study examined the impact the program had on five measures that were considered part of the confirmatory analysis—rate of employment, earnings, arrests, convictions, and jail incarcerations at up to three years after RA. The impact study also included several exploratory analyses on other outcomes of interest such as those related to different groupings of grantees, specific criminal justice system charges, utilization of homelessness services, and the evaluation’s stated subgroups. Through these different analyses, the evaluation was able to address the impact study’s research questions.

- **How did LA:RISE participation affect employment outcomes such as employment and average earnings?**

The evaluation assessed (as part of its confirmatory analysis) whether LA:RISE had an impact on employment and earnings at up to three years after random assignment. For the full evaluation sample, the impact analysis showed that **LA:RISE had a positive impact on employment during the quarter of RA and the two quarters following it, but at no other point in a three-year follow-up period.** This impact was driven by the transitional employment provided by SEs and as transitional employment ended for participants and was replaced, to a lesser degree, by non-SE employment, the impact on employment faded. **Throughout the three-year follow-up period, there was no impact on earnings.** The reasons for this lack of impacts is unclear although it may be due to the way in which program participants do not work full time so that they can receive supportive services and case management. Wage data do show that earnings for both program and control group members steadily increased over the follow-up period, which was not entirely surprising since both groups had low levels of employment prior to RA, youth generally exhibit increasing wages as a group, some participants received employment services from SEs prior to RA, and all evaluation participants exhibited a willingness to find work by approaching an SE as a means of joining (or re-joining) the work force.

The evaluation also examined the employment impact of LA:RISE relative to different SE types. This exploratory analysis found that **for participants at two SEs, LA:RISE had substantial impacts on both the rate of employment, at up to 8 quarters past RA, and earnings in 10 out of 11 quarters after RA.** These two “adult-serving high-contrast SEs” served adults of all ages (as compared to SEs serving only opportunity youth) and did not offer LA:RISE services to control group members (which would have resulted in a low service contrast). In comparison to these findings, the evaluation found no difference in employment or earnings between program and control group members at either the two “adult-serving low-contrast SEs” or the two “youth-serving high-contrast” SEs. The former likely did not show impacts because control group members had access to transitional employment services (just not other LA:RISE services) while the latter operated in a way that was less likely to yield impacts on employment due to their emphasis on education services.

- **Did participation in the program decrease arrests, convictions, or incarcerations?**

LA:RISE did not have an impact on criminal justice system outcomes, including arrests or convictions within California or incarcerations within Los Angeles County jails, and this finding was no different at one, two, or three years after RA. This result is not entirely unexpected. The underlying theory was that improved employment or earnings could reduce criminal justice system involvement. Even if this relationship is indeed operating, apparently the impacts on employment generated by the program are too short-term or spread too narrowly over the SEs to affect criminal justice system involvement, or the sample size is too small to allow the evaluation to measure any effect that exists. The evaluation team also examined whether the short-term impacts on employment might have delayed criminal justice system involvement, but it did not find such impacts either. The results of the evaluation's analysis suggest that LA:RISE may have had a small impact on arrests, but the evidence is limited. The consistent direction of the (not statistically significant) impact estimates, the findings of impacts on arrests for one subgroup (discussed below), and statistically significant difference noted in some alternative statistical models (Appendix A) suggest the possibility that the program may have had an effect on arrests. However, what would be needed in the future would either be additional efforts to increase the contrast between program and control groups (generated through larger employment impacts or services that specifically addressed recidivism) or a larger sample size.

- **How did LA:RISE participation affect the use of housing and homelessness-related services and housing instability?**

The evaluation found that LA:RISE had a short-term impact on the utilization of Los Angeles Continuum of Care (LA CoC) programs—programs designed to help individuals who are homeless or at risk of homelessness—in the first year after RA, but this impact faded over a two-year follow-up period. In other words, program group members utilized LA CoC programs at a higher rate than control group members within the year after RA. This analysis and some further analysis of the LA CoC data tell us several things about LA:RISE participants. First, despite the observed increase in linkages to homelessness services, LA CoC services are likely underutilized by LA:RISE participants. While about two-thirds of evaluation participants reported not having access to stable housing at the point of RA, within two years after RA, only 22 percent of participants had utilized LA CoC programs. Second, the programs most often utilized by LA:RISE participants included shelters and transitional housing as compared to services that provide housing (and thus increase housing stability) like rapid re-housing and permanent housing. Third, the impacts on employment were only modest and short-term, which suggests that they would be unlikely able to fully aid in offsetting housing instability. Fourth, LA:RISE program staff reported that a lack of permanent housing was an obstacle for many LA:RISE participants when it came to program participation. LA:RISE began offering

services designed to help increase linkages with LA CoC programs and improve housing stability with LA:RISE 2.0. To the extent that improved housing stability would help participants improve employment outcomes, additional housing stability assessments and continued expansion of services that increase linkages are likely needed.

- **Did any of these impacts differ for key subgroups (e.g., age, ethnicity, gender, point of enrollment in the program, etc.)?**

In addition to the subgroup analysis described above that examined the impact of LA:RISE relative to different SE types, the evaluation examined the impact of LA:RISE on employment, earnings and criminal justice system outcomes for various pre-specified demographic subgroups (18 to 24 and 25 and older; male and female; and Hispanic and non-Hispanic, which was mostly non-Hispanic people of color) and subgroups based on implementation findings (early and late enrollment in the program; and high-contrast and low-contrast, referring to the difference in the level of LA:RISE services delivered to control group members).

These subgroup analyses support the findings for the full sample while suggesting areas for further exploration. For employment data, the subgroup analysis suggests that there may be impacts on employment within one year of RA for those 25 and older, males, those enrolled late in the program, and those at high-contrast SEs, which is consistent with findings for the full evaluation sample and from the analysis of SE type in that there are short-term impacts on employment and for older participants. Subgroup analyses also show that LA:RISE had 1) an impact on earnings for those 25 and over during the third year after RA, consistent with the findings for the adult-serving high-contrast SEs and 2) a negative impact on earnings for those in the low-contrast group during the year after RA, which is consistent with the findings for earnings for the adult-serving low-contrast SEs. For criminal justice system outcomes, there is some suggestion in the subgroup analysis that LA:RISE could lead to lower arrest rates for non-Hispanic individuals and higher jail incarceration rates for individuals at low-contrast SEs, but these findings warrant further study given the lack of impacts observed around arrests or incarcerations for the full evaluation sample.

3. Key Findings from the Cost Study

The following are the answers to the evaluation's cost study research questions.

- **How did partners spend WIF grant funds for the LA:RISE pilot program at both the system level and at the individual partner level? And, how did WIF grant expenditures and costs per participant vary by partner organization and partner type?**

In terms of overall program costs, the evaluation team found that **it cost, on average, \$9,090 to serve each LA:RISE participant** with WIF grant dollars. However, these costs included the costs associated with the program's initial planning period and the technical assistance REDF provided to build and grow program partnerships. **After removing these startup and support**

costs, the cost per participant was reduced to \$7,480. The cost study also found that 1) the most substantial type of cost was that related to staffing, as the high level of need exhibited by participants necessitated a staff-intensive approach; 2) PSP partners spent the most per participant of any of the partners since they enrolled fewer participants than expected; and 3) the cost study likely undercounts the full cost of operating LA:RISE, as partners supplemented WIF grant funds with other financial resources but were not required to report these leveraged funds (so the evaluation was not able to consider them).

- **How much did it cost to achieve the program's impacts on a per unit basis? And how cost-effective was the LA:RISE program's pilot phase compared with the WIOA Adult and Youth programs that control group members accessed?**

The cost-effectiveness analysis of the LA:RISE pilot phase examined how much it cost LA:RISE to increase employment compared to other programs that participants may have participated in if not for LA:RISE. The evaluation team found that **it cost LA:RISE between \$363,408 and \$562,881 to increase participants' rate of employment by one percentage point (on a temporary basis)** relative to that of participants in the closest alternative, the WIOA Adult and Youth programs. This range reflects different possible program costs (actual expenditures or expenditures with startup costs removed) and a range of control group service scenarios (examining control group members that actually received WIOA services and assuming all control group members received them).

The cost study also discusses several important factors to consider related to interpreting these findings from the cost-effectiveness analysis. First, LA:RISE's costs may simply reflect the true costs of serving those with high levels of need. LA:RISE was designed to serve individuals frequently overlooked by WIOA, such as individuals with unstable housing (including the homeless) and those with criminal justice system records. These individuals, along with opportunity youth (like those served by WIOA Youth programs) have considerable barriers to employment (and program participation) that may require the additional attention and care that the LA:RISE program's intensive service model was intended to provide but which WIOA programs are less prepared to address. Second, the analysis may undercount the impacts of the program by excluding impacts identified in exploratory analyses; the cost-effectiveness analysis includes the short-term increases to employment observed in the confirmatory analyses but does not consider the potential increases in employment or earnings that may be attributable to LA:RISE when SEs are analyzed by type or the increases in utilization of LA CoC programs, which are observed in exploratory analyses. Third, starting a new program is resource-intensive and may make a program such as LA:RISE appear cost-ineffective. While the evaluation team removed startup costs when possible, only costs associated with EWDD's FY 2014-2015 spending and REDF's technical assistance expenditures could easily be identified and removed; service provider partners had startup costs that could not be identified. Examining the costs of

a more stable version of LA:RISE, such as one of its later iterations would provide a better cost comparison. Other Workforce Innovation Fund evaluations have observed similar findings as well (Geckeler et al., 2017; Betesh et al., 2017). Fourth, WIOA costs may not represent the full costs of services received by the control group. While the evaluation team considered a scenario in which all control group members received WIOA services, WIOA has relatively low per-participant costs and it may under-represent the cost of services control group members actually received.

C. Discussion

The findings above describe how LA:RISE was implemented, the effect it had on participant outcomes, and the costs associated with the program. To understand the interactions of these different sets of findings and their implications, some additional discussion is warranted.

1. Despite LA:RISE's Pilot Status, the Evaluation Yielded Helpful Findings

Randomized control trials (RCTs) are not always the best research option when considering a newly designed program like LA:RISE (even when they are required, as they were for the WIF grant). While optimal for learning about program impacts, they are expensive and require a considerable effort to operate, and if the program encounters challenges or if the program model evolves based on early implementation lessons, then the evaluation may be unable to detect impacts or learn about which program elements mattered. Furthermore, studying a new program like LA:RISE has implications when considering program costs given that new programs require substantial startup costs; more established programs are cheaper to run.

In fact, LA:RISE did experience some early implementation challenges and program partners learned lessons as they implemented LA:RISE. Furthermore, EWDD and REDF began implementing changes to address some of these issues in later iterations of LA:RISE; these changes reflected rapid learning and improved functioning on the part of LA:RISE and ideally would have been tested but were not.

Despite these considerations, the confirmatory analyses for the impact study show short-term impacts on employment, and some exploratory analyses show the potential for larger and more enduring impacts on employment and earnings, as well as small impacts on recidivism and access to LA CoC programs. Also, the findings related to the full evaluation sample mirror those in other evaluations of transitional employment programs, with an initial boost to employment that tapers over time (Anderson et al., 2019; Barden et al., 2018; Jacobs, 2012; Jacobs and Bloom, 2011; Fontaine et al., 2015; Redcross et al., 2012; Rotz et al., 2015). These findings indicate that LA:RISE, despite its implementation challenges, was implemented sufficiently well to affect participant outcomes in the ways that would be anticipated for such a program. The fact that transitional employment programs are a well-researched topic and that many partners

were already running programs similar to LA:RISE likely contributed to this basic level of implementation success. While testing a more refined model of LA:RISE might have produced different, or even stronger results, it does not appear to have been too early to conduct an RCT for this pilot program.

2. Despite Limited Service Dosage, LA:RISE Showed Impacts

Another possible issue raised in this evaluation when it comes to interpreting impact study findings is that too few participants received the intended service dosage. As discussed in the findings above, LA:RISE had mixed success with participants achieving the stated goals around program milestones. Participants exceeded some of the goals set for completing program milestones but fell short in meeting others. The underlying reasons for these shortfalls may be the implementation challenges described immediately above, or they may be due to other unidentified factors that prevent participants from fully engaging in services.

Nevertheless, the impacts observed in this evaluation demonstrate that this limitation around service dosage was at least somewhat mitigated; clearly, participants received enough of the services that mattered for them to have some effect on outcomes of interest. That said, impacts may have been stronger or more enduring had more participants achieved these stated program goals and thereby more closely adhered to the service delivery model.

3. The Evidence on LA:RISE as a Successful Enhancement Is Mixed

LA:RISE was intended to be an enhancement to the transitional employment programs operated by the SEs prior to LA:RISE. As with the transitional employment programs evaluated in the literature, they were assumed to have similar shortcomings that could be addressed by the LA:RISE service model. LA:RISE was therefore supposed to produce greater and more enduring impacts on employment, earnings, and potentially other outcomes like criminal justice system involvement. As to whether LA:RISE actually had these effects, the evidence is mixed.

On the one hand, the findings for the full sample show a pattern similar to, but slightly weaker than, the findings in other transitional employment studies in the literature. LA:RISE produced gains in employment, which then faded over the follow-up period, but did not increase earnings or decrease criminal justice system involvement. Furthermore, the subgroup analysis of SE type that examined the impact on adult-serving low-contrast SEs supports this idea. At the two SEs in this category, there were no impacts on employment or earnings over the 12-quarter evaluation follow-up period, suggesting that LA:RISE services aside from transitional employment did little in and of themselves to boost employment.

On the other hand, the subgroup analysis of the two adult-serving high-contrast SEs had large and long-lasting impacts on employment and earnings. These findings suggest the potential for LA:RISE as an enhanced model because the impacts are substantially greater in size and

duration than many of those identified in the literature (see citations above). However, these findings, as part of the evaluation's exploratory analyses, should be interpreted with some caution. Not only are they subject to the usual limitations of exploratory analyses, including small sample sizes and problems of multiple comparisons, but they also may simply be measuring the effect of services provided by these two SEs specifically, services that are not necessarily part of the overall LA:RISE model.

If the effects of LA:RISE are more limited in scope, as the evaluation's confirmatory analysis suggests, there are ways in which program designers may wish to consider enhancing the program model further in the future. Some possibilities for doing this are included in the recommendations section below.

4. Youth Programs May Need a Different Set of Goals

Another important set of findings are those related to SEs serving only opportunity youth. The subgroup analyses by SE type and for age suggest that LA:RISE had no impact on earnings on program group members enrolled at these SEs. These results could be easy to misinterpret since these analyses narrowly focus on employment and earnings and overlook that these programs operated somewhat differently than SEs focused on adults of all ages.

As the LA:RISE implementation study identified, transitional employment is used somewhat differently at SEs serving only opportunity youth. Youth at these SEs have a work schedule that is typically alternated with secondary school classes such that youth work for a period of approximately two to three months and then attend school for the next two to three months—a schedule they keep up until they both meet other LA:RISE program requirements and earn a diploma or GED. More broadly, past research on Los Angeles opportunity youth programs (Geckeler et al., 2017), which includes the two opportunity youth-serving SEs in LA:RISE, suggests that the goals of these SEs are focused less on short-term employment and more on performance measures typically associated with youth programs, such as high school or equivalent degree completion, enrolling in college, and earning credentials or certificates. While employment is important, it is often seen as a means to improved educational attainment, or, at the very least, a complementary opportunity (e.g., employment within a field in which an individual is being trained). While this evaluation did not examine these education and training-based measures, SPR's prior research showed that these two SEs, when operating a slightly different, but similar program, had clear impacts on secondary education completion and credit completion in higher education combined with a similar lack of employment impacts (Geckeler et al., 2017). The lesson here may be that because transitional employment programs for opportunity youth have different approaches, performance standards or other goals need to reflect that difference in the program model, tracking not only employment but also gains in

education and training, which have the potential to lead to longer lifetime earnings (Chapman et al., 2011; Doland, 2001; Kena et al., 2014).

D. Recommendations

Based on the findings and discussion above, the evaluation team has the following recommendations for EWDD and REDF, as well as other officials as they continue to improve and expand the program. While the evaluation findings may have limited applicability for programs outside of Los Angeles, these recommendations may still provide insight into program-planning approaches for other regions developing or operating transitional employment programs.

1. Consider Opportunity Youth Programs Differently

This evaluation surfaced an important difference between the operations around and impacts observed on employment at SEs serving opportunity youth as compared to those serving adults of all ages. While transitional employment plays a key role in the service delivery model of SEs enrolling opportunity youth, and is used to provide youth with work experience and to develop their hard and soft job skills, it is primarily used as a means of retaining youth and supporting them while they attain education and receive training. Giving transitional employment this more limited role for participants in this age group is supported by the literature,⁷⁹ but it means that SEs serving opportunity youth are pursuing different strategies and different goals than SEs serving adults of all ages.

To reflect these differences, program designers may want to consider modifying participant milestones or program goals for SEs serving only opportunity youth. For example, it might be important to explicitly identify and measure educational attainment (which is already a target outcome for participants co-enrolled into WIOA Youth programs, although not for those co-enrolled into WIOA Adult programs). It also might help to recognize that placement in employment may happen in a more staggered and diffuse manner, as SEs have youth work in-between periods of education and training. The evidence suggests that these SEs should not expect to observe as substantial gains in employment as the SEs serving adults of all ages; instead, consistent with the findings of past research (Geckeler et al., 2017), they may observe improvements in education and training. Any such increases in education and training completion may then ultimately lead to greater rates of employment and higher earnings,

⁷⁹ There is evidence to suggest that too much work (more than 20 hours per week) may be detrimental to youth, especially youth at risk of justice system involvement, and that the optimal approach is the one outlined above, with work supporting educational experiences (Staff & Uggen, 2003).

though it should be noted that these subsequent increases would be observable only with a longer-term follow-up period.

2. Provide Desistance and Homelessness-Related Services

Despite the emphasis LA:RISE places on individuals with criminal records and unstable housing, this pilot phase of LA:RISE provided no services explicitly tied to these two sets of needs (though the evaluation did measure relevant impacts as shown in Chapters IV and V of this report). Evaluation findings suggest that providing such services (or in some cases expanding services later iterations of LA:RISE have provided) might improve the program's impact among one or more sets of outcomes.

Regarding participants with criminal justice system records, there are at least two approaches that LA:RISE could consider. First, the program could increase LA:RISE staff members' knowledge of program participants' risk of involvement in criminal activity and their criminogenic needs. Doing so would provide SE and WDS case managers with additional information that they could use to provide participants (directly or through referrals) services needed to help lower their risk and reduce barriers to employment. Also, because prior research shows that transitional employment programs tend to show impacts on criminal justice system outcomes for individuals at higher risk levels (Barden et al., 2018; Redcross et al., 2012), risk assessment information may also help programs select participants who are higher risk and who would most benefit from these services. Introducing validated risk assessment tools into the LA:RISE program model may not be a practical approach given potential expenses involved in purchasing tools and training staff, the time involved for staff to implement these tools, the limited numbers of participants for whom this would be applicable at some SEs, and the duplication of this information already collected through the criminal justice system. Still, there are several generations of these instruments and more recent generations may provide some cost-effective and relatively easy to implement (Radakrishnan et al., 2019). Another route may be establishing partnerships with probation and parole for the purpose of sharing information on participants. Such partnerships would likely need to be established at the agency level (i.e., between EWDD and the Los Angeles County Probation Department and the California Department of Corrections and Rehabilitations) but would function at the line-staff level to ensure cross-agency sharing of information about participants. The risk assessment information, as described above, could be utilized by SE line staff, and knowledge about employment activities of LA:RISE participants would also likely be of interest to probation or parole officers considering the importance that work plays in parole and probation supervision

plans. Furthermore, a partnership such as this could align well with new state initiatives, such as the Prison to Employment Partnership.⁸⁰

The second approach regarding services for individuals with criminal records involves LA:RISE finding or referring participants to evidence-based services or other supports for individuals from this priority population. Later iterations of LA:RISE have already begun making changes along these lines, increasing participant access to legal services to help participants expunge or seal their criminal records or deal with other legal issues. Other services might include those rooted in cognitive behavioral therapy, which is designed to help participants think about and approach situations differently and to correct problematic behavior, thereby lowering their risk of criminal involvement. Such evidence-based services are many and varied, but several sources are available to guide the selection and planning of such services.⁸¹

Regarding LA:RISE participants with unstable housing, the most obvious approach would be to build on the efforts later iterations of LA:RISE have already made in partnering with the Los Angeles Homeless Services Authority (LAHSA) and increasing participants linkages to LA CoC programs. However, whatever increased level of services or connections LA:RISE encourages partners to provide, the connections would ideally focus on programs such as rapid re-housing and permanent housing not simply those providing temporary assistance like shelters or transitional housing. Increasing these linkages would likely involve implementing appropriate needs assessments about housing stability, based on input from an agency like LAHSA and in alignment with the Los Angeles County's Coordinated Entry System (CES), and then establishing clear referral mechanisms to partner agencies. The goal would be to have LA:RISE staff members better identify participants' housing needs at program start and then help participants get connected to these programs as needed. Including ways to track these assessments and their outcomes is also important.

3. Improve Employer Partnerships

A final set of recommendations for LA:RISE involves expanding the network of employers willing and able to hire LA:RISE participants. This process started in LA:RISE when bridge employers were identified and added to existing employer networks maintained by SE and WDS partners. However, LA:RISE staff members indicated that these employers' small size and infrequent hiring needs did not always align well with the placement needs of the program. The evaluation recommends expanding the LA:RISE employer network through the following steps.

⁸⁰ The Prison to Employment Partnership is discussed in Chapter I. More information on it can be found at: <https://cwdb.ca.gov/partnerships/workforce-corrections-partnership/>

⁸¹ One notable source is U.S. Department of Justice's research clearinghouse on justice system interventions <https://crimesolutions.gov/>

- Identify employers willing and able to work with LA:RISE participants.** As one LA:RISE staff member put it, conversations with employers about client backgrounds are easier when the employer has a socially driven mission. Other research suggests that while employers still value their bottom line when hiring through a subsidized employment program, they also have a desire to give back to their community (Glosser and Ellis, 2018). In other words, the important goal is not only to identify employers but to identify ones willing to work with LA:RISE and who are open to hiring individuals with backgrounds like those in LA:RISE. This was, in fact, the goal in building up the list of bridge employers that the program originally worked with. These employers, many of which worked with REDF in other capacities, had an interest in hiring individuals with high barriers to employment. This approach still viable, but what the program needs, it seems, is either a better mechanism for navigating the limited number of opportunities provided by these smaller employers, or connections to larger employers with greater hiring needs (but a similar hiring philosophy).
- Seek out employers who provide good jobs.** The literature on employment and criminal justice system involvement (Crutchfield & Pitchford, 1997; Schnepel, 2018; Uggen, 1999) as well as on opportunity youth (Fein and Hamadyk, 2018) demonstrates the value of a good job in helping to reduce recidivism. A “good” job, in this research context, is defined loosely as one that is full-time, pays high wages (including benefits), has a long or indefinite duration, and/or is in an occupation with the possibility of advancement. While the evidence on the value of this type of work is largely based around opportunity youth and those with a criminal record, the overlap of these two populations with individuals with unstable housing suggest that it is likely relevant to all three priority populations. With this in mind, bringing new employer partners into the LA:RISE network should ideally focus on employers offering “good” jobs to participants.
- Consider engaging employers that make it easy for participants to transition into permanent employment.** One option for supporting this transition might include using on-the-job training (OJT) funds through WIOA as a means of placing participants into further subsidized work at private employers. However, interviews with LA:RISE staff members revealed that they had tried this approach in LA:RISE (with bridge employers) with limited success due to the employers’ limited administrative capacity or interest in the OJT application process, a finding that matches the experiences noted in other studies looking at an OJT strategy in the Los Angeles area (Glosser et al., 2016). Another strategy already in use by LA:RISE SEs is placement into various industries run by the SEs that allow for permanent hiring, such as Goodwill’s retail stores and the temporary staffing agency operated by Chrysalis.
- Modify programs to reflect the available jobs.** Unlike other potential workers, LA:RISE participants may not be well suited for many of the most in-demand jobs. For example, there are often restrictions in place in health care fields for those with criminal records. Given this, building a network of employers willing to work with individuals with high barriers to employment that can supply good jobs may better suit the skill levels and

experience of the participants targeted by LA:RISE and provide further insight into where to target transitional employment services.

E. The Need for Additional Research

Further research on LA:RISE (or broadly applicable research on other transitional employment programs) could help answer some important questions raised by this evaluation and address some of the evaluation's limitations. With regards to impact analyses, this evaluation had three main limitations. First, it tested an early version of the LA:RISE program that was not as refined, cost-effective, or stable as the current iteration of LA:RISE. Second, the evaluation's inclusion of several groupings of grantees encompassing different populations and service delivery approaches affected its ability to measure the overall impacts of the program. Third, the overall sample sizes may have been too small to detect impacts for some measures. An evaluation that remedied these limitations would be better able to identify the impacts of LA:RISE as a transitional employment program and the effects of any of its enhancements to traditional transitional employment models.

Perhaps just as important as a more robust impact analysis of LA:RISE is additional qualitative and quantitative research aimed at better understanding why there were strong impacts on employment at the adult-serving high-contrast SEs and whether these findings could be replicated. Critical in such an effort would be understanding which program elements at these SEs resulted in such strong and lasting impacts on employment and whether those elements are attributable to LA:RISE or other attributes of these SEs—such as the types of training they provide, the employment opportunities they provide, or the placement services that they offer. It would also be important to better understand how the services differ from those at other SE types and whether such services are easily replicable.

Another area of further exploration is around employment placement services. Important to understand is why, as participants exit SE employment, they do not have higher rates of non-SE employment. This could be due to any number of factors. Participants might have barriers (most notably various criminogenic factors or issues related to housing stability) that resurface over time and prevent them from working at all or as much as they did when enrolled in a program designed to address these barriers. Potential employers could harbor prejudices or biases. Participants could lack appropriate skills or experience for the jobs available. While LA:RISE sought to address some of these issues, additional research might better locate the points where participants' rates of employment tend to taper, thus allowing more precise targeting of further enhancements.

Finally, after the implementation of the recommendations suggested above, additional research would allow an assessment of how the changes improved the impact of LA:RISE on

employment, criminal justice system outcomes, and/or measures of housing stability (and possibly education if youth programs were included).

This evaluation places LA:RISE in the context of a larger body of research testing enhancements to traditional transitional employment models, including, most notably, the various programs being studied under the Enhanced Transitional Jobs Demonstration (ETJD) and the Subsidized and Transitional Employment Demonstration (STED). While the analysis of the full LA:RISE evaluation sample shows a pattern of impacts similar to, but more modest than those programs, an analysis of one SE type suggests that LA:RISE is capable of producing larger and more enduring impacts. Overall, it seems that LA:RISE, at the very least, shows impacts similar to those previously found in other studies of transitional employment programs, and in that sense still offers clear short-term employment benefits to participants. Whether LA:RISE offers something more—a truly enhanced model of transitional employment—is not entirely clear. However, the results of this evaluation raise some important questions for the next stages of research around transitional employment and provide some clear guidance around approaches for practitioners to consider in the expansion and refinement of LA:RISE.

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Appendix A: Statistical Methods and Sensitivity Analysis

Although the randomized controlled trial (RCT) design of the evaluation permitted the use of simple differences in means to assess the impact of the LA:RISE program, the evaluation team used more complex methods and approaches to verify the estimated impacts. These methods included regression analysis to improve the precision of the estimates and various statistical approaches (hierarchical linear modeling [HLM] and adjusting for multiple comparisons) conducted as a part of sensitivity analyses not described in the main body of the report.

A. Statistical Models Used

Because of the evaluation's randomized control trial design, in theory the program and control groups should not systematically differ in any way except in their exposure to the program. Thus, observed mean differences in outcomes provide an unbiased estimate of the treatment effects of the LA:RISE program.

To verify that the program and control groups were indeed comparable, sample means for the program and control groups were compared on observable background characteristics measured at the point of random assignment, i.e., at baseline. These characteristics included various demographic characteristics, e.g., age, ethnicity, gender, etc., as well as background characteristics such as employment, housing status, and criminal justice system involvement. Participants assigned to the program group were not statistically different from those in the control group on any of these observable characteristics which supports the assumption that a simple comparison of means in outcomes would produce an unbiased estimate of the treatment effect.

Nevertheless, additional statistical models were implemented to examine whether more complex models would alter the basic findings included in this report. Beyond testing the difference in means, impacts were estimated using regression analysis and an HLM approach with adjustments to address multiple comparisons.

1. Regression Analysis

Regression analysis was used to extend beyond simple differences in means by allowing for the inclusion of covariates. Including covariates in the analytical model is beneficial to explaining relationships in the data if these covariates are correlated with the outcome. This may increase the model's explanation of variance, thereby reducing unexplained error and improving overall model fit (Gelman & Hill, 2006).

Two types of regression models were used for this study: ordinary least squares (OLS) for outcomes that are continuous, and logistic regression for outcomes that are dichotomous.

Exhibit A-1: Descriptive Statistics of Individuals' Background Characteristics

Variable	Program Percent (N)	Control Percent (N)
Gender: Female	29.3 (141)	29.7 (143)
Age (18-24 Years Old)	53.4 (257)	54.4 (262)
Ethnicity: Hispanic	44.0 (211)	48.0 (231)
Period of Enrollment: Late	49.1 (236)	49.2 (237)
Service Model: low-contrast	43.2 (208)	43.4 (209)
Stable Housing	35.6 (171)	37.1 (179)
Accessed Continuum of Care Housing and Services	28.1 (135)	21.6 (104)
Ever employed 2 years prior to RA ^a	48.9 (235)	50.6 (244)
Ever arrested in CA 2 years prior to RA ^b	29.5 (142)	29.5 (142)
Ever convicted in CA 2 years prior to RA ^c	14.4 (69)	17.6 (85)
Ever incarcerated in an LA jail 2 years prior to RA ^d	14.1 (68)	16.2 (78)

SOURCES: Employment and earnings data come from the California Employment Development Department. Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff's Department.

NOTES: Including additional race/ethnicity variables in the sensitivity analysis was considered, but ultimately rejected due to high amounts of missing data.

^aCovariate included when assessing employment impacts

^bCovariate included when assessing arrest impacts

^cCovariate included when assessing conviction impacts

^dCovariate included when assessing incarceration impacts

Logistic regression is needed for assessing the binary outcomes of this study because the distribution of errors for these outcome measures follows a binomial distribution and, therefore, violates the distributional assumptions of OLS.

The regression models included a vector of individual-level characteristics, as represented in Equation 1:

$$Y_n = \beta_0 + \beta_1 \text{Group Assignment}_n + \sum \beta_p X_{pn} + \varepsilon_n$$

In this equation, β_1 provides the estimated treatment effect of LA:RISE on outcome Y for person n . X_p represents each of the covariates p for person n with β_p providing the corresponding coefficients for these covariates; the error term ε represents the difference between the observed and predicted outcome for person n . Exhibit A-1 details the covariates for the individual-level characteristics included in the regression analysis. Individual-level predictors were collected for participants at baseline and included each person's age, racial background, gender, and employment history, among others.

Not all baseline characteristics reported were included in the regression analysis. Participants did not vary much in most characteristics. Because including these variables would not increase the explanation of variance in the data or increase model fit, and because the analysis prioritized parsimony in model specification, these covariates were ultimately dropped from the models.

2. Hierarchical Linear Modeling

As described in the report, participants in the study were served through one of the six SEs providers. Because the selected participants are clustered within six SEs, the possibility of these clusters correlating with outcomes exists, biasing the estimation of standard errors – typically downward. For this reason, the evaluation team implemented an HLM approach as one of the components of the sensitivity analysis to examine potential heterogeneous treatment effects across SEs and enable greater precision in estimating the program effect. HLM takes into account the clustering of data by SE and provides clustered random effects in the estimation, accounting for the nested structure of participants across grantees (Chaplin, 2003).

The intraclass correlation coefficient (ICC) examines how much of the total variance in the outcome measure can be attributed to group identification and is calculated by dividing the group-level variance over the total variance, as represented in Equation 2:

$$ICC = \frac{\sigma^2_{\alpha}}{\sigma^2_{\alpha} + \sigma^2_{\varepsilon}}$$

A multilevel model would only be required if the ICC was non-trivial (Lee, 2000). The multilevel model used in this study is represented in Equation 3:

$$Y_{nj} = \beta_{0j} + \beta_{1j} \text{Group Assignment}_{nj} + \sum \beta_{pj} X_{nj} + \varepsilon_{nj}, \text{ where}$$

$$\beta_{pj} = \gamma_{p0} + \sum \gamma_{pt} Z_j + U_{pj}, \text{ for}$$

individual n , SE j , covariate p at the individual-level, and covariate t at the SE level

Equation 3 is identical to equation 1 except for the addition of a level-2 equation, which allows estimation to vary by SE j . The level-2 equation estimates SE-level intercept and slopes (β) using SE-level covariates (Z_j) and corresponding coefficients (γ_p).

3. Multiple Comparisons

Research that relies on numerous hypotheses tests, such as this evaluation, risks increased probability of falsely rejecting the null hypothesis, or generating a false positive (type I error). This problem is traditionally addressed through adjustments to the significance level needed to reject the null hypothesis (Glickman et al., 2014). One method of estimating the multiple comparisons problem is to use familywise error rate (FWER), which calculates the probability of committing at least one type I error. A commonly used approach to address FWER is to use the Bonferroni correction (Glickman et al., 2014), which determines a stricter criterion to reject the null hypothesis based on the number of hypothesis tests conducted. For example, if the p-value to reject the null hypothesis is less than 0.05 and hypothesis testing assessed program impacts on two outcomes, the threshold to establish statistical significance, using a Bonferroni correction, is 0.025 as represented in Equation 4:

$$p - value < \frac{0.05}{2}$$

However, FWER adjustment—like the Bonferroni correction—potentially elicits the occurrence of a type II error (determining no effect when one exists) when correcting for the occurrence of *any* type I error. Therefore, a recommended alternative to FWER adjustment is an adjustment using the false discovery rate (FDR). Unlike FWER, FDR is the expected proportion of type I errors among the significant findings *only*. One approach to control for the FDR is the Benjamini-Hochberg procedure, which determines statistical significance when, as represented in Equation 5:

$$p - value < \frac{i}{m} * Q, \text{ where}$$

i = ordered rank of unadjusted p-values

m = total number of hypothesis tests

Q = choice of FDR

The FDR provides a less stringent control of type I errors compared to FWER and, subsequently, is less likely to generate a false negative (type II error) through correction.

B. Results of the Sensitivity Analysis

The sensitivity analyses utilize regression analysis, HLM, and the Benjamini-Hochberg procedure in separate models to assess the robustness of the study results. The evaluation team ran each

of these models for the measures associated with the evaluation's confirmatory analyses: 1) employment; 2) earnings; 3) arrests; 4) convictions; and 5) incarcerations.

Exhibit A-2 compares four methods of estimating the impacts of the LA:RISE program on these confirmatory measures, with the Benjamini-Hochberg procedure used for methods 2, 3 and 4.

- Method 1: Regression analysis of the outcome variables regressed on the group assignment (baseline).
- Method 2: Method 1 with statistical significance adjusted using the Benjamini-Hochberg correction.
- Method 3: Regression analysis with inclusion of the control variables in Exhibit A-1.
- Method 4: HLM with inclusion of the same set of control variables.

The ICCs were assessed to determine the need for utilizing a multilevel model. While most of the ICCs were considered trivial aside from earnings within the first year after random assignment, the evaluation team chose to proceed with multilevel modeling as an additional check of the results due to concerns of bias from clustering participants within SEs as described earlier. Exhibit A-2 columns display assignment group impact parameter estimates for continuous outcomes, and odds ratios for binary outcomes. There will be no change in estimates and odds ratios in column two as this is meant only to indicate whether the baseline model still achieves statistical significance for assignment group after adjustment using the Benjamini-Hochberg correction. For binary outcomes, odds ratios must be interpreted differently than for continuous outcomes, where a value less than one indicates a decrease in odds of the outcome, and a value greater than one indicates an increase in odds of the outcome. It is vital these values be reported as such for comparability across all modeling methods presented.

Impacts were very similar across all models except for earnings within one year after random assignment and earnings within the 2nd year after random assignment. Several covariates shared positive, moderately strong, statistically significant correlations with the earnings outcomes, particularly having been employed within two years before random assignment.

Furthermore, the addition of covariates beyond a simple comparison of group means increased the percentage of the variation in earnings explained in the model by over 11 percent within one year after random assignment, and by over 5 percent within the 2nd year after random assignment. This increase in model fit is indicative of improved precision with the result for earnings being a narrower estimated difference between program and control groups. There were positive impacts on having ever been employed within the first year following RA across all model specifications except when correcting for multiple comparisons. This lack of impacts when adjusting for multiple comparisons is not unexpected, however, as the threshold for

statistical significance is more stringent after such an adjustment. In addition, positive impacts on arrests within two years after RA were found in the final two models, indicating lower odds of being arrested. As described in the main text, this may suggest that there is a small impact on arrests overall, but this is only seen with the additional precision inherent in these alternative models (or with a larger sample size than was available in the present study).

Exhibit A-2: Sensitivity Analysis

Measure	Baseline	Benjamini-Hochberg Adjustment ($\frac{i}{m}Q$)	Regression with Covariates	HLM with Covariates
Within first year after RA				
Ever employed in CA	1.3*	1.3	1.4*	1.4*
Earnings in CA (\$)	-254	-254	-159	-182
Ever arrested in CA	0.9	0.9	0.8	0.8
Ever convicted in CA	0.8	0.8	0.9	0.9
Ever incarcerated in LA jail	1.1	1.1	1.2	1.2
Within 2nd year after RA				
Ever employed in CA	1.1	1.1	1.1	1.1
Earnings in CA (\$)	-92.9	-92.9	178.4	165.7
Within two years after RA				
Ever arrested in CA	0.8	0.8	0.8*	0.8*
Ever convicted in CA	0.8	0.8	0.8	0.8
Ever incarcerated in LA jail	0.9	0.9	0.9	0.9

SOURCES: Employment and earnings data come from the California Employment Development Department. Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff's Department.

NOTES: The estimates in the first column represent the impact of the program, excluding covariates. For binary outcomes, the percentages for the program and comparison groups included in the main report were used to calculate odds ratios, calculated as: $\frac{\text{percentage}_{\text{program}}/(100-\text{percentage}_{\text{program}})}{\text{percentage}_{\text{control}}/(100-\text{percentage}_{\text{control}})}$. Conversion to odds facilitates direct comparability with the subsequent models. For continuous outcomes, the coefficients shown in the first column were calculated from the difference in group percentages: $\text{percentage}_{\text{program}} - \text{percentage}_{\text{control}}$. The second column adjusts the significance of the baseline results, using the Benjamini-Hochberg procedure using selected FDR of $Q=0.1$. The third column is a replication of group differences using regression models, with the inclusion of covariates. Lastly, the fourth column replicates the third column through an HLM. The results for continuous variables are reported as regression coefficients while the results for dichotomous variables are reported as odds ratios.

*/**/** indicates the difference between the program and control groups is statistically significant at the .10/.05/.01 level.

† indicates statistical significance following Benjamini-Hochberg adjustment

C. Sample Sizes for Subgroup Analyses

Exhibits A-3a and A-3b present sample sizes for the subgroup analysis exhibits in Chapters III and IV. Exhibit A-3a presents the sample sizes for employment and earnings outcomes, arrest and convictions outcomes, and jail incarceration outcomes at each time period for which these outcomes were examined in Chapters III and IV for the age, gender and ethnicity subgroups (labeled with an “a” in each chapter). Exhibit A-3b presents the sample sizes for these same outcomes for the period of enrollment and service model subgroups (labeled with an “b” in each chapter).

Exhibit A-3a: Sample Sizes of Program and Control Group Members from “a” Exhibit Subgroup Analyses

	Age				Gender				Ethnicity			
	18-24		25+		Male		Female		Hispanic		Non-Hispanic	
	P	C	P	C	P	C	P	C	P	C	P	C
Within one year of RA												
Employment and earnings outcomes	257	262	224	220	340	339	141	143	211	231	269	250
Arrest and conviction outcomes	257	262	224	220	340	339	141	143	211	231	269	250
Jail incarceration outcomes	257	262	224	220	340	339	141	143	211	231	269	250
Within one to two years of RA	P	C	P	C	P	C	P	C	P	C	P	C
Employment and earnings outcomes	257	262	224	220	340	339	141	143	211	231	269	250
Within two years of RA	P	C	P	C	P	C	P	C	P	C	P	C
Arrest and conviction outcomes	256	261	224	220	340	339	140	142	211	231	268	249
Jail incarceration outcomes	253	259	224	220	338	338	139	141	211	231	268	249
Within two to three years of RA	P	C	P	C	P	C	P	C	P	C	P	C
Employment and earnings outcomes	116	115	129	130	169	163	76	82	102	98	143	147
Within three years of RA	P	C	P	C	P	C	P	C	P	C	P	C
Arrest and conviction outcomes	96	98	92	95	125	121	63	72	86	81	102	112
Jail incarceration outcomes	96	98	92	95	125	121	63	72	86	81	102	112

SOURCES: Employment and earnings data come from the California Employment Development Department. Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff’s Department.

NOTES: Data in the table represent sample sizes for program and control groups for each subgroup category and subgroup found in the “a” subgroup analysis tables in Chapters III and IV.

Exhibit A-3b: Sample Sizes of Program and Control Group Members from “b” Exhibit Subgroup Analyses

	Period of Enrollment				Service Contrast			
	Early		Late		Low Contrast		High Contrast	
	P	C	P	C	P	C	P	C
Within one year of RA								
Employment and earnings outcomes	245	245	236	237	208	209	273	273
Arrest and conviction outcomes	245	245	236	237	208	209	273	273
Jail incarceration outcomes	245	245	236	237	208	209	273	273
Within one to two years of RA								
Employment and earnings outcomes	245	245	236	237	208	209	273	273
Within two years of RA								
Arrest and conviction outcomes	245	245	235	236	208	209	272	272
Jail incarceration outcomes	245	245	232	234	205	207	272	272
Within two to three years of RA								
Employment and earnings outcomes	245	245	0	0	132	134	113	111
Within three years of RA								
Arrest and conviction outcomes	188	193	0	0	110	115	78	78
Jail incarceration outcomes	188	193	0	0	110	115	78	78

SOURCES: Employment and earnings data come from the California Employment Development Department. Arrest and conviction data come from the California Department of Justice. Jail incarceration data come from the Los Angeles Sheriff’s Department.

NOTES: Data in the table represent sample sizes for program and control groups for each subgroup category and subgroup found in the “b” subgroup analysis tables in Chapters III and IV.