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# Giving Ex-Offenders a Choice in Life: First Findings from the Beneficiary Choice Demonstration

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The number of individuals being released from prisons and jails in the United States has continued to grow for the past decade. More than 672,000 individuals were released from Federal and state prisons in 2004, a significant increase from 405,000 individuals in 1990.[1] Upon release from incarceration, ex-offenders often face a range of challenges. Many have low levels of education and literacy, limited prior attachment to the legal workforce, reduced ties to family and community, and histories of substance abuse and mental health problems (Bushway and Reuter 2002; Petersilia 2003; Steurer et al. 2002; Nelson et al. 1999; Byrne et al. 2002). Former prisoners may also confront barriers that directly limit their ability to gain employment, including lack of basic documentation, the use of criminal background checks by employers, and state laws and licensing requirements for certain jobs (Clear and Cole 2000). If not adequately addressed, these barriers can reduce reentry success. Estimates suggest that 45 percent of state prisoners are rearrested within one year of release and 67 percent within three years (Langan and Levin 2002).

Prompted by this research, Federal policymakers began in the late 1990s to shift their focus and resources to initiatives aimed at helping ex-offenders successfully reintegrate into society. Programs funded by the U.S. Department of Justice (DOJ), such as Weed and Seed and the Reentry Partnership Initiative, began to bridge the divides among correctional agencies, community supervision, and local public and private social service agencies. The U.S. Department of Labor (DOL) has also funded several prominent initiatives within the past decade, including the Youth Offenders Demonstration, the Serious and Violent Offender Reentry Initiative, Ready4Work, and the Prisoner Reentry Initiative (PRI).

To further expand its initiatives to serve this needy population, the Employment and Training Administration within DOL created the Beneficiary Choice Contracting Program, a demonstration to help ex-offenders successfully enter and remain in the workforce and stay free of crime. To be eligible for the program, individuals must be between 18 and 29 years of age, have been convicted of a Federal or state crime, and have been released from a Federal or state institution within the past 60 days. In July 2007, DOL awarded five grantees

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[1] A summary of trends in prisoner release can be found at the Bureau of Justice website (http://www.ojp.usdoj.gov/bjs/pub/press/pripropr.htm).

a total of $5 million for the first year of operations to serve approximately 225 participants each.  Table 1 lists the five grantees.

**Table 1. The Beneficiary Choice Grantees**

| Grantee Name | City, State |
|---|---|
| Arizona Women's Education and Employment, Inc. (AWEE) | Phoenix, AZ |
| Colorado Department of Labor and Employment (DLE) | Denver, CO |
| City of Chicago, Mayor's Office of Workforce Development (MOWD) | Chicago, IL |
| Indianapolis Private Industry Council, Inc. (IPIC) | Indianapolis, IN |
| The Directors Council (TDC) | Des Moines, IA |

### WHAT IS THE BENEFICIARY CHOICE PROGRAM?

The Beneficiary Choice Demonstration involves an indirect funding model in which grantees engage in performance-based contracts with specialized service providers (SSPs) to provide employment-focused services to participants.  DOL provided a blueprint for building a service delivery structure that includes the grantee, a services coordinator, and at least five specialized SSPs.  Grantees maintain the administrative functions.  Services coordinators serve as the gateway for participants to select an SSP.[2]  The SSPs then provide in-depth services.  Community partners also provide referrals and leveraged resources to support service delivery.

The model has three key components that distinguish it from prior programs:

1.  ***Emphasis on Participant Choice.***  The cornerstone of the program is that it allows participants to choose the program that best meets their needs.  Each SSP must offer three core services: (1) workforce readiness training, (2) career counseling, and (3) six months of follow-up services. SSPs are also expected to offer a unique combination of supplemental and supportive services.

2.  ***Expansion of the Service Delivery Network.***  Grantees were encouraged by DOL to engage a wide range of SSPs, including faith-based and community organizations (FBCOs) that offer both a range of secular and faith-infused services.[3]  DOL also required that each grantee partner with at least one local provider with which it has not previously worked.  In this way, the

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[2] The grantee or a contracted provider may act as services coordinator, provided it is not also an SSP.

[3] According to DOL's Equal Treatment and Religious-Related Regulations, FBCOs that receive *indirect* funding, such as through a choice-based model, can use those funds to provide "inherently religious activities" provided that beneficiaries are given a "genuine and independent private choice among providers or program options."

demonstration can draw on the unique qualifications of FBCOs that may not typically partner with the government.

3. **Use of Performance-Based Contracts.** Grantees are required to engage in performance-based contracts with at least five SSPs that offer services to participants. Providers receive benchmark payments as they document their success in helping participants achieve key outcomes, such as completing services, obtaining a job, and retaining employment.

## EVALUATION DESIGN

The Beneficiary Choice model is a new direction in the provision of services to ex-offenders and, therefore, is likely to pique the interest of policymakers and program administrators alike. DOL contracted with Mathematica Policy Research, Inc. (MPR) to evaluate the implementation of the program, the short-term outcomes of participants, and the costs of providing services. The evaluation addresses six research questions:

1. **How do grantees plan for, implement, and operate the program?**

2. **How do grantees ensure that participants have a true and independent choice of providers?**

3. **How does performance-based contracting influence implementation?**

4. **What are the characteristics of participants and what services do they receive?**

5. **What are the employment outcomes and recidivism rates of participants?**

6. **What are the costs of the program?**

To answer these questions, the evaluation is collecting and synthesizing qualitative, quantitative, and cost data to provide a complete picture of how the program unfolds over time. The study uses five key data collection activities.

1. **Survey of Grantees.** MPR conducted a survey on the backgrounds and service offerings of the grantees and SSPs in July 2008. Data on all of the five grantees and 29 of the 30 (97 percent) participating SSPs were obtained.

2. **Site Visits.** The evaluation involves two rounds of in-depth site visits, the first conducted in July 2008 and the second to be conducted in fall 2009.

3. **Management Information System (MIS) Data Collection**. Grantees are collecting information on participant characteristics, service use, and short-term outcomes (including employment and self-reported recidivism data), using an internet-based tracking system.

4. ***State-Level Criminal Justice Administrative Data.*** In fall 2009, MPR will collect administrative data on participants in four sites to analyze patterns of recidivism and assess the reliability of grantees' MIS data collection.[4]

5. ***Cost Data Collection.*** Local grantees will provide information on their actual expenditures as well as performance-based payments made to SSPs.

The purpose of this report is to describe the early experiences of the five grantees as they implemented this new program. In particular, the report will answer the first three research questions outlined above as well as provide preliminary evidence on the fourth and fifth questions. The report relies heavily on the qualitative data collected during the first round of site visits. It also includes findings from the grantee survey as well as descriptive analysis using MIS data collected by grantees through August 15, 2008. The evaluation's final report, scheduled for delivery in spring 2010, will analyze all of the evaluation's data and provide comprehensive answers to all of the study's research questions.

## THE GRANTEES AND THE LOCAL CONTEXT IN WHICH THEY OPERATE

The selected grantees are mostly large, long-standing government or nonprofit organizations with extensive partnerships in the community. Among the grantees are two governmental organizations (DLE and MOWD), a workforce investment board (IPIC), and two large nonprofit agencies (AWEE and TDC).

The government agencies have large operating budgets and an ability to leverage resources from other funding streams. On the other hand, nonprofit grantees are often more nimble than bureaucratic organizations and can quickly make decisions and organize activities. The nonprofit grantees also had direct experience with administering and providing direct services to the ex-offender population.

Two grantees (MOWD and IPIC) contracted with other community agencies that specialized in direct customer service to act as services coordinators. Given that these agencies were not allowed to provide services, they tapped into the expertise and expanded the capacity of other local service providers. However, this arrangement required a layer of management and oversight that other sites avoided.

Relationships between services coordinators and SSPs are reportedly more complex and challenging in the two sites in which nonprofit organizations filled the oversight and service coordination roles. These organizations were viewed as peers and, in some cases, competitors to the SSPs prior to the program. These arrangements have presented specific challenges for nonprofit grantees in monitoring their peers without damaging long-term relationships.

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[4] The fifth grantee is located in Arizona, which does not have publicly available criminal justice data.

Correctional agencies are integral partners across all five sites, whereas the extent of the partnerships with the workforce investment systems and employers vary. Criminal justice partners have been vital in the outreach and recruitment process. Correctional agencies have also shared employment and offender status data from their reporting systems. In one site, parole officers have also helped ensure that participants comply with program requirements. In contrast, only three sites have cultivated relationships with the local One-Stop Career Centers and only three described formal partnerships with employers.

## IDENTIFYING AND PREPARING SSPS

Grantees relied heavily on their own experiences with specific organizations and the recommendations from their community partners to identify a pool of potential SSPs. This approach may not have reached providers that are out of the "mainstream," such as those that offer faith-infused services. Moreover, although all grantees conducted an open procurement for SSPs, the number of applications was generally small, suggesting that outreach strategies were limited in some sites and/or the program may not have been attractive to potential bidders given the combination of participant choice and performance-based contracting.

Of the 30 SSPs across all sites, 18 are community-based organizations (CBOs) and 12 are faith-based organizations (FBOs). Only two provide faith-infused services. Although some SSPs are experienced with serving ex-offenders and providing employment services, many are small, inexperienced organizations that have limited relationships with employers.

Given the uncertainty of customer choice, SSPs reported staffing their programs conservatively. Among the SSPs visited for this study, 7 out of 10 relied on 1.5 or fewer full-time equivalent positions to support the demonstration. SSPs that relied on more positions typically leveraged resources or ended up laying off staff.

To date, capacity-building activities led by grantees and services coordinators to support the SSPs have mostly focused on use of the MIS and the process for submitting invoices. Limited effort has been made to individualize technical support based on SSP service capacity or to improve the quality of service delivery. Although grantees and services coordinators reportedly respond quickly to SSP requests and are generally helpful, some SSP directors said that they wanted more help to improve their work readiness or job placement activities.

## OUTREACH, ORIENTATION, AND PARTICIPANT SELECTION OF SSPS

Grantees and services coordinators are charged with raising community awareness of the initiative and conducting outreach efforts to target potential enrollees. Given the need to enroll participants quickly upon release, working with criminal justice partners is a vital part of recruitment. Three grantees reported these partners as their main referral source. Of the five grantees, three focused on prerelease contact with inmates, and two on postrelease recruitment through parole and probation referrals.

Once individuals express interest in the program, they must attend an orientation at the services coordinator before making a selection among the available SSPs. Orientations, used to begin the enrollment process, are generally short to quickly transition participants to the SSPs and minimize participant drop-off. The structure, intensity, and timing of the orientation varies, however, with two sites (TDC and DLE) using brief individualized meetings, two sites (IPIC and AWEE) conducting group sessions followed by one-on-one meetings, and one site (MOWD) holding a three-day group orientation.

Services coordinators attempt to promote free and independent choice by remaining neutral in their presentation of consistent, accurate, and accessible information about each SSP. SSPs were involved in developing orientation materials in all sites. Sites use a mixture of verbal, written, and media presentations to describe SSPs. To prevent bias, two sites also routinely shift the order in which SSPs are presented during orientation.

SSP selections must be made quickly, with only one grantee requiring participants to research the providers. All participants in one site are required to visit two SSPs during orientation to understand their philosophy, atmosphere, and service offerings. Although it is not required, another site also encourages participants to research SSPs.

Based on staff reports, the two most common reasons for SSP selection are location and agency reputation. Specific service offerings, such as general educational development (GED) preparation classes or vocational training, were also noted as an important factor in three sites. Few clients appeared to select SSPs based on the religious nature of their services. Participant interviews confirmed some staff perceptions but also revealed that some participants were unable to articulate the reasons for their selections.

As of August 15, 2008, the five grantees had enrolled a total of 763 participants at the SSPs (Figure 1). Although recruitment improved over time, all sites except one reported difficulty identifying and enrolling sufficient numbers of individuals that met the age and release criteria. This appears largely due to the high rates of drop-off between recruitment and ultimate enrollment, as opposed to the sheer size of the eligible pool of ex-offenders.

### PARTICIPANT CHARACTERISTICS

To date, most Beneficiary Choice participants are male (85 percent). All participants were between the ages of 18 and 29 at the time of enrollment, with an average age of 25. A majority of participants are African American. In fact, MOWD and IPIC served mostly African Americans (88 and 84 percent, respectively).

Grantees serve both nonviolent and violent offenders, many of whom are repeat offenders. Participants were most often released for drug crimes (39 percent). Property crimes, which include burglary, larceny, and motor vehicle theft, were the second most common type of crime (25 percent). All sites also served violent offenders, but three limited participation for those with murder or sexual offenses. On average, participants have been arrested 7 times, convicted 3 times, and incarcerated for nearly 3 years during their lifetimes.

**Figure 1.      Total Program Enrollment as of August 15, 2008**
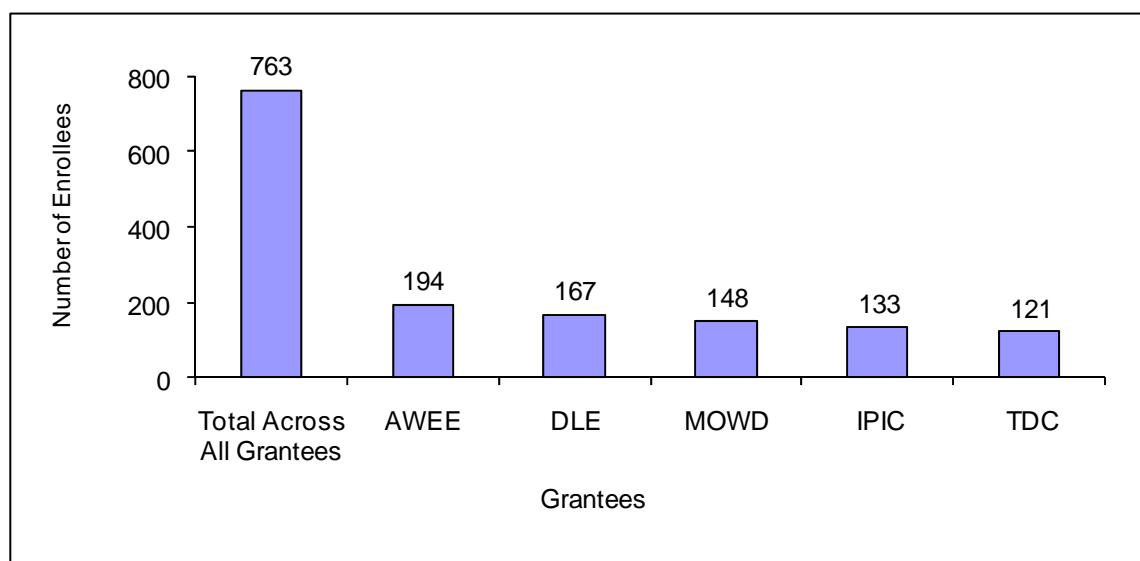


Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Overall, participants have poor work histories and low educational attainment. Only 39 percent reported formal employment as their primary income source prior to incarceration. An almost equal percentage reported their primary income source as illegal activities. In addition, 40 percent did not have a high school diploma or GED at enrollment.

Substance abuse and unstable housing also pose barriers for many participants. Nearly 60 percent reported alcohol abuse or drug use either prior to enrollment, in the three months prior to incarceration, or both. About 44 percent reported living in a transitional or unstable living arrangement. Given that these data are self-reported, this likely underestimates the addiction and housing problems that participants face.

### SERVICE OFFERINGS, SERVICE RECEIPT, AND JOB PLACEMENTS

The Beneficiary Choice model involves a two-tiered service delivery approach that begins with the services coordinators and continues at the SSP. Services coordinators conduct an in-depth assessment of all participants and provide ongoing case management even after referral to an SSP. As discussed earlier, SSPs then provide a range of core and supplemental services to support the participants' transition into society.

The services coordinators conduct assessments during orientation. SSPs often supplement this with an informal conversation with the participant. Requiring services coordinators to conduct initial assessments may ensure some consistency across participants; however, local staff members report and discussions with participants suggest that completing a second assessment at the SSP may feel repetitive and confusing to participants. SSPs also do not always obtain or use this information. According to service coordinator staff in three sites, conducting two assessments can also be disruptive as it requires

participants to forge new attachments with SSP staff after bonding with services coordinator staff. Participants also may be confused about whom to contact when they have a service need. In fact, during group interviews in two sites, participants served by the same SSP reported different approaches to seeking assistance, with some always approaching staff from the services coordinator directly for help while others went straight to SSP staff members when needs arose. Despite these findings, grantees had not yet developed strategies to minimize overlap in the provision of assessments.

After the initial enrollment, SSPs quickly and actively serve program participants. Of the 763 ex-offenders enrolled by August 15, 2008, 95 percent received at least one service. Of these participants, 60 percent received their first service on the day of enrollment and 85 percent received services within one week.

According to the MIS, as of August 15, 90 percent of ex-offenders who enrolled at the SSP received at least one core service, most often workforce readiness training (Figure 2). On average, participants received three core services.

**Figure 2.     Rate and Number of Core and Supplemental Services Received**
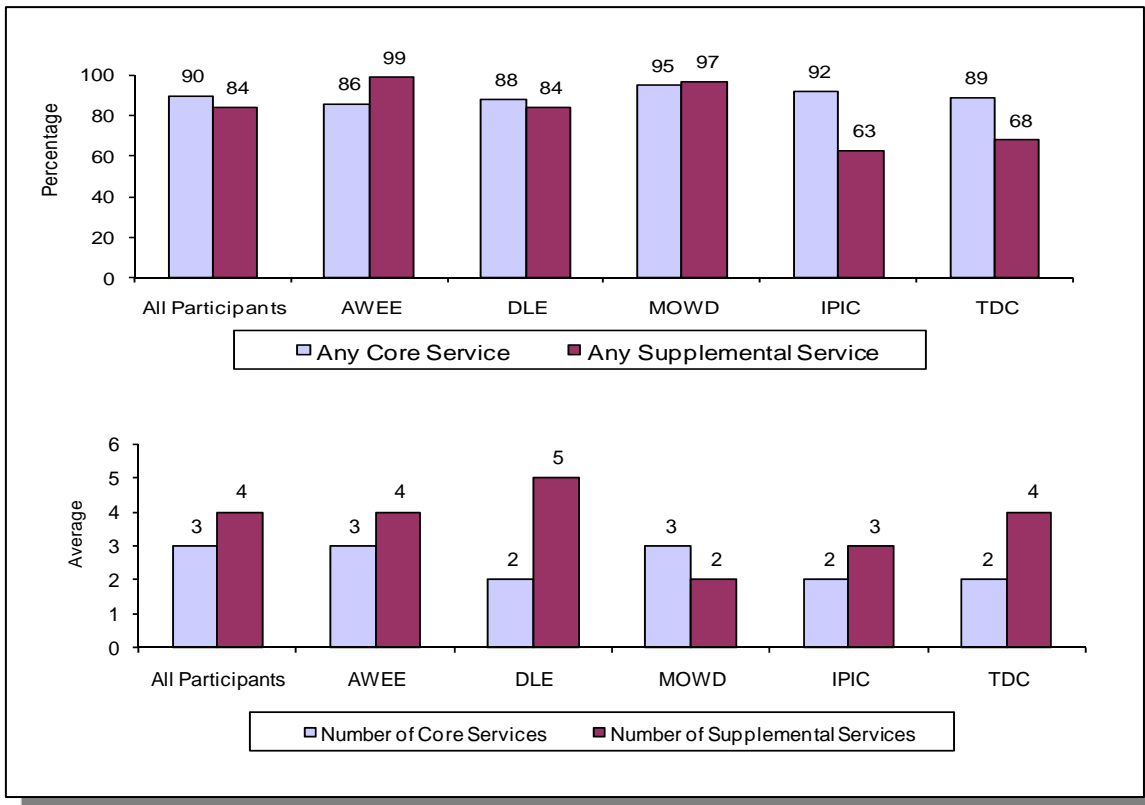
*Executive Summary*

SSPs also offer a range of supplemental services, including supportive services (such as transportation, food, and clothing assistance); education and training; mentoring; health services; and other activities (such as housing assistance and incentive payments). By allowing participants to select their own providers, the demonstration was intended to ensure a good match between service offerings and participants' specific needs. The vast majority of participants receive at least some supplemental services, with the typical participant receiving an average of four services.

Despite the range of services available at SSPs, most service receipt focused on employment-based activities. Supportive services were provided to nearly 70 percent of participants. All other services were accessed by fewer than 30 percent of participants. This suggests that most participants are not taking advantage of the full range of offerings available at SSPs. This may result from a shifting focus of SSP service provision based on DOL's emphasis on rapid job placement and grantees' performance-based contracting structures. Alternatively, it could reflect participants' priorities to abide by parole and probation requirements and their need for immediate income.

Although indirect funding allowed the flexibility to offer faith-infused services, SSPs rarely incorporated faith-infused activities. Plausible explanations for this include grantees being unclear about whether and how religious activities could be a part of service provision, grantees' limited outreach to recruit faith-infused SSPs, and reports that SSPs feared that participants would not select faith-infused providers.[5]

**Figure 3.     Job Placement Rate by Site**
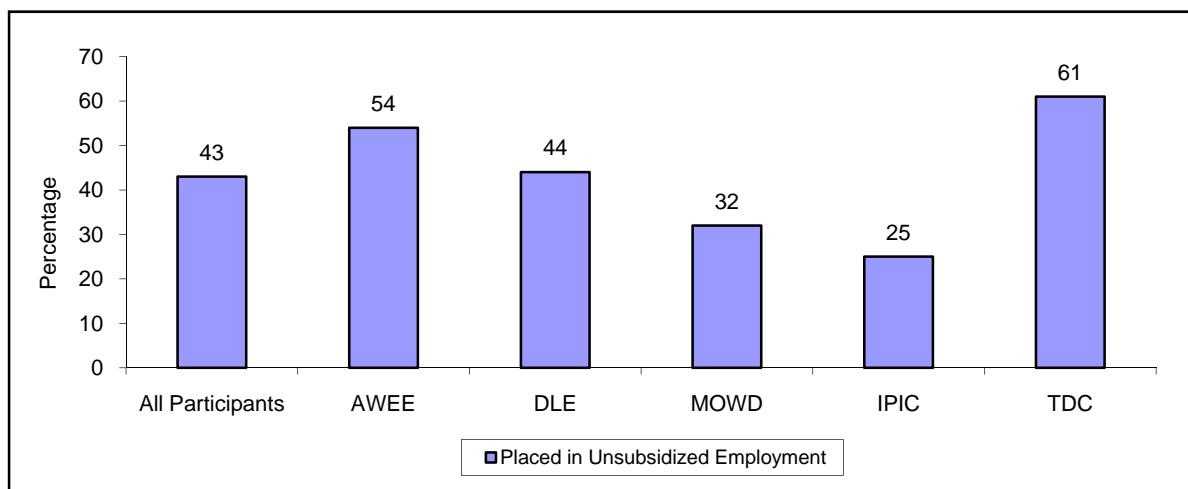


Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

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[5] One grantee and one SSP reported that they feared participants would not select faith-infused providers.

As of August 15, 2008, about 43 percent of all participants had been placed in unsubsidized employment (Figure 3). Job placement rates were highest in TDC and AWEE with 61 percent and 54 percent, respectively. These higher rates may result from their experience operating PRI grants, the fact that services coordinators in both sites hired staff devoted to ensuring the accuracy of the MIS, that both sites introduced incentives for rapid placement, or the characteristics of participants served in those sites. At TDC, nearly all participants were required to enter employment quickly as a condition of parole. AWEE developed its performance-based contracts to associate the most lucrative payment point with placement in unsubsidized employment within 21 days of enrollment.

Early results indicate that those placed in jobs earned an average of $8.50 per hour and typically worked a full-time schedule. The most common jobs were in the food preparation and service-related occupations (19 percent), followed closely by jobs in construction and extraction (18 percent). DLE reported an average wage of $11.21 per hour, at least $2 more per hour, on average, than the other sites. In that site, the grantee used leveraged resources to offer vocational training programs in asbestos abatement, hazardous materials, and forklift operating, suggesting that specialized training is paying off for participants.

### EXPERIENCES WITH PERFORMANCE-BASED CONTRACTING

Performance-based contracts are designed to pay providers when they achieve agreed-upon benchmarks, referred to as payment points. The goal is to establish a "win-win" situation for both the grantee and SSP by establishing payment points that are challenging but reasonably attainable. This process, however, involves both risks and rewards for SSPs.

Sites budgeted between $2,667 and $4,489 as the maximum payment per participant for reaching all key benchmarks. Given the emphasis that DOL placed on employment, three sites associated the largest payments with job placement. By contrast, two sites focused payments largely on service provision to ensure that small FBCOs had sufficient cash flow.

Although most SSPs are able to achieve payment points related to service provision, three grantees reported that at least some SSPs were struggling to make job placements and therefore were unable to invoice for related payment points. Local staff reported common reasons for poor placement rates, such as lack of formal job development and placement infrastructures before the grant, little or no experience serving ex-offenders, and site-specific factors that influenced their ability to place participants in employment.

At least some SSPs in three sites believe that performance-based contracting is working well. These organizations feel that the payment points were designed to enable SSPs to cover costs and still motivate them toward good performance.

By contrast, at least some SSPs in four sites reported that they have not been able to cover the costs of serving participants or do not believe they will break even in the long run. Reasons for this include failure to meet job placement and retention benchmarks, low referral numbers, and denied payments for inadequate documentation.

Finally, SSPs in four sites reported that combining participant choice with performance-based contracting has involved significant unpredictability and risk. In these sites, customer choice resulted in an unequal distribution of participants across SSPs. SSP directors were uncomfortable hiring new staff without knowing the volume of participants to expect. As a result, demonstration responsibilities were often added to the workload of existing staff members who already had large caseloads. The remaining site was able to avoid this phenomenon by implementing monthly enrollment caps that equalized the number of participants selecting each provider.

### SUCCESSES AND CHALLENGES IN IMPLEMENTING THE BENEFICIARY CHOICE MODEL

The Beneficiary Choice program model is entering uncharted territory by combining the indirect funding mechanism of customer choice with the use of performance-based contracting. Although the demonstration was still in its infancy at the time of the site visits, many interesting patterns are already emerging from local sites' early experiences. Below are key lessons learned and challenges faced.

### 1. Community Capacity and Network Development

- The first notable success of the Beneficiary Choice project is the expansion of services to many ex-offenders in participating communities who might not normally have received assistance after release.

- The demonstration focused on a community-based approach that helped sites build a framework for ongoing collaboration, with the grantees and services coordinators serving as central points of contact for community partners.

- Further capacity-building activities with SSPs, particularly smaller FBCOs, might be needed to improve the quality of service delivery and participant outcomes.

### 2. Expansion of the Service Delivery Network

- Factors such as limited community outreach conducted by grantees and a potential lack of appeal of the initiative to local FBCOs given the combination of participant choice and performance-based contracting appear to have limited the number and types of participating SSPs in local areas.

- Although grantees mostly engaged organizations with which they had partnered before, the choice model did allow for the inclusion of some new and unique service providers that had not traditionally received DOL funding.

- Faith-infused services, while allowed under the Beneficiary Choice model, have not played a substantial role in service delivery to date.

### 3. Emphasis on Participant Choice

- The emphasis on choice and the voluntary nature of the program targets services to those ex-offenders who are interested in and committed to finding employment and reengaging with their communities.

- Although services coordinators attempted to promote free and independent choice, the quick time frame for selection and the limited SSP research requirements may cause participants to make choices without fully understanding their service options.

- According to local staff and participant interviews, some participants appear to feel more committed to the program after making their own choice of provider.

### 4. Use of Performance-Based Contracting

- The SSPs found it difficult to plan for and implement the program given the substantial uncertainty due to the combination of provider choice and performance-based contracting.

- Performance-based contracts proved difficult for small FBCOs without capacity for job development or experience documenting service provision and participant outcomes.

- SSPs face a difficult balance between meeting DOL's expectations for rapid job placements and addressing participants' needs sufficiently before moving them into the workforce.

### NEXT STEPS IN THE EVALUATION

The second year of the evaluation will involve the collection and analysis of data from several new sources. The evaluation team will conduct another round of site visits in fall 2009 after grantees have been serving participants for a full two years. These visits will involve qualitative interviews as well as the collection of cost data on program expenditures. In addition, the evaluation team will analyze MIS data on participant service use and outcomes through the end of 2009. Finally, the evaluation team will collect and analyze state-level criminal justice administrative data to measure participants' ability to stay crime free. The final evaluation report will be delivered to DOL in spring 2010.

# CHAPTER I

# INTRODUCTION

In July 2007, the U.S. Department of Labor (DOL), Employment and Training Administration created the Beneficiary Choice Contracting Program, a demonstration that provides ex-offenders with workforce readiness training, career counseling, and intensive followup to help them successfully enter and remain in the workforce and stay free of crime. DOL awarded five grantees a total of $5 million for the first year of operations to serve approximately 225 participants each. DOL contracted with Mathematica Policy Research, Inc. to evaluate the implementation of the program, the short-term outcomes of participants, and the costs of providing services.

This report details the early implementation experiences of grantees and their program partners through the first 10 months of operations. As a foundation for the remainder of the report, this introductory chapter begins with a discussion of the policy context that served as the impetus for this demonstration. Section B then describes DOL's history in supporting ex-offender initiatives. Section C then turns to an overview of the Beneficiary Choice program and Section D to the context in which it is being implemented. Section E provides an overview of the evaluation. Finally, Section F explains the organization of the remainder of the report.

## A. POLICY CONTEXT

The number of individuals entering and being released from prisons and jails in the United States has continued to grow each year for the past decade. The Department of Justice (DOJ), Bureau of Justice Statistics estimates that more than 672,000 individuals were released from Federal and state prisons in 2004, a significant increase from 405,000 individuals in 1990.[1] Upon release from incarceration, ex-offenders often face a range of challenges. Many have low levels of education and literacy, limited prior attachment to the legal workforce, reduced ties to family and community, and histories of substance abuse and mental health problems (Bushway and Reuter 2002, Petersilia 2003, Steurer et al. 2002, Nelson et al. 1999, Byrne et al. 2002). Former prisoners may also confront a number of barriers that can directly limit their ability to gain employment, including lack of basic

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[1] A summary of trends in prisoner release can be found at the Bureau of Justice website (http://www.ojp.usdoj.gov/bjs/pub/press/pripropr.htm).

documentation such as a current driver's license, the use of criminal background checks by employers, and state laws and licensing requirements for jobs in certain fields (Clear and Cole 2000). Research has also shown that large numbers of prisoners are released into a disproportionately small number of vulnerable communities, causing instability and reduced social cohesion within these neighborhoods (Rose et al. 1999).

If not adequately addressed, these challenges and barriers can reduce the ability of ex-offenders to obtain jobs and stay free of the criminal justice system. Of particular importance are the first few months after release when these individuals face critical decisions that can influence the course their lives take. Estimates suggest that about 45 percent of state prisoners are rearrested within the first year after release and 67 percent within three years (Langan and Levin 2002).

Prompted by this research highlighting the effects of prisoner reentry on American communities, Federal policymakers began in the late 1990s to shift their focus and resources to initiatives aimed at helping ex-offenders successfully reintegrate into society. Programs funded by the DOJ, such as Weed and Seed and the Reentry Partnership Initiative, began to bridge the divides between correctional agencies, community supervision, and local public and private social service agencies. DOL has also funded several prominent initiatives within the past decade, including Youth Offenders, the Serious and Violent Offender Reentry Initiative, Ready4Work, and the Prisoner Reentry Initiative (PRI). These DOL initiatives are discussed in more detail in section B.

As government interest in the problem of ex-offender reentry continued to rise, the White House also began work on its faith-based and community initiative. Concerned that the Federal government was not taking advantage of the strengths that faith-based and community organizations (FBCOs) bring to the provision of social services, President George W. Bush began the initiative to help level the playing field for FBCOs to partner with government agencies. One of the first steps taken by the president was to establish Centers for Faith-Based and Community Initiatives within several key cabinet-level agencies, including DOL. These offices began to examine agency program rules and partnering practices to remove formal and informal barriers that were limiting the access of FBCOs to participate in the publicly-funded service delivery system.

In July 2004, DOL issued a final set of Equal Treatment and Religious-Related Regulations outlining four key principles that would govern the department's work with faith-based organizations (USDOL 2004). These principles are (1) equal opportunity for all organizations, (2) respect for the faith of FBCOs, (3) respect for the religious liberty of beneficiaries, and (4) appropriate use of Federal support. The regulations state that FBCOs that receive direct funding from DOL through contracts or grants cannot use those funds to provide "inherently religious activities." Such activities need to be held at a separate time and location from services supported by DOL funds and must be voluntary for participants. These rules do not apply, however, when FBCOs receive indirect funding from DOL, such as through a voucher or choice-based model. In these cases, inherently religious services may be provided using Federal funds as long as beneficiaries are given a "genuine and independent private choice among providers or program options."

In recent years, a number of Federal agencies have used vouchers as an indirect funding mechanism to maximize participant choice and expand the number and type of service providers that can offer services using Federal funds. The Access to Recovery Program initiated by the Substance Abuse and Mental Health Services Administration in 2004 provides an example of how indirect funding can open the doors to service options that may not have been available using direct Federal funding. The administration recognized that recovery from addiction is often physical, mental, emotional, and spiritual. Allowing participants to select the program that best meets their needs, the Access to Recovery program has attempted to increase the number and types of clinical treatment and recovery support service providers—including FBCOs—eligible to receive Federal funding.

The key to offering participants a true choice among providers is the involvement of a sufficiently diverse set of organizations and service offerings. In 2003, a district court ruling in the case of Freedom from Religion Foundation, Inc. versus McCallum and Faith Works, Milwaukee, Inc.[2] was upheld by the United States Court of Appeals for the Seventh Circuit, and highlighted that participant direction of government funds can occur under both vouchers and contracting models that provide participants with a genuine and independent choice. The distinction between direct and indirect funding is not the funding mechanism (vouchers vs. contracts) but how money flows to providers—directly by government selection of the provider or indirectly by participant selection of the provider. Despite the promise that this approach holds, the alternative of using a contracting model rather than vouchers to encourage participant choice through indirect funding has yet to be tested.

## B. DEPARTMENT OF LABOR'S BACKGROUND IN SERVING EX-OFFENDERS

Over the past decade, DOL has placed a priority on developing employment programs for ex-offenders. As general awareness developed in the 1990s of the effect of large numbers of prisoners reentering American society, DOL realized the growing importance of helping this population prepare for, enter, and remain in the workforce. A series of employment initiatives emerged as a result.

In the late 1990s, Congress set aside over $13 million for the Youth Offenders Demonstration Projects (YODP). In collaboration with the Office of Juvenile Justice and Delinquency Prevention (OJJDP) within DOJ, DOL awarded the first round of grants in 1999 to 14 entities. These grants were intended to support development of programs to address the needs of youth who have been or who are at risk of being under juvenile or criminal justice supervision. The demonstration expanded with a second round of awards for a total of $8.2 million to nine new entities in June 2001. Round Three awards were provided in June 2002 to a third cohort of 29 communities. Grantees included states, counties, cities, and nonprofit community-based organizations. A process evaluation offered insights into how the project was implemented, differences across sites, and whether it conformed to DOL's vision of the project model. It found that, at the start, sites did not

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[2] A copy of the full court decision is available at http://pacer.wiwd.uscourts.gov/bcgi-bin/opinions/district_opinions/C/00/00-C-617-C-01-07-02.pdf, accessed October 21, 2008.

conceptualize the program to provide the full range of services and coordination that DOL intended, however their ability to provide comprehensive services improved over time. The final evaluation report, completed in 2006, found that more than 1,800 youth had received services and, despite the poor economic environment in demonstration communities, many participating youth were able to find employment (Jenks et al. 2006).

DOL's work with ex-offenders continued in 2002 with the inception of the Serious and Violent Offender Reentry Initiative. DOL collaborated with the U.S. Departments of Justice, Education, Housing and Urban Development, and Health and Human Services to fund 69 sites with approximately $110 million to develop new or expand existing programs to integrate supervision and reentry services for adults and juveniles leaving correctional facilities. Grants were awarded in all 50 states at both state and local levels. A process study describes innovative practices as well as barriers and challenges that grantees faced during implementation (Lattimore et al. 2004). In particular, the study revealed that grantees reported challenges with establishing and facilitating communication among government agencies, integrating faith-based organizations that have little experience working with correctional agencies or populations into the programs' reintegration efforts, and identifying release dates in time to provide sufficient pre-release programming. An impact evaluation is also underway in 12 sites with results expected in 2009.

With the creation of the DOL Center for Faith-based and Community Initiatives, DOL sought to expand its offender initiatives to capitalize on the unique strengths of FBCOs in serving at-risk populations. The Ready4Work program was the first in a series of DOL-funded ex-offender initiatives to include FBCOs. In 2003, DOL awarded 11 organizations—including seven faith-based organizations (FBOs)—with $27 million for three years to serve ex-offenders age 18 to 35 years old. Additional funding was provided by DOJ, the Annie E. Casey Foundation, the Ford Foundation, and Public/Private Ventures. The program emphasized intensive mentoring services, job readiness training, and employment placement. An evaluation of the program revealed that the nearly 5,000 participants remained engaged in the program for an average of eight months, just over half participated in mentoring, about 56 percent held a job for at least one month while they participated in the program, and recidivism rates appear to be about half that of a similar population nationwide (Farley and McLanahan 2007).

In 2005, DOL continued its efforts by awarding $20 million in grants to 30 FBCOs across the country for the Prisoner Reentry Initiative (PRI). Several additional rounds of grants have subsequently been awarded to extend the demonstration within the original grant locations and expand services into new communities. An interim report on grantees early implementation experiences found that, while grantees had made significant progress in developing community partnerships and conducting outreach, they were implementing very traditional one-to-one job development techniques and were struggling to implement structured mentoring programs (Holl and Kolovich 2007). Results on grantee experiences through the first two years of implementation are expected to be released in early 2009.

## C. OVERVIEW OF BENEFICIARY CHOICE PROGRAM

To further expand its initiatives to serve this needy population, DOL designed the Beneficiary Choice Contracting Program in 2007. Unlike prior DOL initiatives, the program involves an indirect funding model in which grantees are expected to engage in performance-based contracts with numerous specialized service providers (SSPs) to provide a range of employment-focused service options to participants. DOL is interested in knowing how this model maximizes participant choice as well as the use of FBCOs to improve participant outcomes. The Beneficiary Choice service delivery strategy has three key components that distinguish it from prior programs:

1. ***Emphasis on Participant Choice.*** The cornerstone of this program is that it allows participants to drive the choice of providers. After initiating service at the grantee, participants are given detailed information about each of the available SSPs and select which SSP they wish to attend. This choice-based model aims to foster a diversity of service styles among providers and to enable each participant to choose the program that best meets his or her needs. Each SSP must offer three core services: (1) workforce readiness training, (2) career counseling, and (3) six months of follow-up services. In addition, SSPs are expected to offer, either directly or through partnerships with other organizations, a unique combination of supplemental services such as mentoring, job placement, job retention services, education and training, transitional housing, substance abuse and mental health treatment, family reintegration services, English proficiency courses, and supportive services.

2. ***Expansion of the Service Delivery Network.*** Grantees were encouraged by DOL to engage a wide range of SSPs, including both faith-based and community-based organizations that offer a range of secular and faith-infused services. DOL required that each grantee also partner with at least one local service provider with which it has not worked before. As long as at least one secular service option is available and participants are given a genuine and independent choice among providers, the program's indirect funding structure allows the SSPs to provide inherently religious services using Federal funds. The grantees are also required to maintain a referral list of other local social service providers; the list must contain secular alternatives to each faith-infused service offered directly through the program. In this way, the demonstration can draw on the unique qualifications of FBCOs that may not typically partner with the government.

3. ***Use of Performance-Based Contracts.*** Grantees are required to engage in performance-based contracts with at least five SSPs that offer services to participants. Providers receive benchmark payments as they document their success in helping participants achieve key outcomes, such as completing services, obtaining a job, and retaining employment for six months.

In July 2007, DOL awarded five $1 million grants to organizations across the country to serve 225 Beneficiary Choice program participants each. Table I.1 lists the five grantees. All

**Table I.1. The Beneficiary Choice Grantees**

| Grantee Name | City, State |
|---|---|
| Arizona Women's Education and Employment, Inc. (AWEE) | Phoenix, AZ |
| Colorado Department of Labor and Employment (DLE) | Denver, CO |
| City of Chicago, Mayor's Office of Workforce Development (MOWD) | Chicago, IL |
| Indianapolis Private Industry Council, Inc. (IPIC) | Indianapolis, IN |
| The Directors Council (TDC) | Des Moines, IA |

are located in large metropolitan areas, although the Colorado grantee chose to implement the program in both the Denver metropolitan area and Mesa County, a rural area. Appendix A provides a brief profile of each site.

To be eligible for the program, individuals must be between 18 and 29 years of age, have been convicted of a Federal or state crime, and have been released from a Federal or state institution within the past 60 days. Grantees were given a four-month start-up period to recruit and establish contracts with SSPs and begin developing relationships with the One-Stop Career Centers, the criminal justice system, and other local partners. Three of the grantees also chose to contract with local agencies to act as service coordinators that facilitate participant orientation and selection of providers. The sites began enrolling participants in November 2007. DOL announced in summer 2008 that second year funding would be available to the grantees on a competitive basis to serve an additional 225 participants each.

## D. THE CONTEXT IN WHICH BENEFICIARY CHOICE IS OPERATING

The community context in each of these five sites is important for understanding the types of challenges that grantees face in implementing and sustaining grant activities. Beneficiary Choice sites are large urban city centers that house relatively diverse ethnic and racial communities. Two sites are in Chicago and Phoenix, among the top 10 cities with the largest populations in the United States. Among the sites, the city populations range from a high of 2.8 million residents in Chicago to 194,000 in Des Moines (Table I.2). Chicago is also among the most diverse communities, in which more than a third of the population is African American and another quarter Hispanic (Table I.3). Across the sites, Chicago had the lowest reported high school completion rate for those ages 25 or older at 72.8 percent, while Des Moines reported the highest at 83.0 percent (Table I.2).

Several sites are located in communities that have relatively high poverty rates, although the unemployment rate is lower than the national average in all but one. All five cities report poverty rates above the national average of 13.0 percent. In particular, residents of Chicago struggle with the highest poverty and unemployment rates at 20.5 percent and 7.3 percent, respectively. Des Moines reports the lowest rates for both indicators with a poverty rate of 15.4 percent and an unemployment rate of 3.5 percent.

**Table I.2.    Characteristics of Demonstration Communities**

| Grantee Service Area | City Population[a] | Poverty Rate[b] | Local Unemployment Rate[c] | High School Completion Rates (25+ years old)[a] | City Crime Data[d] |
|---|---|---|---|---|---|
| Phoenix, AZ | 1,512,986 | 17.8 | 4.7 | 76.6 | 546.1 |
| Denver, CO | 566,974 | 17.7 | 5.3 | 78.9 | 409.6 |
| Chicago, IL | 2,833,321 | 20.5 | 7.3 | 71.8 | 604.2 |
| Indianapolis, IN | 785,597 | 16.3 | 5.1 | 81.3 | 702.6 |
| Des Moines, IA | 193,886 | 15.4 | 3.5 | 83.0 | 537.5 |
| United States | 299,398,484 | 13.0 | 6.1 | 80.4 | 320.9 |

Sources:  [a]U.S. Census Bureau 2000 and 2006 Estimates. (http://quickfacts.census.gov, accessed on October 27, 2008)

[b]2007 American Cummunity Survey, U.S. Census Bureau (http://factfinder.census.gov/, accessed on October 27, 2008.)

[c]Bureau of Labor Statistics, July 2008. (http://data.bls.gov/cgi-bin/surveymost?la.com, accessed on October 27, 2008).

[d]Crime index data are available at www.citydata.com.  A higher index means more crime.  The index is calculated based on rates of murders, rapes, robberies, assaults, burglaries, thefts, auto thefts, and arson.


**Table I.3.    Racial Composition of Demonstration Communities (Percentages)**

| | Phoenix, AZ | Denver, CO | Chicago, IL | Indianapolis, IN | Des Moines, IA |
|---|---|---|---|---|---|
| White Non-Hispanic | 55.8 | 51.9 | 31.3 | 67.5 | 79.6 |
| Black | 5.1 | 11.1 | 36.8 | 25.5 | 8.1 |
| Hispanic | 34.1 | 31.7 | 26.0 | 3.9 | 6.6 |
| Other race | 16.4 | 15.6 | 13.6 | 2.0 | 3.5 |
| Two or more races | 3.3 | 3.7 | 2.9 | 1.6 | 2.2 |

Source:    www.city-data.com (accessed October 27, 2008).

Note: Totals may be greater than 100 percent because Hispanics could be counted in other races.

Based on a standardized crime index, the cities of Indianapolis and Chicago appear to have the highest crime rates among the grantee communities, with the rate in Indianapolis reaching more than twice the national average. By contrast, Denver has the lowest rate, although it is still higher than the average among cities nationwide.[3]

Despite these high crime rates, most of the communities involved with this demonstration provided limited reentry services and supports prior to the Beneficiary Choice program. The two grantees in Phoenix and Des Moines are currently PRI grantees that serve nonviolent offenders (with some exceptions). Still, in Phoenix, the demand for services reportedly far exceeds the supply. In Chicago, grantee staff members report that there is a mismatch between the locations where reentry services are often provided (the city's west side) and the communities where ex-offenders typically return (the city's south side). In Denver, those with high service needs and serious barriers to work may receive basic case management through a local transitional center, although resources are limited and caseloads are reportedly high. In Indianapolis, two of the SSPs for this demonstration have served ex-offenders in the past. Given the limited supply of services for ex-offenders in the demonstration communities, the Beneficiary Choice grant provided an infusion of new funds to help satisfy the demand for services among ex-offenders whose needs would otherwise go unmet.

## E. OVERVIEW OF THE EVALUATION

The Beneficiary Choice program model is a new direction in the provision of services to ex-offenders and, therefore, is likely to pique the interest of policymakers and program administrators alike. This evaluation will provide rich information about this new model and its potential for improving services to ex-offenders. It aims to address six main research questions about the Beneficiary Choice program.[4]

1. *How do the grantees plan for, implement, and operate the program?*

2. *How do grantees ensure that participants have a true and independent choice of providers?*

3. *How does performance-based contracting influence implementation?*

4. *What are the characteristics of participants and what services do they receive?*

5. *What are the employment outcomes and recidivism rates of participants?*

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[3] The crime index was calculated for all major U.S. cities to provide a standard measure for the prevalence of crime per 100,000 individuals. The index includes a range of crimes including murders, rapes, robberies, assaults, burglaries, thefts, auto thefts, and arson.

[4] A comprehensive description of evaluation activities is available in the evaluation design report (Bellotti and Derr 2007).

**6. *What are the costs of the program?***

To answer these questions, the evaluation is collecting and synthesizing qualitative, quantitative, and cost data to provide a complete picture of how the program unfolds over time. The five key data collection activities include the following:

- ***Survey of Grantees.*** The evaluation team gathered detailed information about the five grantees and their participating specialized service providers through a grantee survey. The paper-and-pencil survey was completed by administrators at each of the five grantee organizations and systematically collected information about the characteristics of each participating organization, the type and intensity of services offered to Beneficiary Choice participants, staffing arrangements, and leveraged resources. The team obtained survey data on all of the grantees and 29 of the 30 SSPs (97 percent) participating in the demonstration as of July 2008.

- ***Site Visits.*** The evaluation also involves two rounds of in-depth site visits. The first round of visits was conducted in July 2008, and the second round will be conducted in fall 2009. During the first round visits, details on service delivery strategies, subcontracting experiences, local partnership-building practices, and participant tracking procedures were gathered. At each site, the visits involved semi-structured interviews with administrators and staff at the grantee agency as well as participants, employers, One-Stop Career Centers, and other partners.[5] Group interviews with SSP directors were conducted and two SSPs per site (or a total of 10 SSPs) were visited. The 10 SSPs were selected with the help of the grantees based on the number of participant referrals received to date and the uniqueness of their program model. While these site visit activities provide rich information about SSP service offerings, the 10 SSPs are not intended to be representative of all participating SSPs. The team was also able to interview 24 program participants in six group interviews across four sites.[6] Again, the views of these participants do not represent the perspectives of all participants, but rather provide a flavor for the experiences of ex-offenders as they move through program services.

- ***Management Information System (MIS) Data Collection.*** Grantees are collecting and entering information on participant characteristics at intake, their service use throughout participation, and their short-term outcomes (including employment placement and retention, and recidivism), using an internet-based tracking system adapted from the system designed for the PRI.

[5] Due to evaluation resource constraints as well as the small number of participants being served in Mesa County, CO, the evaluation team did not conduct on-site interviews, but rather held a telephone interview with the Mesa County project manager. Evaluators will visit the site in person during the second round of visits.

[6] Evaluators were unable to conduct participant interviews in Des Moines, Iowa because the services coordinator was unable to organize a group during the site visit dates.

- ***State-level Criminal Justice Administrative Data.*** In fall 2009, the evaluation team will collect administrative data from four states on program participants.[7] These data will allow the team to analyze participants' patterns of recidivism over time as well as assess the reliability of recidivism data collected by grantees and entered into the MIS.

- ***Cost Data Collection.*** During the second round of in-depth site visits, the team will help local grantees complete detailed cost forms that provide information on their actual expenditures as well as performance-based payments made to SSPs.

## F. ORGANIZATION OF THE REST OF THE REPORT

The purpose of this report is to describe the early experiences of the five grantees as they implemented this new program model. In particular, the report will answer the first three research questions outlined above as well as provide preliminary evidence on the fourth and fifth questions. The report relies heavily on the qualitative data collected during the first round site visits. It also includes findings from the grantee survey as well as descriptive analysis using MIS data collected by grantees through August 15, 2008. The evaluation's final report, scheduled for delivery in spring 2010, will analyze all of the evaluation's data sources and provide comprehensive answers to all of the study's research questions.

The report continues in Chapter II with a description of the grantee organizations and their service coordinators. Chapter III turns to describing the process by which grantees procured the involvement of SSPs and the characteristics of those organizations. Chapter IV describes outreach efforts, the process of facilitating customer choice, and enrollment patterns over time. The report then turns in Chapter V to describing the characteristics of participants who ultimately enroll in the program at an SSP. Chapter VI analyzes how the services offered to program participants compare to the services that participants ultimately receive. Next, the report describes grantee and SSP experiences with performance-based contracting in Chapter VII. Finally, Chapter VIII provides early lessons about the successes and challenges that grantees experienced in implementing the Beneficiary Choice program model.

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[7] The fifth grantee is located in Arizona, which does not have publicly available criminal justice data.

# CHAPTER II

## GRANTEES AND SERVICES COORDINATORS

A s a first step, grantees assembled a team of providers to carry out the demonstration. DOL provided a blueprint for building a service delivery structure that includes the grantee, a services coordinator, and at least five SSPs. Grantees maintain the administrative and management functions. Services coordinators serve as the gateway for participants to select an SSP.[1] The SSPs then provide in-depth services to help address participant needs. Community partners also provide referrals and leveraged resources to support service delivery.

Within this blueprint, each local site developed an infrastructure and service delivery pathway based on resources and existing relationships within their communities. In this chapter, Sections A and B describe the grantees and services coordinators, respectively. Section C then identifies the number and types of staff used to administer the grant and provide upfront services at the grantee and services coordinator agencies. The chapter continues in Section D with a discussion of community partners that are actively involved with the initiative. Finally, Section E summarizes the resources leveraged from grantees, services coordinators, and grantee partners.

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**KEY INITIAL FINDINGS**

- While three grantees that are government organizations or workforce investment boards bring leveraged resources, those grantees that are nonprofits offer organizational flexibility and experience with providing direct services to ex-offenders.

- Two grantees contracted with other community agencies that specialized in direct customer service to act as services coordinators. However, this arrangement required another layer of management and oversight that other sites were able to avoid.

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[1]The grantee or a contracted provider may act as services coordinator, provided they do not act as an SSP.

KEY INITIAL FINDINGS *(continued)*

- Relationships between services coordinators and SSPs were reportedly more complex and challenging in two sites where nonprofit organizations filled oversight and service coordination roles. These organizations were viewed as peers and, in some cases, competitors to the SSPs prior to the program.

- Correctional agencies were integral partners across all five sites, whereas the extent of partnerships with workforce investment systems, employers, and other community agencies varied.

- The amount of leveraged resources appears directly related to the size of the grantee, with the larger government organizations leveraging the most funds.

## A. THE GRANTEES

In April 2007, DOL released a solicitation for grant applications (SGA) seeking agencies that had partnerships with a network of FBCOs, the public workforce investment system, and the criminal justice system. Applicants were also required to demonstrate commitments of leveraged resources. The grant opportunity was open to government agencies and FBCOs. Five grantees received $1 million grants to serve 225 individuals each. Of those funds, 60 percent had to be dedicated to service delivery and 40 percent could support grantee activities to administer the program, recruit participants, conduct orientation, facilitate customer selection of SSPs, and provide ongoing case management.

### 1. Organizational Types and Histories

The selected grantees were mostly large, longstanding government or nonprofit organizations with extensive partnerships in the community. Four of the five grantees have been in operation for at least 20 years, and all five have previous experience with operating programs for ex-offenders and/or at-risk youth (Table II.1). Most are large organizations; although operating budgets ranged from $2.8 to $62 million annually before the grant award.

Among the grantees were two governmental organizations, one state and one city-based. Colorado's DLE had the highest annual operating budget of the grantees at roughly $62 million. For the Beneficiary Choice program, DLE was able to leverage agency resources to pay for vocational training, transitional housing, and supportive services. (Leveraged resources are discussed in further detail in Section E.) As a statewide agency, DLE chose to operate the program in two sites within the state, the Denver metropolitan area and Mesa County, a rural community. More than three-fourths of the

**Table II.1.  Characteristics of the Beneficiary Choice Grantees**

| Location | Grantee | Type of Organization | Number of Years in Operation | Annual Operating Budget (Prior to BC Grant) | Funding for Ex-Offenders and At-Risk Youth (Prior to BC Grant) |
|---|---|---|---|---|---|
| Phoenix, AZ | Arizona Women's Employment and Education, Inc. (AWEE) | Nonprofit | 25+ | $2.8 million | $719,816 |
| Denver, CO | Colorado Department of Labor and Employment (DLE) | Government | 30+ | $62 million | $9.8 million |
| Chicago, IL | Mayor's Office of Workforce Development (MOWD) | Government | 30+ | $30 million | $2.6 million |
| Indianapolis, IN | Indianapolis Private Industry Council (IPIC) | Workforce Investment Board | 25+ | $14.2 million | $5.2 million |
| Des Moines, IA | The Director's Council (TDC) | Nonprofit[a] | 9 | Information not available | Information not available |

Sources:  Survey of grantees collected in July 2008 and site visit interviews conducted with grantee administrators.

[a]Consortium of agencies.

participants were located in the Denver region.  In Chicago, MOWD had the second highest annual operating budget of $30 million, with roughly $2.6 million earmarked to support the Mayor's recent Reentry Initiative and other services for ex-offenders and youth at risk for criminal involvement.

IPIC was established in 1983 and serves as the local workforce investment board for Marion County.  IPIC is responsible for monitoring the local One-Stop Career Centers and administering a range of workforce programs operated by local contracted service providers.  Prior to the grant award, IPIC's annual operating budget was about $14.2 million, slightly less than half of which was designated primarily for serving at-risk youth.

The remaining two grantees are large nonprofit agencies, AWEE in Phoenix and TDC in Des Moines.  Operating since 1981, AWEE is a large employment service provider that, until recently, has mostly served welfare recipients and female ex-offenders.  Two recent DOL grants, Beneficiary Choice and the PRI, allowed AWEE to tailor and expand existing services to men.  Among the grantees, AWEE is the smallest organization with an annual operating budget of just under $2.8 million.  Like AWEE, TDC is a PRI grantee; however, rather than being a service provider, it operates as a consortium of six agencies in the city of Des Moines that mostly apply for grants and rely on the agencies involved with the consortium to provide services.

*Chapter II: Grantees and Services Coordinators*

Issuing grants to government agencies and workforce investment boards created several opportunities. First, these agencies have large operating budgets and an ability to leverage resources from other government organizations and funding streams. Some of the smaller nonprofit organizations were more fiscally-constrained and had fewer opportunities to leverage resources. Second, these agencies have strong partnerships within their communities and have overseen contracts with many local FBCOs. In contrast, smaller nonprofit agencies typically receive contracts for direct service provision, rather than overseeing service providers. In addition, the FBCOs that served as SSPs in this demonstration were often the peers of the grantees and, in some cases, competitors. For example, in one site an SSP that dropped out of the local project had applied for a Beneficiary Choice grant from DOL but did not receive the award. Nonprofit grantee administrators talked about the challenges of monitoring their peers without damaging long-term relationships.

On the other hand, nonprofit grantees also offered advantages. First, FBCOs are often more nimble than bureaucratic organizations and can quickly make decisions and organize activities. By contrast, one of the government grantees was required to complete a formal procurement process that delayed the start of initial implementation. Second, the nonprofit grantees had direct experience with administering and providing direct services to the ex-offender population. As a result, they were better able to serve participants and could more readily respond to the technical assistance needs of the SSPs.

## 2. Previous Experience with Ex-Offender Populations

Agencies with previous experience operating programs for ex-offenders typically understand the needs and challenges of serving the population. As a hard-to-serve population, ex-offenders bring a unique set of circumstances, personality characteristics, and service needs. For example, a large proportion of ex-offenders have drug and alcohol addictions that may make them prone to manipulative and self-destructive behaviors. Knowing how to structure and staff a service approach gives the grantee an advantage with serving participants.

All of the grantees had some experience with the target population for this grant. The grantees in Phoenix and Des Moines have both been PRI grantees since 2005. In Chicago, the grantee implemented a local initiative to serve ex-offenders a few years before this current grant. The grantee in Indianapolis recently implemented local initiatives aimed at expanding resources for ex-offenders. It also holds a grant from the Lilly Endowment to provide supportive services to at-risk youth under age 25. While the grantee in Denver has not operated any targeted ex-offender programs, it has served a broad range of employment seekers, including ex-offenders.

## 3. Impetus for Applying for the Beneficiary Choice Grant

Driven by a desire to expand existing reentry services for ex-offenders, grantees applied for the DOL grants. In most participating communities, reentry services are limited in scope and/or location. The grant award brought $1 million in new funds to the local communities, $600,000 of which would be passed down to SSPs for direct services to participants. Many

of the agencies saw the award as an opportunity to bring needed resources to a struggling group of job seekers with the philosophy that steady employment can help reduce recidivism.

Some grantees cited secondary reasons for their interest in the grant. Some sought to build or strengthen local partnerships with correctional systems, One-Stop Career Centers, employers, and other agencies. Other grantees talked about the desire to expand the range of competitive service providers in their communities. For the grantee in Phoenix and the services coordinator in Des Moines, both of which are nonprofit agencies, the grant also substantially increased the overall agency funding.

### 4. Administrative Roles of Grantees

In each of the sites, the grantees carried out the administrative functions of the project.[2] According to grantee staff, administrative functions weighed most heavily on them during the initial start-up period. Once procedures were in place, maintaining the grant activities was reportedly more manageable. Below is a brief snapshot of the primary administrative functions required of the grantees.

- **Planning.** As a first step, grantees were required to define an administrative staffing structure and service delivery pathway for grant activities. They also developed reporting forms, defined program requirements, hired and trained new staff, and performed a myriad of other tasks to prepare for the project. During the up-front planning, a few sites held regular meetings to involve SSPs and community partners.

- **Outreach and procurement of SSPs.** Grantees were required to identify SSPs during the grant application process as well as hold a formal procurement process to identify additional SSPs after the grant award. They recruited SSPs, held bidders' conferences, and reviewed grant applications. Once SSPs were selected, grantees developed contracts for their services.

- **Technical assistance to SSPs.** Grantees provided technical assistance directly to SSPs and/or relied on the services coordinator to provide technical support. The most common topics were use of the MIS system and invoicing.

- **MIS reporting.** Grantees were required to compile all participant data, including service and outcomes data, into a quarterly report for DOL. To ensure the accuracy of the report, they monitored the quality, consistency, and timeliness of SSP reporting.

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[2] In Des Moines, at the time of the site visit, some of the responsibilities for administering the grant were handled by Spectrum Resources, Inc., the services coordinator. The staff person at TDC, who handled grants management, resigned six months into the project. The chairperson for TDC was also the president of Spectrum Resources. As a result of his overlapping roles with these agencies, he and the Spectrum Resources vice president planned to manage the grant until TDC filled the position.

- **Processing payment invoices.** Grantees handled the financial management of the grant, including developing invoicing forms and defining documentation required for obtaining payment. They also reviewed and authorized payments to SSPs.

- **Grant management.** The grantees were responsible for ensuring that the site followed the provisions of their contract with DOL. Grant management also involved coordination and communication with DOL regarding new directives, clarification of policies and procedures, and learning about overall progress toward their grant goals. Grantees coordinated site visits with the technical assistance providers and the evaluation team contracted by DOL.

## B. SERVICES COORDINATORS

In the design of the Beneficiary Choice service model, a services coordinator recruits an ex-offender and links him or her with the chosen SSP. In sites that rely on contracted service providers to fill this role, they become the liaison between the grantee and the SSP. This section describes (1) services coordinator arrangements, and (2) the roles of the services coordinators within each of the sites.

### 1. Services Coordinator Arrangements

Four factors appeared to drive grantees' decisions about whether to contract out the services coordinator role or to handle these responsibilities in-house. First, grantees that lacked the capacity to provide direct services to participants typically contracted out services coordinator responsibilities. In designing their administrative infrastructures, grantees assessed their ability to provide direct services to participants to facilitate SSP selection. Three grantees that are mostly administrative entities worked in partnership with contracted services coordinators in their respective communities, thus dividing administrative and direct service functions (Table II.2).

**Table II.2.    Organizational Infrastructure of the Program**

| Site | Grantee Acts as Services Coordinator | Separate Agency Acts as Services Coordinator | Primary Responsibility for Providing Training and Technical Assistance to SSPs | |
|------|:---:|:---:|:---:|:---:|
| | | | Grantee | Services Coordinator |
| AWEE | X | | X | |
| DLE | X | | X | |
| MOWD | | X | | X |
| IPIC | | X | X | |
| TDC | | X | | X |

Source:    Site visit interviews conducted with grantee administrators.

*Chapter II: Grantees and Services Coordinators*

Second, grantees with existing contractual relationships in the community or relationships that they wanted to create typically contracted out. Of those that contracted out services coordinator responsibilities, two grantees had prior contracts with the agencies they used as the services coordinator. The other grantee said that Beneficiary Choice created an opportunity it was seeking to expand the capacity of a local provider.

Third, providing services in-house allowed the grantee to avoid duplicating administrative and management costs. Grantees said that they could also leverage in-house resources to provide administrative functions.

Finally, the government grantee that did not contract out the services coordinator responsibilities said that, by state law, government organizations may share information only with other government organizations. As a result, the corrections agencies would not have been able to share contact information and employment and offender status data with a local provider.

Below is a description of the arrangements grantees have made in carrying out program responsibilities.

- **MOWD in Chicago** contracted with **Career Advancement Network (CAN)**, a local nonprofit that specialized in job matching and retention services. MOWD selected CAN to fulfill this role as a result of its reputation in the community and unique assessment model. Additionally, staff had been seeking opportunities to expand CAN's capacity. MOWD fulfills the administrative functions of the grant, while CAN provides direct services to clients as well as training and technical assistance to SSPs.

- Capitalizing on its strong existing partnership, **IPIC** in Indianapolis contracted with **Job Works**, operator of the local One-Stop Career Center. IPIC anticipated that program participants would benefit from direct access to the job search resources available at Job Works. IPIC provides the administrative functions as well as training and technical assistance to the SSPs. Job Works recruited participants and conducts intake appointments.

- As a collaborative of agencies, **TDC** in Des Moines had no internal capacity to provide services. Instead, it contracted with **Spectrum Resources**, a local nonprofit agency that has been providing employment and training services to ex-offenders since 1994. At the time of the site visit, TDC had a vacancy for the position of the project manager who oversaw the grant. As a result, Spectrum was handling both administrative and direct service responsibilities in addition to providing ongoing technical assistance to SSPs.

- **AWEE** and **DLE** administer the programs and act as the services coordinators. AWEE is an employment service provider that has worked with hard-to-employ job seekers for more than a decade. In addition, its administrative team is experienced at managing grants. DLE provided minimal up-front services, relying primarily on the

SSPs to work directly with participants. DLE also funds vocational training and work supports for participants through other financial resources.

Contracting with local employment providers to act as services coordinators had four primary advantages. First, it allowed administrative entities that were not interested and/or able to provide services the opportunity to apply for and receive grants. Second, grantees tapped into the expertise of organizations that were experienced with providing assessments and employment services and serving ex-offenders. Having direct experience not only helped participants, but also was useful in providing technical assistance to SSPs. Third, it expanded the leveraged resources available to participants and SSPs since both the grantee and services coordinator brought assets to the project. Finally, contracting builds the capacity of local organizations. For example, MOWD explicitly used the grant as an opportunity to build the capacity of CAN in grants management, providing technical assistance to other FBCOs, developing new partnerships in the community, and directly serving ex-offenders.

While grantees' contracting out services coordinator responsibilities has advantages, there are also drawbacks. First, contracting with another agency as services coordinator requires more communication and coordination than providing services directly. Second, contracting with another agency creates an additional layer of management and oversight that sites that combine grantee and services coordinator responsibilities can avoid. Finally, grantees may pass up a valuable opportunity to enhance their capacity to provide services to ex-offenders.

## 2. Roles of Services Coordinators

Regardless of what agency serves in the role, services coordinators have six primary responsibilities. First, they recruit participants to the program through pre- and post-release methods. Second, as instructed in the original SGA, services coordinators must conduct an in-depth assessment of participants to identify their immediate service needs, education and work history, and career interests. Third, services coordinators assist participants with choosing a provider. They also follow up with the participant and/or SSP to ensure that the participant attends an initial intake appointment at the SSP. Fourth, services coordinators may provide basic case management and supportive services to address participants' immediate service needs. Fifth, in sites where the grantee and services coordinator are two separate agencies, the services coordinator acts as a liaison between the grantee and the SSP, often providing technical assistance and support to the SSPs. Finally, services coordinators are responsible for entering data into the MIS to facilitate grantee reporting to DOL. The services coordinator in all five sites continues to be involved with participants even after they are referred to an SSP; however, the extent of that involvement varies substantially. [3]

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[3] DOL specified that services coordinators could not provide direct services beyond enrollment, facilitation of SSP selection, on-going case management, and referral for further services within the community.

- **Provides ongoing case management.** At AWEE and TDC, the services coordinator hired case managers to be actively involved through the initial intake period and either weekly or monthly contact after participant referral to the SSP. Ongoing case management involved overcoming barriers, providing supportive services, or reengaging clients who stopped participating. In these sites, the services coordinators also brokered the relationship between the parole officer and the SSP.

- **Case management as needed.** At DLE and MOWD, the services coordinator conducting the intake interview addressed the participant's immediate service needs and, once the person was referred to the SSP, the coordinator was available as needed. In MOWD, the services coordinator told participants that they could return for services for up to a year. At DLE, the services coordinator was involved with coordinating training and leveraging supportive services and work-related tools and clothing.

- **Case transfer to SSP.** At IPIC, after the initial intake appointment, the services coordinator handed the case off to the SSP. The coordinator follows up as needed with the SSP or participants to verify enrollment and receipt of services at the SSP.

## C. PROJECT STAFFING

The staffing teams assembled in each site reflect the primary approaches to structuring grant activities and the allocation of responsibilities among the grantee, services coordinators, and the SSPs. Within each site, grantees and services coordinators collectively rely on between 2.5 and 4.2 full-time equivalents (FTEs) to carry out grant responsibilities (Table II.3). Staff involved at the grantee and services coordinators' agencies include the following:

- *Agency administrators* generally help identify and recruit SSPs, procure contracts or agreements with SSPs, and oversee grant management responsibilities. Grantees allocate between 10 and 50 percent of an agency administrator's time to work on Beneficiary Choice. Based on site visit interviews, the actual amount of time they spend administering the grant is often higher than the amount allocated, especially during the initial start-up phase.

- *Beneficiary Choice program managers* manage the daily operations of the program, overseeing staff and providing training and technical assistance to SSPs. When grantees contract responsibilities out, they typically allocate a portion of a person's time to serve as a liaison between the grantee and the services coordinator (50 and 65 percent in the IPIC and MOWD programs, respectively). Otherwise, the sites have allocated between 0.5 and 2 FTEs to fill the program manager's role.

- *Case managers* recruit ex-offenders to participate in the program, and conduct intake appointments and orientations. While sites rely primarily on SSPs to provide case management to participants, they also offer basic case management

**Table II.3.    Staffing Arrangements at the Grantees and Services Coordinators**

| Grantees and Services Coordinators | Number of Full-Time Equivalents Devoted to Beneficiary Choice | | | | |
| --- | --- | --- | --- | --- | --- |
| | Agency Administrator | BC Program Manager | Case Manager | MIS/Invoicing Specialist | Total Number of BC Staff |
| **AWEE** | | | | | |
| Grantee [a] | 0.30 | 0.50 | 2.00 | 1.00 | 3.80 |
| **DLE** | | | | | |
| Grantee [a] | 0.50 | 2.00[b] | | | 2.50 |
| **MOWD** | | | | | |
| Grantee | 0.30 | 0.65 | | | 4.05 |
| Services Coordinator | 0.10 | 1.00 | 2.00 | | |
| **IPIC** | | | | | |
| Grantee | 0.10 | 0.50 | | | 3.80 |
| Services Coordinator | | 1.00 | 2.00 | 0.20 | |
| **TDC** | | | | | |
| Services Coordinator [c] | 0.20 | 1.00 | 3.00 | | 4.20 |

Source:    Survey of grantees collected in July 2008.

[a]Grantee also acts as services coordinator.

[b]One FTE in Denver; one FTE in Mesa County.

[c]TDC had a vacant administrator position at the time of the evaluation site visit.  The Chairperson for TDC, who is the chief executive officer for the services coordinator, therefore provided administrative oversight of the grant.

as needed.  TDC hired three full-time case managers called "wrap-around specialists" to provide initial and ongoing case management.  The two case managers at AWEE facilitate a group orientation session twice a week, conduct intake appointments, assess participants, provide initial and ongoing case management, and follow up with participants monthly.  At MOWD, primary responsibility for case management falls to the SSPs, so the grantee/services coordinator does not employ a case manager directly.

- **MIS/invoicing specialists** in two sites manage reporting and invoicing responsibilities.  AWEE hired a full-time quality assurance specialist to review the MIS data daily, check for inconsistencies between the system and the case notes maintained by SSP case managers, and process all invoices.  Job Works in Indianapolis allocates a small portion of a staff person's time to managing the MIS and providing technical assistance to the SSPs on MIS data entry.

Contracting out the role of the services coordinator appears to increase the need for administrative positions, which are typically the highest paid staff. The grantees that act as the services coordinators allocated less administrative time to the project (Table II.3). AWEE allocated the least amount of time to administer the project, with less than one FTE. At DLE, where staff are split between Denver and Mesa County, the administrative allocation is 1.25 FTEs per site. However, this time also includes all direct services that occur between the grantee and program participants, given that the site does not employ case managers. In contrast, the amount of administrative staff at the other sites ranges from 1.20 FTEs at TDC, where case managers also perform some administrative functions, to more than 2 FTEs at MOWD.

## D. INVOLVEMENT OF COMMUNITY PARTNERS

Partnerships with local agencies have been instrumental in recruiting participants, providing technical assistance to SSPs, and expanding the services available to participants. These partners are not funded by the grant, but instead bring additional resources leveraged to assist with service provision. In their grant applications, grantees were required to demonstrate that they had existing partnerships with local correctional agencies and Workforce Investment Systems by obtaining a signed memorandum of agreement. They also had to demonstrate that they had existing relationships with employers who were willing to hire program participants. During the grant planning period and initial implementation, grantees recruited additional community partners such as education and training providers, mental health and substance abuse treatment providers, and local landlords. Table II.4 shows the types of partners that are actively involved with providing services or resources for each site.

### 1. Criminal Justice Partners

Partnerships with local corrections agencies were reported as strong in all five sites and tend to assist the program in three main ways. First, criminal justice partners have been critical in the outreach and recruitment process. In particular, they have created opportunities for recruiting individuals while they are still incarcerated as well as providing

**Table II.4.    Active Community Partnerships**

| Site | Department of Corrections and Other Criminal Justice Agencies | One-Stop Career Centers | Employers | Education and Training Providers | Other Community Partners |
|------|------|------|------|------|------|
| AWEE | X | | X | | |
| DLE | X | X | X | X | X |
| MOWD | X | | X | | |
| IPIC | X | X | | | |
| TDC | X | X | | | |

Source:    Site visit interviews conducted with grantee administrators.

*Chapter II: Grantees and Services Coordinators*

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**Encouraging Employer Participation**

    AT AWEE, the grantee organized a two-hour breakfast attended by local employers, SSPs, Department of Corrections administrators, a One-Stop Career Center administrator, and grantee administrators and staff with the purpose of building relationships between SSPs and employers. The breakfast, attended by the MPR site visitor, included presentations by SSPs and employers in which they talked about the benefits of hiring program participants. Presenters emphasized tax benefits as well as the support that SSPs provide to employers and participants to address workplace issues. Perhaps the most powerful presentations came from the testimonials offered by program participants. Three young men talked about how they have continued working and remained crime free as a result of the program. In an emotional response to her son's presentation during the employer event, a mother expressed her appreciation to the program for the changes in her son's life. At the end of the breakfast, AWEE raffled off prizes that local partners had donated for the event. About 60 people attended the gathering. While the event has only been held once, AWEE hoped to hold another in the future.

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referrals through parole and probation once offenders are released. Chapter IV discusses outreach strategies in more detail.

    Second, in one site, parole officers have also been instrumental in ensuring that those who commit to participate comply with the program. At TDC, parole officers work with staff at the services coordinator to develop a parole plan with the participant. The parole officer quickly reengages any participants who commit to the program and later drop out.

    Finally, correctional agencies have also willingly shared with the sites employment and offender status data from their comprehensive reporting systems. This reduces the amount of time that services coordinator and SSP staff must spend tracking participants over time and documenting their outcomes. Chapter VI discusses follow-up practices.

## 2. One-Stop Career Centers

    While grantees were required to maintain involvement with the Workforce Investment System, only three sites have cultivated ongoing working relationships with the local One-Stop Career Centers. IPIC contracts with the One-Stop Career Center to act as services coordinator. At TDC and DLE (both Denver and Mesa County), the program manager and staff are co-located in the One-Stop Career Center. During the intake interview, they encourage participants to use the existing job search resources available at the centers. In Mesa County and at IPIC, all participants must register with the One-Stop Career Center as part of orientation. Two of the three sites that actively involved the One-Stop Career Centers were part of the Workforce Investment System. In the other site, TDC created a formal contract with the One-Stop Career Center, under which they leased office space and paid for a portion of a staff position for job placement. In addition to the lack of formal relationships, other reasons for weaker partnerships with the One-Stop Career Centers (according to two sites) included the One-Stop Career Center's fears about serving ex-

offenders and still meeting their WIA performance benchmarks and the general lack of interest in the project.

### 3. Employers

Since an explicit goal of the grant is to help ex-offenders get and keep jobs, finding employers willing to hire ex-offenders is critical to success. Across the sites, grantees largely relied on the SSPs to cultivate relationships with employers. While many grantees had existing relationships with employers, several indicated that the Beneficiary Choice service model encouraged SSPs rather than grantees and/or services coordinators to cultivate job placements. As a result, only three grantees described formal partnerships with employers.

These three grantees typically partnered with one or two rather than a network of employers or they created opportunities for SSPs to form relationships with employers. In Chicago, the grantee partnered with the Chicago Transit Authority for placements in an apprenticeship program. The grantee in Denver worked indirectly through vocational training providers who placed participants in jobs after completing their training. The grantee in Phoenix held an employer breakfast intended to introduce employers to the program, grantee, and SSP staff, and highlight the benefits of hiring program participants.

### 4. Education and Training Providers

In each of the sites, local school districts and community colleges are available to provide basic education and vocational training to program participants. However, because the Beneficiary Choice model emphasizes rapid entry into employment, most sites said they were reluctant to refer participants to these institutions. In one location, Denver, the grantee has formally partnered with local vocational training providers to provide short-term training programs that lead to industry-recognized credentials. In all of the other sites, participants may have been referred to local educational resources as needed.

### 5. Other Community Partners

While all five grantees engaged other community partners, only one site identified an additional key partnership. In Denver, the grantee contracted with a local landlord to provide transitional housing for working program participants. The grantee pays for three months' rent on a house with nine units. In turn, the landlord, who is an ex-offender, offers three additional months rent-free. Participants pay about $300 in rent each month (depending on their earnings), which is returned to them when they leave, to pay for a security deposit on their next home. The landlord offers rental space in an apartment complex he owns to participants who leave the house after three months.

### E. RESOURCES LEVERAGED BY GRANTEES AND SERVICES COORDINATORS

Grantees and services coordinators in three sites leveraged significant resources from other grants or funding sources to support the Beneficiary Choice program. The other two grantees donated smaller resources to the program. In general, very few grantees use volunteers to help support their programs. Overall, leveraged resources appeared to be in

direct relation to the size of the grantee, with the larger government organizations leveraging more funds than the smaller nonprofit grantees.

The Colorado DLE used funds from a performance incentive awarded by DOL to support Beneficiary Choice participant education and training, designating $170,000 in Denver and $50,000 in Mesa County. The grantee has also designated $74,000 for training in the next two years from its DOL employment services funds. In addition, the site has leveraged funds to support the housing services described above. In hindsight, grantee administrators reported that they would have required that SSPs put aside some funds for vocational training. Alternatively, if DOL permitted more grantee control over fund allocation, the grantee would have allocated fewer dollars to the SSPs and used some to pay for training administered directly by the grantee.

In Chicago, MOWD contributed $200,000 to support start-up activities. These funds were used to pay SSP directors during the planning phase and to support a small grant to a new SSP that needed funds to develop its infrastructure and design its curricula. The funds were earmarked from the city corporate fund to support reentry efforts.

Finally, IPIC received a grant from the Lilly Endowment to provide supportive services or "barrier busters" to at-risk youth under the age of 25. The grantee awarded subgrants to nearly all SSPs participating in the demonstration. This allowed the SSPs to concentrate their Beneficiary Choice grant payments on providing job readiness, job placement, and other services.

The two remaining sites also leveraged smaller amounts of resources to support their programs. Local vendors in Phoenix donated hygiene kits that are distributed to most AWEE program participants. At TDC, staff from the services coordinator is co-located at the One-Stop Career Center with no charge for office space or supplies.

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**A Unique Partnership for Vocational Training**

The Colorado DLE has created a strong working relationship with Environmental Safety Inc. (ESI), a vocational training provider that offers Asbestos Abatement and Hazardous Materials training. For $2,030 per participant, ESI provides both training options to program participants. Each training program lasts about a week and includes assistance with obtaining necessary ID and documentation (e.g., birth certificates, social security card, and driver's license), test fees for the Asbestos Abatement certification, work-related tools and equipment, and job placement upon completion. DLE leveraged the funding to pay for this training through its overall training budget. Participants who complete the program are typically placed in jobs earning between $12 and $15 per hour. Within a year, wages often increase to between $18 and $20 per hour. The program boasts a high completion rate with more than 80 percent completing the training and passing the certification test. Of those who complete the program, all have been placed in jobs. The demand for workers trained in asbestos abatement and hazardous materials is reportedly high and will continue in the future, as a local university currently has a $30 million clean-up project underway.

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# CHAPTER III

## IDENTIFYING AND PREPARING SPECIALIZED SERVICE PROVIDERS

The Beneficiary Choice service model requires that grantees identify and work in partnership with a pool of FBCOs operating as SSPs. These organizations offer a variety of strengths, including experience with serving at-risk populations; ability to leverage services and resources from the community; an intensive, hands-on service approach; and close connections with other community partners. In addition, these organizations are often located in neighborhoods where ex-offenders live, making services accessible to participants. Reflecting the central focus on SSP involvement, DOL required grantees to allot $600,000 of the $1 million grant to provide payments to local SSPs.

This chapter focuses on the specialized service providers that grantees recruited to the program and rely upon to serve program participants. The findings are based on the information gathered from the SSP survey as well as site visit interviews. While on site, the evaluation team visited two SSPs per grantee and conducted in-depth interviews with SSP administrators and staff. While the chapter provides a broad picture of all SSPs, site visit information enables the evaluation team to describe 10 SSPs in detail. Grantees and services coordinators contributed to the selection of SSPs that were visited; site visit data do not reflect patterns among all SSPs.

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**KEY INITIAL FINDINGS**

- Grantees relied heavily on their own experiences with specific organizations and the recommendations from their community partners to identify a pool of potential SSPs. This approach may not have reached providers that are out of the "mainstream," such as those that offer faith-infused services.

- Although all grantees conducted an open procurement for SSPs, the number of applications was generally small, suggesting that outreach strategies were limited in some sites and/or the program may not have been attractive to potential bidders given the combination of customer choice and performance-based contracting.

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**KEY INITIAL FINDINGS** *(continued)*

- Across all sites, 18 SSPs are community-based and 12 are faith-based organizations (CBOs and FBOs). Only two provide faith-infused services.

- Although some SSPs are experienced with serving ex-offenders and providing employment services, many are small, inexperienced organizations that have limited relationships with employers.

- Among the SSPs visited for this study, 7 out of 10 relied on 1.5 or fewer full-time equivalent positions to support the demonstration. SSPs that relied on more positions typically leveraged resources to pay for them or ended up laying off staff.

- To date, capacity-building activities with SSPs mostly focused on use of MIS and the process for submitting invoices. Limited effort has been made to identify and individualize technical support based on SSP service capacity or to provide activities to improve the quality of service delivery.

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Section A begins by exploring the process for identifying and procuring participation of specialized service providers. Section B then describes the key characteristics of the SSPs. Section C describes the roles and responsibilities of SSPs in the demonstration. In Section D, the report discusses the types and numbers of staff that SSPs use to provide services. Section E describes the capacity-building activities provided to SSPs by grantees and services coordinators. Finally, Section F summarizes the leveraged and volunteer resources SSPs brought to the project.

## A. IDENTIFYING AND PROCURING PARTICIPATION OF SSPS

DOL required grantees to identify at least three SSPs in their grant application that were willing to participate; it also required that each site carry out a formal procurement process to recruit additional SSPs once the grants were awarded. With few exceptions, sites were allowed considerable flexibility in defining the criteria used to compile a pool of providers. As defined in the solicitation for grant applications (SGA), grantees had to include at least one provider that offered nonreligious-based services and one agency with which the grantee had never had a formal contract. Grantees were also required to follow their agencies' formal procurement process. This section describes (1) the process for informing organizations about program opportunities, (2) the bidders' meetings held by grantees, and (3) the final selection of FBCOs for subawards.

### 1. Informing Organizations About Program Opportunities

Grantees included a set of proposed organizations that would serve as SSPs in their original grant applications. In an effort to expand the pool of organizations and increase

competition, all grantees were required by DOL to hold an open procurement. As a result, all five grantees underwent the procurement process by distributing solicitations for applications to various organizations in their communities.[1]

The goal of the procurement process was to first make the opportunity known to a large pool of service organizations, and then to select those deemed most qualified. To make the opportunity known, grantees relied primarily on their previous relationships and personal contacts (Table III.1). Other strategies included newspaper advertisements, mass email distribution, announcements on the agency website, and recommendations from other community partners. All but one site used more than one strategy to recruit SSPs. The outreach strategies grantees used are summarized below.

- In Phoenix, AWEE employed multiple strategies to broadcast the program opportunity as widely as possible through newspaper ads, personal contacts, mass e-mail distribution, and an announcement on the agency website.

- DLE conducted an "email blast" to a variety of FBCOs. Staff also contacted agencies with which they had worked in the past.

- MOWD, IPIC, and TDC recruited agencies based on prior relationships with local FBCOs and recommendations from other community partners.

**Table III.1.  Advertising Methods Used During Open Procurement for SSPs**

| Site | Personal Contacts | Recommendations from Community Partners | Email Distribution | Website Posting | Newspaper Ads |
|------|-------------------|------------------------------------------|--------------------|-----------------|---------------|
| AWEE | X | | X | X | X |
| DLE | X | X | X | X | |
| MOWD | X | X | | | |
| IPIC | X | X | | X | |
| TDC | X | | | | |

Source: Site visit interviews with administrators and staff at grantees, services coordinators, and SSPs.

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[1] At the time of the site visit, AWEE was completing its third round of procurements. The grantee held one procurement process to identify SSPs for the original grant application, a second one in September 2007 after the grant award was announced, and a third round in July 2008.

Grantees relied heavily on their own experience with specific organizations and the recommendations from their community partners to identify a pool of potential SSPs. This approach was relatively easy to complete, but it may not have reached providers that are out of the "mainstream," such as those that offer faith-infused services.

## 2. Bidders' Meetings and Application Process

Four sites held formal bidders' meetings at which grantees described the Beneficiary Choice project and reviewed the SSP application process. Bidders' conferences also gave agencies an opportunity to ask questions relevant to the project. In Indianapolis, IPIC did not hold a bidders' meeting but posted responses to questions on its website.

Based on the number of agencies that attended the bidders' meetings, it appeared that many SSPs were aware of the solicitation. However, in three of the four sites, half or fewer of the agencies that attended the meeting submitted an application. In Phoenix, more than 50 people attended the first meeting, resulting in 15 formal applications. At the bidders' meeting in Denver, between 20 and 25 agencies reportedly attended, five of which submitted a formal application. Grantee administrators at DLE speculated that the structure of the model, in which an SSP was required to apply as an individual agency rather than as a collaborative of agencies, deterred many of the agencies from applying. TDC had fewer agencies attend the meeting, but was able to convince more to apply. Roughly 10 agencies attended the meeting and eight submitted an application. Three of the agencies that received awards, however, asked to not be included in the active list of provider choices when they learned more about the project. At MOWD, six SSPs attended the meeting and half submitted applications.

Across the sites, the application process to become an SSP was reportedly easy to complete. In general, agencies were required to submit a one- or two-page summary that included topics such as organizational background and staffing, experience with serving ex-offenders and/or at-risk youth, job-related services and supports, and how they would approach service delivery. Grantees did not provide any help to SSPs with applications.

## 3. Final Selection of FBCOs for Subawards

Although all of the grantees completed the steps in the open procurement process, the time frame, outreach strategies, and program attractiveness to potential providers ended up limiting the competition and selectivity in this process. Few sites had defined criteria on which to base the awards and only in one site was the process truly competitive.

Grantees in two sites accepted all of the applications they received, and two ended up contracting largely with the SSPs that were included in the original grant application to DOL (Table III.2).

Two sites, DLE and TDC, approved all those who submitted applicants in response to their procurements. Of the two sites, only DLE attached a minimum application requirement, that is, at least 18 months experience with serving ex-offenders. TDC did not include any minimum requirements, but knew most of the agencies that it selected.

**Table III.2.    Number of SSPs Involved in the Demonstration**

| Site | Number Included in Original Grant Application | Number That Applied to Open Procurement | Number Awarded Subgrants During Open Procurement | Total Number Involved at Any Time | Number Participating at the Time of the Site Visits | Number No Longer Participating |
|------|------|------|------|------|------|------|
| AWEE | 4 | 15[a] | 4 | 8 | 5 | 3 |
| DLE | 3 | 8 | 8 | 8 | 7 | 1 |
| MOWD | 5 | 13 | 9 | 9 | 9 | 0 |
| IPIC | 5 | 2 | 0 | 5 | 5 | 0 |
| TDC | 3 | 8 | 8 | 8 | 4 | 4 |
| **Total** | **24** | **36** | **27** | **38** | **30** | **8** |

Source:   Site visit interviews with administrators and staff at grantees, services coordinators, and SSPs.

[a]Phoenix, AZ held three formal procurements.  During the first procurement, there were 15 applications and 4 were selected.  Two of these dropped out.  The second round of procurement resulted in three more agencies being selected.  The third round had not been completed at the time of the site visit.

Two sites, MOWD and IPIC, continued to involve all of the SSPs that were selected prior to the procurement process.  MOWD also added 4 more, selecting a total of 9 grantees from 13 applications, during an open procurement process after it was awarded the grant.  The procurement process at IPIC yielded only two applications and neither met the standards set by the grantee.

At AWEE, the selection process for SSPs was competitive.  The procurement yielded 15 applications of which the grantee accepted only four.  AWEE based its decision on formal scoring criteria on factors such as prior experience, availability of job readiness and job placement services, and partnerships with agencies in the community.

Several factors may have influenced grantees' procurement of SSPs.  First, the tight time line for identifying and selecting SSPs may have encouraged grantees to rely on providers that they knew, rather than recruit new FBCOs from the community.  Grantees had roughly three weeks to recruit SSPs for the grant application and about six weeks after the initial grantee kickoff meeting before they were required to begin providing services.  Second, SSPs may have been reluctant to participate in the demonstration because of the risk involved with both performance-based contracts and client choice.  While the evaluation team was not able to interview SSPs that chose not to participate, grantee administrators in several sites reported that the program model lacked appeal for potential bidders.  Several SSPs who were awarded contracts by grantees but dropped out of the demonstration also reported fears that they could not plan without knowing the expected number of referrals.  Third, limited outreach efforts may have reduced the number of agencies that applied to be an SSP.  AWEE, the site that generated the most competition in the selection process, also used the most outreach strategies.

*Chapter III: Specialized Service Providers*

## B.  CHARACTERISTICS OF SSPs

Recognizing the need for an intensive and individualized service approach, DOL required grantees to use FBCOs to serve ex-offenders.  This section describes the characteristics of SSPs and their roles and responsibilities in the program.  It presents a synthesis of data from both the SSP survey completed by 97 percent of SSPs across the sites and qualitative data collected from the 10 SSPs that the evaluation team interviewed directly.

Across the five grantees, 38 SSPs were either included in the initial grant application or were selected as SSPs during procurement.  At the time of the site visits, however, 30 SSPs were providing services to participants (Table III.3).  MOWD had the largest number of SSPs at nine; and, after an SSP recently declined accepting any referrals, TDC had the smallest number with four.  Of the 30 organizations, 18 are CBOs and 12 are FBOs.  Of the FBOs, one-fourth are congregational and, based on the Federal definition, two provide faith-infused services.  At DLE, five of the providers are FBOs, the largest number in any of the sites.  IPIC and TDC involve only one FBO each.

Based on the SSP survey, 40 percent of the SSPs across all sites indicated that ex-offenders were a primary population served by their programs prior to the Beneficiary Choice grant (not shown in table).  These programs tailored their services specifically to the needs of this unique population.  Another 20 percent of SSPs reported serving ex-offenders as a subset of larger target populations, such as recipients of Temporary Assistance for Needy Families, low-income job seekers, or individuals with disabilities.

Of the 10 SSPs visited, half were FBOs and half were CBOs (Table III.4).  One of the faith-based organizations, Good Samaritan in Chicago, provided faith-infused services.  Des Moines houses the newest SSP, created about three years ago, and the oldest, with more than 50 years of experience.  All other SSPs have been operating for at least five years.  About half of the organizations are relatively small agencies with operating budgets of less than $500,000 prior to the Beneficiary Choice project.  Four of the SSPs indicated that they had a previous relationship with the grantee.  A brief description of each SSP follows.

**Table III.3.    Number of Faith-Based and Community Organizations Serving as SSPs**

|  | Across All Sites | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| Number of CBOs | 18 | 3 | 2 | 6 | 4 | 3 |
| Number of FBOs | 12 | 2 | 5 | 3 | 1 | 1 |
| Of these, number offering faith-infused services | 2 | 0 | 0 | 1 | 1 | 0 |
| **Total Number of SSPs** | **30** | **5** | **7** | **9** | **5** | **4** |

Source:   Site visit interviews with grantee administrators.

*Chapter III: Specialized Service Providers*

**Table III.4.    Characteristics of 10 SSPs Visited for the Evaluation**

| Grantee | Type of Organization | Number of Years in Operation | Operating Budget Prior to BC Grant | Previous Experience Serving Ex-Offenders/At-Risk Youth | Previous Relationship with Grantee |
|---|---|---|---|---|---|
| **AWEE** | | | | | |
| Childhelp KEYS | FBO | 13[a] | less than $500,000 | Yes | Yes |
| WEDCO | CBO | 19 | $500,000 or more | No | No |
| | | | | | |
| **DLE** | | | | | |
| Denver Works | FBO | 13 | $500,000 or more | Yes | No |
| Turnabout | FBO | 11 | $500,000 or more | Yes | No |
| | | | | | |
| **MOWD** | | | | | |
| Good Samaritan | FBO[b] | 5 | less than $500,000 | Yes | No |
| Phalanx Family Services | CBO | 5 | $500,000 or more | Yes | Yes |
| | | | | | |
| **IPIC** | | | | | |
| Fathers and Families | CBO | 15 | $500,000 or more | Yes | Yes |
| Workforce Inc. | CBO | 5 | less than $500,000 | Yes | No |
| | | | | | |
| **TDC** | | | | | |
| Elpis Ministries | FBO | 3 | less than $500,000 | Yes | Yes |
| YMCA of Des Moines | CBO | 50+ | $500,000 or more | No | No |

Source:    Surveys of SSPs collected in July 2008 and qualitative data gathered during site visit interviews.

[a]Based on nonprofit and for-profit divisions.

[b]Provider offers faith-infused services.

- **AWEE.**    In an attempt to combat the community's pervasive drug problem, *Childhelp KEYS (Knowledge, Education, Youth, and Society) Community Center* was created by community leaders about 13 years ago to provide job training services to ex-offenders and former gang members.  Now part of a national organization, the services provided have expanded and evolved to focus more on youth and families.

  *WEDCO (Western Economic Development Corporation)* is a large nonprofit organization that serves primarily individuals with disabilities referred by the local Rehabilitative Services Administration.  It specializes in vocational rehabilitation services.

- **DLE.** *Denver Works* is a noncongregational FBO designed to provide employment and training services to individuals in the community, including ex-offenders. Enlisting a cadre of nearly 100 volunteers, the agency relies heavily on private donations from corporate sponsors, churches, and community members.

   Also an FBO, *Turnabout*, originally connected with the Trinity United Methodist church, has operated independently since 1997. The agency provides employment and gang-prevention services to ex-offenders and at-risk youth.

- **MOWD.** *Good Samaritan*, the only faith-infused provider visited for this study, is a small organization that was supported primarily by personal funds until it received a Beneficiary Choice grant. It provides job readiness training, computer literacy, spiritual counseling, and family-based case management to ex-offenders.

   *Phalanx* is a large CBO that serves primarily TANF recipients, including ex-offenders. It provides job readiness training, basic computer skills, and supportive services to program participants.

- **IPIC.** *Fathers and Families*, a small CBO, has been operating since 1993 with a mission to improve the life chances of children, young fathers, and couples. In addition to Beneficiary Choice, it operates with funding from fatherhood and healthy marriage grants and a Workforce Investment Act grant to provide youth services.

   *Workforce Inc.* is the only transitional employment program in Indianapolis and has been serving ex-offenders for three years. The agency de-manufactures computers and electronics as well as provides moving and room set-up services for DePauw University. Participants learn job and life skills by working 40 hours per week for several months, earning $7.50 per hour.

- **TDC.** *Elpis Ministries* ("elpis" is the Greek word for hope) is a small noncongregational FBO created by an individual whose faith motivated her to give back to the community. The program began as a mentoring subcontractor on the Prisoner Reentry Initiative (PRI) in 2005, offering intensive case management and employment services to ex-offenders.

   *YMCA of Des Moines* is a large, established nonprofit organization in the community. In addition to job readiness and placement services, it offers a large residential facility with up to 185 beds for homeless men.

## C. ROLES OF SSPs IN BENEFICIARY CHOICE

As participants select an SSP and the baton is passed from the services coordinator, the SSPs assume primary responsibility for providing core and supplemental services to participants. Core services include job readiness training, career counseling, and follow-up services. All other services are considered supplemental. As will be discussed in Chapter VI, participants typically meet with SSPs within a week after making a selection and receiving a referral. The SSPs then serve five primary roles.

1. **Career Counseling and Case Management.** Case management functions primarily include assessment, addressing participants' personal needs through in-house resources and/or referrals to community partners, referring participants to specialized assessments and treatment, and providing emotional encouragement and support.

2. **Workforce Preparation.** Workforce preparation activities include individualized or group job readiness workshops; help with developing a resume; practicing interviewing skills; obtaining needed work supports (for example, transportation and work-related clothing); and teaching healthy workplace habits and behaviors.

3. **Job Search and Job Placement.** When participants are prepared for work, SSPs help them look for competitive jobs. Job search assistance is informal at most SSPs with staff identifying individual job leads specific to the participant's interests or making referrals to local One-Stop Career Centers.

4. **Other Supplemental Services**. Beyond these basic services, SSPs offer a wide range of unique services, such as supportive services, mentoring, health services, and housing assistance. Chapter VI discusses service offerings across all participating SSPs in more detail.

5. **Monitoring and Tracking.** Each of the SSPs has responsibility for tracking the participants' service use in the MIS. In all of the sites, SSPs are also responsible for documenting participant outcomes, such as employment and recidivism.

## D. PROJECT STAFFING

Given the emphasis on participant choice, one of the challenges of creating a staffing structure for the Beneficiary Choice project was unpredictability in the number of participants who would ultimately enroll at each SSP. As a result, SSPs were not certain how many staff members would be needed. A further challenge was operating under performance-based contracts with uncertainty about whether participants would reach the payment benchmarks to ensure that the agency could be paid. Hiring too many staff members could put a financial burden on the organization, whereas hiring too few or not hiring at all could burden existing staff and cause participants to be inadequately served. The task for program administrators was to make a calculated risk about how to staff the project.

Among the 10 SSPs visited, 7 relied on 1.5 full-time equivalent positions (FTEs) or fewer (Table III.5). The SSPs in Des Moines relied on the lowest number of FTEs, with one person per agency. One of the agencies provided less-intensive case management and the other relied heavily on volunteers to supplement staff time. In addition, the services coordinator and parole officers played a substantial role in follow-up activities, thereby reducing the workload of SSP staff. Workforce Inc., the transitional jobs program in Indianapolis, and Good Samaritan in Chicago relied on the greatest number of FTEs, 3.4

**Table III.5.    Staffing Arrangements at 10 SSPs Visited for the Evaluation**

| Grantee | Agency Administrator(s) | BC Program Manager | Case Manager | Trainer | Job Developer | MIS/ Invoicing Specialist | Other | Total Number of Staff for BC |
|---|---|---|---|---|---|---|---|---|
| **AWEE** | | | | | | | | |
| Childhelp KEYS | 0.35 | | 1.00 | | | | | 1.35 |
| WEDCO | 0.10 | 0.33 | 1.00 | | | | | 1.43 |
| **DLE** | | | | | | | | |
| Denver Works | 0.50 | 0.20 | 0.50 | | | 0.55 | | 1.30 |
| Turnabout | 0.15 | 0.20 | 1.00 | | | 0.10 | | 1.45 |
| **MOWD** | | | | | | | | |
| Good Samaritan | 1.00 | 2.00 | 0.50 | | | | | 3.50 |
| Phalanx | 0.15 | | 0.50 | | 0.15 | 0.30 | 0.80[a] | 1.90 |
| **IPIC** | | | | | | | | |
| Fathers and Families | 0.15 | | 1.00 | | | | | 1.15 |
| Workforce Inc. | 0.50 | 0.65 | 0.75 | 0.60 | 0.50 | 0.40 | | 3.40 |
| **TDC** | | | | | | | | |
| Elpis Ministries | 1.00 | | | | | | | 1.00 |
| YMCA of Des Moines | | | 1.00 | | | | | 1.00 |

Heading row (spanning): Number of Full-Time Equivalents (FTEs) Devoted to Beneficiary Choice

Source: Site visit interviews with SSP administrators and staff.

Note:    Includes current staff devoted to Beneficiary Choice at the time of evaluation site visits.

[a]Re-entry consultant (0.5) and intake specialist (0.3).

and 3.5, respectively.  Good Samaritan had to lay off at least one person shortly into the project.  Workforce Inc. used part of the time of six different staff members to deliver the transitional jobs program.

Seven of the 10 programs allocate at least one full-time staff person, typically a case manager, to the project.  Smaller SSPs tend to have fewer staff positions, but they perform multiple functions.  In contrast, larger organizations have more-specialized staff, such as job developers or trainers, for which most of the person's time was covered by other funding. The following positions were used to administer or provide Beneficiary Choice services:

- **Agency Administrator.**  Administrators communicate with the grantee and/or services coordinators, assist with MIS monitoring, submit invoices, and help hire and train staff.  At one site, the grantee required an agency administrator to conduct a monthly case review of all program participants.  All but one agency

allocated at least a portion, between .05 and 1.0 FTE, of an agency administrator's time to operate the program.

- **Program Manager.** Program managers oversee the operations of the program. They typically serve as a liaison between the agency administrator and front-line staff. Half of the agencies hired a separate program manager in addition to the agency administrator; the other half relied exclusively on the agency administrator. Roughly two-thirds of those that did not hire a program manager are small organizations with operating budgets of less than $500,000.

- **Case Manager.** Case management is a critical component of the model, as ex-offenders typically have a range of service needs. At some agencies, case managers also offered job readiness and job placement services. Six of the SSPs relied on them to handle data entry responsibilities. These positions included the highest allocation of time, between .50 and 1.0 FTE per SSP.

- **Trainer.** One SSP, Workforce Inc., relied on a trainer to teach basic job skills to participants enrolled in the transitional jobs program.

- **Job Developer.** Two SSPs shared a job developer position across programs. They helped match participants with jobs based on their job skills and interests.

- **MIS/Invoicing Specialist.** Four SSPs shared a data entry or invoicing specialist with other programs, allocating between .10 and .55 FTE. These specialists helped enter data on participant characteristics, services received, and employment into the MIS. They also helped document completed payment benchmarks to help prepare invoices for submission to the grantees.

## E. BUILDING SSP CAPACITY

Beneficiary Choice, which relies primarily on FBCOs to serve participants, is largely a grass-roots effort in which technical assistance becomes critical to helping SSPs provide quality services and meet grant reporting requirements. SSPs entered the demonstration with varying degrees of expertise and capacity to administer and provide services. Some organizations had extensive experience, while others required more help to provide job readiness and job placement services. In general, capacity-building activities had a limited influence on SSPs' performance for several reasons. First, across the five sites, grantees made limited, if any, attempts to formally assess SSPs' capacity-building needs. As a result, capacity-building activities were generally structured around information-sharing rather than identifying organizational needs and providing targeted training or technical support to strengthen those areas of need.

Second, most capacity-building activities were provided as requested by the SSP. Agencies that were struggling appeared unaware of the possibilities for assistance to improve program performance or were hesitant or too overwhelmed to ask for help.

Third, most capacity-building activities to date involved helping SSPs understand the service model, including the coordination between the services coordinator and SSP, monitoring and tracking client service use and outcomes data, and preparing invoices to be paid. These activities assisted with grant management, but did not necessarily build the service capacity of the SSPs. Many of the SSPs said that they wanted ideas and tools for improving service delivery and meeting payment benchmarks.

To examine the capacity-building activities provided to sites, this section describes the (1) SSPs' service capacity, (2) planning and grant start-up activities, and (3) ongoing capacity-building activities with SSPs.

## 1. Description of SSP Service Capacity

Reports from grantees and services coordinators suggest that SSPs that appear to perform well have four primary characteristics.

1. **Experience with Serving Ex-Offenders.** Understanding the needs and challenges of the population appeared to give agencies a leg up with placing participants in jobs. As previously mentioned, 40 percent of SSPs had previous experience serving ex-offenders as their primary target population.

2. **Experience and Resources to Provide Employment Services.** Agencies that appear to perform well have staff members who are experienced with providing employment services and access to a range of job readiness and job search resources and work supports.

3. **Networks of Employers Willing to Hire Ex-Offenders.** To reach job placement benchmarks requires that SSPs have extensive networks of employers at which participants might be placed. The availability of staff to work with employers and participants to support the participants while they work helps with job retention.

4. **Ability to Leverage Supportive Services for Participants.** Addressing the participant's personal and family challenges increases the likelihood that he or she will get and keep a job and avoid criminal involvement. Leveraging resources in-house and/or staff awareness of where to refer participants to obtain needed supports helps address such conditions.

Although grantees indicated that a small number of the 30 SSPs met at least some of these criteria, most organizations struggled. Across the sites, typically one or two SSPs appeared to stand out in terms of serving participants. Most SSPs could address some of the basic service needs of participants using in-house resources and/or referrals to community partners. In addition, SSPs tend to be experienced with providing employment services or with serving ex-offenders, but a limited number had experience in both areas. Across the sites, few SSPs had well-developed relationships with employers that were willing to hire ex-offenders. Grantees discussed the challenges of meeting the grant goals without

strengthening SSPs employer networks.  These are some of the primary service areas in which SSPs required capacity-building activities.

### 2.  Planning and Grant Start-Up Activities

Most sites immediately started planning activities in July 2007, after the verbal announcement from DOL about the grant award.  Three of the sites used a collaborative approach in which SSPs and other community partners were included in the initial planning and start-up activities.  Most activities focused on designing a service delivery model and training SSP staff on the MIS and invoicing processes.  In hindsight, not realizing some of the challenges of working with smaller FBCOs, one of the sites indicated that it would have focused more on building the administrative skills and service capacity of the SSPs during the initial planning period.  Another of the grantees had established partnerships with the SSPs and did not see the need for extensive planning.  In addition to local efforts, all grantees were also involved in cross-site technical assistance activities funded by DOL to facilitate the start-up of operations and continuous program improvement.[2]

DLE appeared to face the greatest challenges during the initial planning period, with participant enrollment delayed by about four months.  Two key factors contributed to the delay.  First, as a state agency, the grantee was not allowed to begin planning, hiring staff, or selecting SSPs until it received written confirmation of the grant award.  The verbal award came in July and the written award in September 2007.  Second, the grantee was required to follow the state procurement process to identify SSPs, which typically takes at least four months.  Although the agency was able to streamline the process and complete it more quickly, the delay pushed back the start-up period.  As a result, the grantee staff and SSPs were finally in place by February 2008.

Across the grantees, some of the initial planning activities included:

- **Planning Meetings.**  Three grantees met with SSPs at least every two weeks during the initial implementation to discuss the program design and service delivery, then monthly afterward (Table III.6).  In these sites, grantees reported that the planning meetings served not only to gain the input of key stakeholders in defining the program structure but to build collaborations between SSPs and other partners and among the SSPs themselves.  The main drawback of these early activities was that most sites needed to further adapt their service model based on information presented by DOL during the grantee kickoff meeting in September 2007.

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[2] DOL contracted with Coffey Consulting, LLC to provide technical assistance to the Beneficiary Choice grantees.  Cross-site activities include annual grantees' meetings that involve administrators and staff from grantees and services coordinators as well as in-depth training on the use of the demonstration MIS. Each grantee is also assigned a coach who conducts on-site visits and provides grantee-specific guidance as needed.

- **Formal Orientation.** Four sites held a formal orientation for SSPs to introduce the service pathway, discuss the expectations for the provision of core services, case management activities and supportive services, and payment benchmarks and invoicing. The orientation ensured that all SSPs received the same information. In addition, it gave the grantee and services coordinator an opportunity to generate enthusiasm and support for the program. The grantee in Phoenix held an extensive four-day orientation that included topics such as service delivery process, job readiness and job search strategies, risk factors for relapse, effective case management, MIS training and basic grants management. IPIC held a one-day training session covering topics such as case coordination, involvement of probation and community transitions, fiscal responsibilities, and an overview of the MIS. DLE and TDC both held two-hour training sessions.

- **Planned Technical Assistance Site Visits.** The services coordinator at MOWD conducted regular site visits to each SSP to build rapport and help them identify their best practices for the information materials that would be distributed to participants. TDC used on-site visits to review the information presented during the orientation and answer any questions about program expectations or MIS. IPIC visited each SSP to discuss how to prepare a budget and issues related to performance-based contracting. Other grantees appeared to visit SSPs as needed.

**Table III.6.   Training and Technical Assistance Provided to SSPs**

| | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| **Initial Start-Up Activities** | | | | | |
| Planned meetings | X | | X | X | |
| Formal orientation | X | X | | X | X |
| Planned technical assistance site visits | | X | X | X | X |
| Training | | X | | | |
| MIS training | X | X | X | X | X |
| **Ongoing Capacity-Building Activities** | | | | | |
| Regular SSP meetings | X | X | X | X | |
| Onsite training/technical assistance | X | X | X | X | X |
| MIS refresher training | X | X | | X | |
| Specialized trainings | | | | X | |
| Electronic resources | | X | | | |

Source:   Site visit interviews with administrators and staff at grantees, services coordinators, and SSPs.

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- **Training.** In Colorado, the Department of Corrections provided a full-day volunteer training for SSPs in February 2008, at which they were taught how to work effectively with ex-offenders (for example, setting good boundaries and avoid being manipulated). The training also covered different offender profiles and what to expect when serving program participants.

- **MIS Training.** Each of the sites held a formal MIS training for SSPs. Because the Beneficiary Choice and PRI projects used the same MIS, two of the sites— AWEE and TDC—were experienced with the database and easily trained the SSPs. The program manager at TDC briefly covered MIS reporting during orientation and then provided individualized training to SSP administrators and staff. Other sites relied primarily on the technical assistance provided by DOL for their initial MIS training.[3]

### 3. Ongoing Capacity-Building Activities with SSPs

Grantees provide ongoing capacity-building activities for SSPs on topics such as program or policy issues, provision of core services, MIS database management, and required documentation for financial invoices. The capacity-building activities conducted by grantees include:

- **Regularly Scheduled SSP Meetings.** Four of the five grantees meet monthly with SSPs to discuss program or policy issues or the provision of core services. They also share program successes or request help with challenging cases. DLE rotated the meeting location among each of the SSPs. AWEE held three regular meetings: a monthly meeting for SSP directors, a monthly meeting for SSP case managers, and a quarterly all-staff meeting. According to grantees and services coordinators, these meeting enabled SSPs to learn from each other and find opportunities to collaborate. By contrast, many SSPs expressed mixed feelings, namely that the meetings provided useful information yet took time and resources away from serving participants.

- **Individualized Technical Assistance as Needed.** Recognizing that some SSPs need more support than others, individualized assistance enabled the grantee or service coordinator to meet the unique capacity needs of SSPs. In each of the sites, grantees and/or service coordinators communicated at least weekly during site visits or by telephone or email. Assistance most often involved help with the MIS or financial invoices. According to SSPs, grantees and service coordinators reportedly respond quickly to SSP requests and are generally helpful. Some said that they wanted more help to improve their work readiness or job placement activities.

- **MIS Refresher Training.** Three sites held MIS refresher training to improve the quality of data reporting. These were conducted for staff that missed the initial training, those who needed extra assistance, or newly arrived staff members at the

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[3] Coffey Consulting provided MIS training to all sites through its technical assistance contract from DOL.

SSPs.   TDC and MOWD do not offer any formal refresher training, but they respond to individual information requests from SSPs as needed.

- **Specialized Training.**  IPIC used consultants to provide two separate workshops on best practices for providing employment services ex-offenders.  The sessions focused on helping case managers understand the best ways to develop participant resumes and market ex-offenders to employers.  SSPs were informed in advance of each workshop and were able to send representatives at no charge.

- **Electronic Resources.**  DLE in Denver expanded access to e-Colorado, the DLE's web-based system.  The grantee set up an electronic blackboard from which the grantee and SSPs could download forms or share information such as training materials or SSP meeting minutes.

## F.   LEVERAGED AND VOLUNTEER RESOURCES

One of the unique strengths of FBCOs is their ability to leverage resources from their communities.  All SSPs involved in the demonstration were able to garner at least some additional in-kind or donated resources to support basic program functions as well as to expand the services they could provide to program participants.  In addition, nearly half of SSPs used volunteers to support staff in their provision of services.

SSPs leveraged resources for a wide range of service delivery functions.  In particular, 90 percent of SSPs reported that they received donated computers (Figure III.1).  In addition, more than three-quarters of SSPs received free or reduced-price office space as well as donated furniture, and office supplies.  More than half also received resources such as

**Figure III.1.   Percentage of SSPs Across All Sites That Leveraged Nongrant Resources**



Source: Survey of SSPs collected in July 2008.

*Chapter III: Specialized Service Providers*
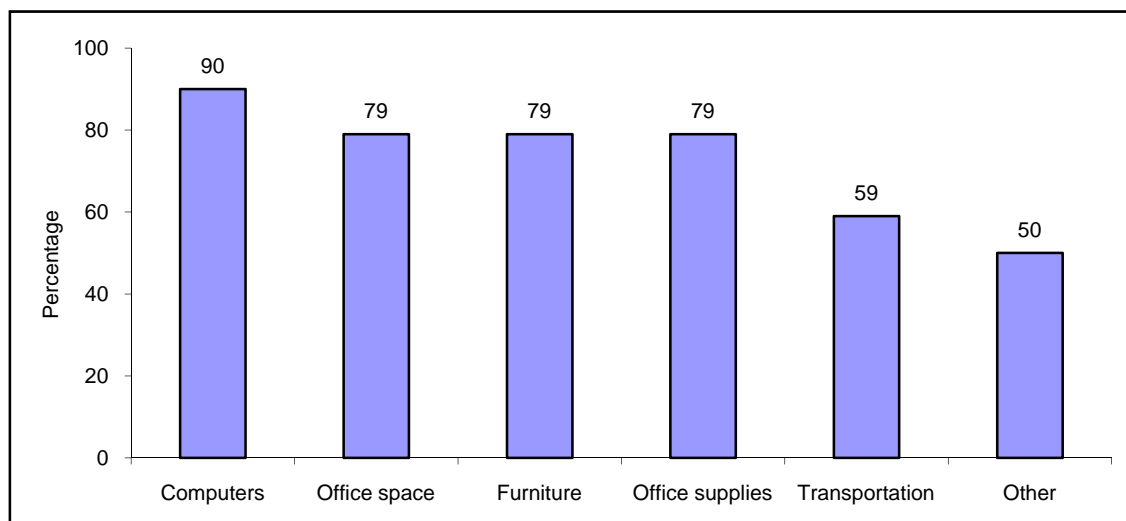
**Table III.7. Use of Volunteers by SSPs**

|  | Across All Participating SSPs |
| --- | --- |
| Percentage of SSPs That Use Volunteers | 42 |
| Number of Volunteers |  |
| Total across all SSPs | 47 |
| Average per SSP that uses volunteers | 4.3 |
| Number of Volunteer Hours per Week |  |
| Total across all SSPs | 86 |
| Average per SSP that uses volunteers | 7.8 |
| **Sample Size** | **26** |

Source: Survey of SSPs collected in July 2008.

Note: Data were missing for three SSPs.

Reduced-price bus passes to support participant transportation services. Finally, about half of SSPs reported other leveraged resources, such as emergency food assistance, professional clothing, holiday gifts, and household items for participants transitioning into new housing situations.

The use of volunteers was more limited, with only 42 percent of SSPs reporting volunteer activities at their agencies. Volunteers most often conducted mentoring services, helped with administrative duties such as reception work and filing, or served as guest speakers during group workshops.

# CHAPTER IV

## OUTREACH, ORIENTATION, AND PARTICIPANT SELECTION OF SPECIALIZED SERVICE PROVIDERS

A s the name suggests, participant selection of providers is at the heart of the Beneficiary Choice model. The model's two-tiered process begins at the services coordinator with an orientation that informs participants about the program and SSPs, facilitates their selection of an SSP, and refers them to the SSP for additional services. The grantees then contract with each SSP to provide a second tier of specialized services to participants who select their program. A critical component of the evaluation is to examine the processes that sites have used to ensure that each participant has an informed and independent choice among the SSPs.

This chapter focuses on the first tier of the service model as participants make their way to the SSPs. Section A begins with a brief description of the target population for the demonstration. The chapter then turns, in Section B, to how sites have built awareness of this new initiative within their communities and developed referral systems. Section C details the orientation process and methods for informing participant selection of SSPs. Finally, Section D describes the sites' methods for referring participants to the SSPs and Section E reviews enrollment patterns over the first 10 months of implementation.

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**KEY INITIAL FINDINGS**

- All grantees serve ex-offenders ages 18 to 29 who were released from prison within the past 60 days. Three sites, however, restrict participation of individuals who served time for murder or sexual offenses.

- All five grantees have good relationships with criminal justice partners, with three reporting these agencies as their main referral source.

- Orientations are generally short to quickly transition participants to the SSPs and minimize participant drop-off.

- SSP selections must be made quickly, with only one grantee requiring participants to research the providers.

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**KEY INITIAL FINDINGS** *(continued)*

- Services coordinators attempted to promote free and independent choice by remaining neutral in their presentation of consistent, accurate, and accessible information about each SSP.

- Based on staff reports, the two most common reasons for SSP selection are location and agency reputation. Few clients appeared to select SSPs based on the religious nature of their services. Instead, those who select faith-infused SSPs have based their selection on the character of program staff.

- At times, the full range of SSPs was not available in two sites due to SSP capacity or performance.

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## A. TARGET POPULATION

As per grant requirements, all grantees serve ex-offenders ages 18 to 29 who have been convicted of a Federal or state crime and were released from Federal or state prison within the past 60 days. Although DOL did not impose any limitations on the types of prior offenses committed by ex-offenders, three sites report restricting program enrollment among those who committed specific offenses. In Denver, the grantee may decline to enroll some individuals who committed murder or sexual offenses, depending on the circumstances surrounding the crime, the individual's commitment to change and rehabilitation, and whether program services appear to be a good match with the individual's needs. The Phoenix grantee conducts criminal background checks on all applicants to ensure that they do not have any sexual offenses in their background. Finally, the grantee in Des Moines does not serve individuals who have been convicted of murder and allows sex offenders to account for only 20 percent of the total caseload.

## B. OUTREACH STRATEGIES

Given the need to enroll participants quickly upon their release, working with state and local criminal justice partners is a vital part of the recruitment process. All sites report having good or strong working relationships with criminal justice agencies. In fact, three grantees report that justice partners are their primary referral source. The nature of outreach activities with criminal justice partnerships varied across sites, with three focusing on prerelease contact with inmates and two on post-release recruitment through parole and probation referrals (Table IV.1).

### 1. Prerelease Outreach Efforts

Staff members at AWEE, TDC, IPIC and DLE are very proactive in their prerelease outreach efforts. Staff members in all four sites routinely visit prisons and give

**Table IV.1.    Pre- and Post-Release Outreach Activities**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| **Prerelease Outreach Activities** | | | | | |
| Marketing materials distributed to inmates | X | X |  |  | X |
| Program staff make presentations to inmates | X | X |  | X | X |
| Inmates complete intake forms |  | X |  |  | X |
| Criminal justice partners identify eligible inmates who will soon be released | X | X |  | X | X |
| **Post-Release Outreach Activities** | | | | | |
| Criminal justice partners makes referrals | X | X | X | X | X |
| Media advertising to the general public |  |  |  | X |  |
| Other community partners make referrals |  |  | X | X |  |
| SSPs make reverse referrals |  | X | X | X |  |

Source:    Site visit interviews with administrators and staff at the grantee and services coordinators.

presentations about the Beneficiary Choice program to inmates who are soon to be released. Two of these sites went so far as to have potential participants complete program intake forms prior to release.

In Phoenix, Des Moines, Denver, and Indianapolis, criminal justice partners provided lists of inmates who would soon be released. In Phoenix, the grantee used these lists to send postcards inviting prisoners to attend orientation once released. In Indianapolis, the probation office would produce lists of potentially eligible inmates and circulate those lists to prison release coordinators who could introduce the program before release. The grantee would then follow up with potential enrollees after their release to confirm their attendance at the upcoming orientation.

## 2.    Post-release Outreach Efforts with Criminal Justice Partners

Most grantees also used at least some post-release outreach strategies, with MOWD and IPIC focusing their recruitment largely on individuals who had already been released. In particular, administrators at the MOWD services coordinator reported that more than 90 percent of all enrollees were referred through the parole office. IPIC administrators reported that more than half of participants were referred from their probation partner.

> **Marketing Post Cards Sent to Inmates**
>
> AWEE in Phoenix sent postcards twice per month to prisoners who were identified as soon to be released. The postcard invited them to participate in the program and emphasized the availability of services to help ex-offenders get a job, assist with housing, and provide supportive services and transportation. All participants interviewed during the site visit reported that the postcards caught their attention. Based on grantee reports, 1,165 postcards had been mailed by the time of the site visit, yielding 164 enrolled participants. Grantee administrators reported the cards as their most effective recruiting technique.

To promote post-release referrals from criminal justice agencies, four sites—AWEE, IPIC, DLE, and MOWD—reported that early and frequent contact with parole and probation supervisors and agents is critical to garnering their support for the project. Staff from all three of these sites regularly visited parole or probation offices to build personal relationships. Some staff also made formal presentations about the program to supervisors as well as officers or agents themselves. At MOWD and IPIC, the grantees involved parole and probation, respectively, in early planning meetings and sought their input on the structure of the referral process.

### 3.   Other Post-release Outreach Efforts

In Indianapolis, IPIC overestimated the number of referrals it would receive from the probation office. Once local staff members became aware of the slow pace of enrollment, they became more active in developing other methods of outreach. These included encouragement of reverse referrals from SSPs, media advertising to the general public, and outreach to other community partners, such as parole, Federal probation, halfway houses, and work release programs. Although some of these methods have proven mildly successful, the majority of referrals still come from probation agents. Other grantees reported very little need to use additional outreach techniques.

### C.   ORIENTING PARTICIPANTS AND FACILITATING SELECTION OF SSPS

When individuals express interest in the Beneficiary Choice program, they must attend an orientation session at the services coordinator before making a selection among the available SSPs. As discussed in Chapter I, this represents a critical stage in the service flow of this program model. In this section, the report discusses the goals of orientation, the structure and intensity of sessions, how services coordinators facilitate informed and independent choice of providers, whether and why SSPs are removed from the list of eligible providers, and local staff and participant reports of early experiences in the program.

### 1.   Goals of Orientation

According to staff at the grantees and services coordinators, orientation serves five primary purposes: (1) to inform participants about the services offered by the services coordinator, (2) to conduct preliminary assessments of participant needs, (3) to orient

participants to the available SSPs, (4) to allow them to select an SSP, and (5) to make the referral for in-depth services.

Administrators and staff in two sites reported that another main goal was to help participants develop (or redevelop) decision-making skills. They discussed the fact that recently released ex-offenders were coming out of a highly directive environment in which they are not able or encouraged to make decisions for themselves. As a result, participants needed training on how to ask the right questions and decide which provider was the best fit. As one administrator reported, "Clients don't often know how to ask good questions. [The services coordinator] tries to get them to feel like consumers and make their own informed choice. However, their mindset is to follow instructions and they don't need to make choices. It's hard to learn to make big choices quickly."

## 2. Structure and Intensity of Orientation

Orientations used to initiate the enrollment process are generally short to quickly transition participants to the SSPs and minimize participant drop-off. In fact, all sites seek to enroll participants at their selected SSPs within one week of the start of orientation. Driving this structure, DOL provided guidance to the grantees prior to implementation to minimize the window between recruitment and initiation of services at the selected SSP.[1] The rationale is to ensure that young ex-offenders, whose motivation may at times be tenuous, remain engaged in the program and become quickly connected with their primary service provider to facilitate smooth transitions from incarceration into society.

The structure, intensity, and timing of the orientation, however, vary from one-hour individualized meetings to a three-day group orientation (Table IV.2). In particular, two sites use individualized orientations, two conduct group orientations followed by individual meetings, and one offers only group orientation. Sites also vary in how often they provide orientations. Three sites meet with new clients multiple days per week while the others schedule sessions once per week.

- *Individualized Orientations.* TDC holds a single meeting among the participant, the parole officer, and a wraparound worker from the services coordinator to describe the program, allow the participant to select an SSP, and make the referral for further services. These meetings last about one to one-and-a-half hours. DLE also holds orientations on a one-on-one basis. To validate participant commitment, DLE more recently implemented a multistep process that requires each participant to contact the program manager several times before a referral is made to the selected SSP. Grantee staff reported using this technique to filter out participants without motivation for success. The

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[1] DOL provided informal guidance to minimize the duration of the orientation process during the initial grantee meeting in September 2007. Local staff in two sites also reported that their technical assistance coach contracted by DOL reinforced this philosophy when providing feedback on their program design.

**Table IV.2.    Structure, Timing, and Length of Beneficiary Choice Orientation**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Structure | Group plus individual in the same day | Individual | Group | Group plus individual later in the same week | Individual |
| Timing | Four times per week | As needed | Once per week | Once per week | As needed |
| Length | Group: 1 hour<br>Individual: 30 minutes | Denver: 30 minutes<br>Mesa County: 1.5–2 hours | 21 hours | Group: 3 hours<br>Individual: 0.5–1 hour | 1–1.5 hours |

Source:    Site visit interviews with administrators and staff at the grantee and services coordinators.

average amount of time spent with each participant is 30 minutes at DLE's Denver site and one-and-a-half to two hours in Mesa County.

- **Group Orientations Followed by Individual Sessions.**  AWEE holds a one-hour group session four times per week to describe the services offered at the grantee, discuss the SSPs, and conduct formal assessments.  Participants then attend a 30-minute individual intake session during which case managers review their assessment materials and provider selection.  IPIC has a three-hour group orientation once per week that includes both a presentation of provider options and group assessment testing.  At the end of the session, participants schedule an individual case management meeting for later that same week to discuss assessment results, make a provider selection, and receive an SSP referral.  The one-on-one meeting lasts 30 minutes to one hour.

- **Group Orientations.**  MOWD has implemented a unique orientation structure that involves an extensive three-day group session.  In addition to assessments and SSP selection, the services coordinator engages participants in a range of activities using a "therapeutic employment community model" that is based on psychotherapy.   Examples include power-sharing activities and sociograms, which are graphical displays that help participants assess the quality of relationships in their lives.  According to an administrator at the services coordinator, these activities are intended to reduce turnover within the criminal justice system and foster resilience.  SSP selection and referral are made at the end of the third day.  The grantees' original grant proposal included an even more intensive five-day orientation, but administrators reported that it was reduced to three days due to DOL guidance on the timing of SSP selection and referral.  Eliminated activities include discussion of negative peer influences, narcissism and the individual's role in society, and cognitive behavioral therapy aimed at curbing antisocial tendencies.

### 3. Consumer Education About SSPs

Participant selection of SSPs drives the demonstration model. The grantees use a range of approaches to inform participants about their options and encourage their free, independent, and informed selections. Site visits uncovered interesting variations in the materials presented about the SSPs, the expectations for participant research of the SSPs, and the timing of participant selection.

***Development of Orientation Materials.*** During early implementation, grantees worked with SSPs to develop consistent, accurate, and accessible information that includes name, location, telephone number, and service offerings. SSPs were involved in the development of orientation materials in all sites. Grantees and services coordinators generally provided guidance to the SSPs on the expected content and format of written materials. For example, MOWD structured SSP flyers to include the agency's basic contact information at the top, followed by a bulleted list of "basic services", followed by a bulleted list of "unique features" to help participants understand what distinguishes the services offered at each SSP. To help in the development of the flyers, the services coordinator conducted site visits to each SSP during early implementation to help them identify best practices that could be highlighted.

***Presentation of SSP Information During Orientation.*** Sites use a mixture of verbal, written, and media presentations to describe their SSPs (Table IV.3). Two sites use PowerPoint slides to facilitate the orientation leaders' presentations. A third site developed a 22-minute video featuring key staff from each organization describing its approach to service delivery. Local staff members believe that the use of a standard video ensures consistency and makes the presentation less dependent upon the style of the orientation staff. The

**Table IV.3.    Presentation of SSP Information**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Media presentation | PowerPoint | None | Video | PowerPoint | None |
| Written information provided | Upon request only | Yes | Yes | Yes | Yes |
| Type of written information provided | Copy of slides | Flyers | Flyers | Copy of slides | Agency brochures |
| Formal process for alternating order of SSPs | Yes | No | No | Yes | No |
| Grantee removed providers from list | Yes | No | Yes | No | No |
| Reasons for provider removal from list | Capacity and performance | Not applicable | Capacity | Not applicable | Not applicable |

Sources:   Site visit interviews with administrators and staff at the grantee and services coordinators, observations of orientation sessions, and review of orientation materials.

two remaining sites hold individual orientations in which staff members distribute written materials as well as verbally describe each SSP.  Four sites routinely provide written materials to participants during orientations, while the fifth offers a copy of the PowerPoint presentation only upon request.

Only one site uses SSP agency brochures rather than materials tailored specifically to the Beneficiary Choice program.  A disadvantage to this approach is that local staff members feel the brochure of one SSP was more polished and professional than the others, encouraging more consumer confidence in that organization and therefore more participant selections.

No sites reported encountering situations in which participants were unable to read or understand the SSP materials.  Staff in several sites reported that they would be willing to read the information verbatim for participants with limited literacy skills but have not needed to do so.  Materials in all sites are provided only in English, but local staff members do not report a need for translation into other languages.

To prevent bias in participant selections, two sites routinely shift the order in which SSPs are presented during orientation.  One reported using this technique after discovering that participants were having difficulty focusing their attention throughout the entire presentation and were often prone to selecting the last provider that was discussed.  Another implemented the rotation of materials based on the guidance of its technical assistance coach.[2]  At MOWD, the use of a standard orientation video prevents the orientation leader from adjusting the order in which SSPs are presented.  When SSPs are removed from the provider list, as discussed later in the chapter, the video is still shown in its entirety, but participants are given hard copy flyers only for those SSPs that are currently taking new participants.  In the other two sites, the orientation leaders report informally rotating the order of SSPs during individual sessions.

**SSP Research Requirements.**  When participants are informed about the available SSPs during orientation, only one services coordinator requires them to visit SSPs before making a selection (Table IV.4).  All participants at MOWD are required to visit two SSPs during the second day of orientation.  Local staff members believe that these visits are essential in helping participants understand the philosophy, atmosphere, and service offerings of each program before making a decision.  Although it is not required, IPIC encourages participants to contact SSPs in person or by telephone between the group orientation and individual case management session.  Case managers report that many participants do, in fact, contact SSPs before making their final selection.  The remaining three sites structure their orientations with the expectation that participants will make their SSP selections based on written materials and information presented during orientation.

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[2] As mentioned in footnote 2 on page 38, DOL contracted with Coffey Consulting to provide technical assistance to grantees.  Each site was assigned a coach who conducts periodic on-site visits and provides guidance as needed.

**Table IV.4.    SSP Selection Process**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Research of SSPs | None | None | Required to visit two SSPs | Encouraged to call or visit SSPs | None |
| Informed consent form required for faith-infused providers | No faith-infused services | No faith-infused services | Yes | Yes | No faith-infused services |

Source:    Site visit interviews with administrators and staff at the grantee and services coordinators.

***Discussion of Faith-Integrated Services.***   As discussed in Chapter III, sites were easily able to define which SSPs were secular and faith-based *organizations* (FBOs).  However, there appears to be some confusion among grantees, services coordinators, and SSPs about what constitutes secular versus faith-integrated *services*.  Although sites attempted to make these distinctions clear during orientation, it may be possible that some participants do not fully understand the nuances of these service structures.

Two grantees—IPIC and MOWD—involve SSPs with programs designated as faith-infused and have structured their orientations to ensure participant understanding that these two providers offer inherently-religious services.  At IPIC, the SSP PowerPoint presentation clearly states which program offers services with religious content and indicates that all participants who select that provider must sign an informed consent form.  Counselors at the services coordinator reinforce participants' understanding of their selection of a faith-infused program during the one-on-one portion of orientation and acquire participant signatures on the consent form before making a referral.  The MOWD services coordinator uses a four-stage process to ensure that participants are aware that one of its providers offers faith-infused services.  First, the director of the faith-infused program discusses the spiritual nature of his services during the video shown at each orientation session.  Second, the service description on the SSP flyer describes the inclusion of "spiritual direction, mentoring, and self-motivation training", "group spiritual reflection", and "group bible (and other religious material) study." Third, one grantee administrator reported that "the site visit gives

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**Encouraging Customers to Be Educated Consumers**

At MOWD, the services coordinator requires participants to conduct site visits to two SSPs during the second day of orientation. Participants are given a list of questions, some of which are required and others are optional, to ask the SSPs. The questions not only ask for factual information about service offerings, but probe the philosophy of the program and how staff members aim to meet the participant's individual needs. The orientation leader reviews the list and role-plays with participants to help prepare them for interviewing SSP staff. Participants are given a bus pass to travel to the SSPs and encouraged to visit the two providers that seem most appealing to them. Site visit interviews with staff members and participants reveal that these visits highly influence participant decisions.

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them a hands-on understanding by seeing the program and talking with the Reverend about the use of spirituality in the program." Finally, if a participant selects the program, staff members at the services coordinator reinforce the participants' understanding that it is a faith-infused program. Before an SSP referral is made, all participants are also required to sign an informed consent form acknowledging their choice of provider and indicating their awareness that some SSPs offer services with religious content.

In these and other sites, however, it may be difficult for participants to understand the distinction between FBOs that offer secular services and FBOs that offer faith-integrated services. While faith-infused programs are described clearly during orientations, participants may not understand that religious activities are a voluntary rather than required component of other secular programs at faith-based organizations. For example, in two sites, orientation materials describing FBOs that are not categorized as faith-infused include descriptions such as "faith-based assistance," "faith-based mentoring," and "our workshop is founded and based on Biblical, non-denominational principles." While these activities are voluntary or considered part of supplemental rather than core services, written materials provided to participants do not explicitly make this distinction. Without direct explanation, it may be possible that some participants could expect to receive spiritual or religious services as an inherent part of the core curriculum at these SSPs rather than being offered these services on a voluntary basis upon request. Chapter VI provides a further discussion of faith in SSP service provision.

**Assisting Participants in the Selection Process.** When advising on SSP selections, local staff members at all sites report attempting to remain neutral, although two sites developed specific procedures to ensure that neutrality. Specifically, the orientation leader and case managers at AWEE received informal training from program administrators on how to avoid influencing the selection process. The discussion included how to maintain a neutral tone of voice and how to respond to participant questions. In MOWD, the SSP site visits are designed to remove the services coordinator from the selection process and empower participants. Local administrators report that nearly all participants have a clear idea of which provider to select after their site visits.

Local staff in the other sites emphasized during site visit interviews that they allow participants to make an independent choice, but some appear to work harder than others to adequately inform that choice. Specifically, the orientation is very brief in some sites and staff members appear to present SSP information without much context to help participants understand the unique features that each SSP has to offer. If participants are inexperienced with decision-making or are uncertain what questions to ask, their choice may not be as meaningful as if they had more information or time to investigate their options. Participants in one site revealed during site visit interviews that they felt the orientation leader was biased toward a particular provider. They reported that the leader emphasized the reputation of the agency and its success rate in making job placements. Based on these participant interviews, however, this information appears to have been presented as guidance that did not inhibit customer choice and did not involve attempts to influence participants based on the secular or religious nature of the services.

***Time Frame Allowed for SSP Selection.*** Generally, SSP selections must be made quickly. Three sites require participants to make the selection by the end of the initial orientation session, although one of these sites will grant participants more time if they request it. As discussed above, IPIC allows participants the time, usually two or three days, between the group orientation and one-on-one case manager meeting before the selection is to be made. At MOWD, selections must be made by the end of the three-day orientation.

## 4. Frequency and Reasons for Removal of Providers from the SSP List

To ensure the availability of a sufficient number of providers to facilitate customer choice, each grantee was required by DOL to contract with at least five SSPs. As discussed in Chapter III, not all local areas met this goal. At the time of the site visit, DLE's Mesa County site in Colorado had two SSPs; TDC had four SSPs; AWEE, DLE in the Denver site, and IPIC each had five SSPs; and MOWD had nine SSPs. During site visits, grantees were asked whether and why they have removed SSPs from the list of eligible providers.

Two grantees—AWEE and MOWD—have developed systems to remove providers from the list of eligible providers when SSPs encounter capacity issues. AWEE developed a monthly cap system before implementation to manage the capacity of SSPs. Each SSP determined the maximum number of referrals they could serve each month. When an SSP reaches that cap, it is either given the option to take more referrals if it has internal capacity or it is removed from the list until the start of the following month. By contrast, MOWD did not develop a process in advance of implementation, but rather reacted to two types of capacity issues as they emerged. First, the services coordinator reported that two providers had reached the maximum number of participants allowable under their contracts with the grantee. Until the contracts were modified and the SSPs were able to serve more participants, they would remain off the list of SSPs. Second, about half of the SSPs did not hire additional staff specifically for this demonstration, but instead expected to place Beneficiary Choice participants into existing slots within their programs. Grantee administrators report that some of these SSPs have run out of available slots at different points in time. In these cases, SSP administrators contact the services coordinator and ask to be taken off the SSP list until slots reopen.

AWEE has also removed SSPs from the list due to performance issues. As will be discussed in greater detail in Chapter VII, the grantee established rigorous documentation criteria for SSPs to receive payment as participants reached key benchmarks. Several SSPs experienced a steep learning curve in accommodating those requirements, were placed on corrective action by the grantee, and were removed from the list of SSPs until their performance with existing clients improved.

The number of providers available for selection at these two grantees has fallen as low as three of five SSPs at AWEE and four of nine SSPs in MOWD. Local administrators reported that the remaining SSPs were sufficiently diverse to maintain a reasonable choice for participants. In both sites, there was always at least one secular service option available at all times.

IPIC and AWEE have also considered the removal of SSPs that had reached the maximum number of referrals allowed under the contract. At IPIC, not only had they exceeded their contractual obligations, but the SSPs reported that they had also exceeded their organizations' internal capacity to service participants. The project manager hoped that the removal of those SSPs would help shift some referrals to the other providers who had not received many clients.

## 5. Participant Experiences with Independent Choice

To gauge the sites' success in facilitating customer choice, the evaluation team not only interviewed local staff members about their perceptions of the SSP selection process, but also interviewed participants who had attended orientation, made an SSP selection, and enrolled at a local provider. As discussed in Chapter I, the evaluation team was able to interview 24 participants at four sites.[3] These participants were recruited by the SSPs and therefore are not representative of all those who enrolled in services. In addition, the team was unable to interview participants who attended orientation but either did not select an SSP or ultimately chose not to enroll in services at the SSP. Despite these limitations, the perceptions of those participants who were interviewed provide a sense of how participating ex-offenders experience the SSP selection process.

All participants interviewed in the four sites felt they had an independent choice of providers. Many reported appreciating the opportunity to make a selection. Nearly all felt that there was sufficient variety among the providers to offer options for people with varying needs. Only two participants felt that none of the providers met their needs.

According to local staff, the most common reasons for participant selections include location and agency reputation (Table IV.5). At least one of these was cited among the top three reasons by staff in all five sites. Specific service offerings, such as GED preparation classes or vocational training, were also noted as important factors in three sites. Participant interviews confirmed some of these staff perceptions but also revealed that some participants are unable to articulate the reasons for their selections. Both staff and participant perceptions of factors that influence SSP selections are highlighted below.

1. **Location.** In particular, staff reported that participants are unlikely to travel outside of their neighborhoods to seek services. This may be due to transportation barriers, lack of comfort in certain neighborhoods, or concerns about safety in the territory of rival gangs.

2. **Agency Reputation.** Staff also reported that many participants are familiar with certain SSPs either through prior experiences receiving services or through word of mouth.

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[3] The evaluation team was unable to conduct participant interviews at TDC because the services coordinator was unable to organize a group on the days of the site visit.

**Table IV.5.    Staff Perceptions of Top Three Reasons for Participant Selection of SSPs**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Location | X | X | X |  | X |
| Reputation |  | X |  | X | X |
| Service offerings | X | X | X |  |  |
| Staff character |  |  | X |  |  |
| Income from transitional jobs |  |  |  | X |  |
| Incentive payments |  |  |  | X |  |
| Flexibility in hours |  |  |  |  | X |
| Faith-orientation of provider | X |  |  |  |  |

Source:    Site visit interviews with administrators and staff at the grantee and services coordinators.

3. **Service Offerings and Program Schedule.** The unique service offerings at the SSPs appear to influence some participants. One participant said that he made his selection because the SSP offered GED classes. At IPIC, staff and participants reported that immediate income from a transitional jobs program was a critical factor. Staff in that same site also reported that incentive payments given by one provider influenced many ex-offenders to select that program. The services coordinator contracted by TDC stated that participants were drawn to some SSPs due to their flexibility in service hours and willingness to accommodate participant work schedules.

4. **Character of Staff.** At MOWD, the required SSP site visits appear to influence participant choices significantly. Staff reported, and nearly all of the participants who were interviewed confirmed, that most participants are drawn to the personality and character of individual staff members.

5. **Selected by Process of Elimination or Unable to Articulate.** Two participants, one in each of two sites, reported that they made their SSP selection because they did not like the other SSP options that were available or did not feel that the other organizations could meet their needs. At DLE, three of the four participants were also unable to articulate why they made their selections and one said that he picked randomly. This may suggest a lack of understanding about the distinctions among the SSPs or may simply reflect that the participants were not forthcoming in their response to questions.

6. **Religious Activities.** When faith-infused providers were available, staff reported that very few participants made their selections based on the religious nature of the service offerings. The evaluation team interviewed a group of participants at one faith-infused provider, and all reported that the character of the program leader, rather than the religious content, influenced their decisions.

At AWEE, staff reported that some participants select FBOs, even though they offer secular services, because they want a faith-centered program.

Based on site visit interviews, the distribution of referrals across the SSPs was uneven in all sites but at AWEE, with some providers receiving large numbers of selections and others receiving very few. The monthly cap system at AWEE that limits the number of referrals made to any given provider might be contributing to this pattern. Those participants who were interviewed were generally pleased with their SSP selections. All but two reported that they would select the same SSP again.

## D. REFERRING PARTICIPANTS TO THE SSPs

When participants make their selection from among the available SSPs, the services coordinator refers them to the selected provider for further services. When participants arrive at the SSP and receive their first services, they become officially enrolled in the Beneficiary Choice program. This section describes the referral process and staff perceptions of the frequency and reasons for drop-off before enrollment at the SSPs.

### 1. Referral from the Services Coordinator to the SSP

Services coordinators refer clients to the SSP quickly after a selection is made (Table IV.6). Services coordinators contracted by AWEE and TDC call the SSP during the orientation session to make the referral. In Indianapolis, case managers at the services coordinator email information to the SSPs after the one-on-one meeting when participants make their choice. DLE requires participants to call the program manager several days after orientation to confirm their interest and eligibility. Once the participant makes that call, the services coordinator will either fax or email the participant's information to the selected SSP. In DLE's Mesa County site, one of the providers is colocated with the grantee at the One-Stop Career Center so the orientation leader will walk the participant over to the provider immediately after the intake interview. If the other SSP is chosen, information is emailed

**Table IV.6.    Referral from Services Coordinator to SSPs**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Method of referral | Telephone | Fax, email, or walk participant to SSP | Email | Email | Telephone |
| Timing of referral | During orientation | After client calls to confirm approval | Once per week | After individual meeting | During orientation |
| Timing of SSP contact with participant after referral | Within 72 hours | Within 3 days | Standard start day/time each week | Standard start day/time each week | Within 24–48 hours |

Source:    Site visit interviews with administrators and staff at the grantee and services coordinators.

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once the selection is made. At MOWD, the services coordinator emails the SSPs once per week with a list of participants who selected their programs.

Once a referral is made, the grantees require the SSPs to contact the client promptly to initiate services. Table IV.6 displays the time frame in which SSPs are required to contact participants after receiving a new referral. Three sites require the SSPs to contact the participant within a specified time frame to initiate services. The requirements range from one to three business days. The other two sites have worked with the SSPs to establish designated days and times when new participants must arrive at the SSP the week after orientation. At the start of implementation, IPIC had participants contact the SSP to schedule a date and time to initiative services, but they found that drop-off was high and the SSPs spent many hours attempting to contact each participant. As a result, they had instituted the standardized SSP orientation times shortly before the evaluation site visit and reported that drop-off had already decreased.

## 2. Staff Reports of Participant Drop-Off Prior to SSP Enrollment

All social service programs experience drop-off as individuals express interest in services, decide whether the program fits their needs, and maintain enough motivation to enroll. Inherent in the Beneficiary Choice program model is an extra layer of service provision at the services coordinator before official enrollment at the SSP. This structure appears to filter out many participants who either lack the motivation to participate or do not believe the program will meet their needs. This could have advantages in serving those who were most motivated; however, it could also have disadvantages if the program is unable to serve those with tenuous motivation but who are most in need of assistance.

The evaluation was not able to collect systematic data on participant drop-off patterns before official enrollment at the SSPs. However, the evaluation team gathered anecdotal reports from grantees and services coordinators on the extent to which participants remain engaged in services from outreach to program enrollment. Although these data are not conclusive, they nevertheless suggest that a very large number of initial referrals/recruits are needed to achieve program enrollment targets.

According to staff reports, large proportions of participants drop out before enrolling at the SSP. Below are qualitative descriptions provided by staff at grantees and services coordinators across sites.

- DLE staff members report that about one-third of those who express initial interest by contacting the program for information complete the orientation process and arrive at an SSP.

- MOWD's services coordinator reports that only 25 percent of referrals from parole agents show up for orientation. Of those who show up, about 65 percent complete orientation, and about 10–20 percent of completers never appear at the SSP. That suggests that fewer than 15 percent of those who are referred to the program actually enroll at the SSP.

- IPIC's services coordinator reports that the majority of those who are referred from community partners arrive for orientation but a much smaller fraction of those who respond to their media advertising are eligible and attend orientation. Site administrators report that 75 percent of those who start orientation will make an SSP selection and arrive at the SSP for services.

- TDC's services coordinator, in contrast to staff at the other sites, reports that very few who express interest and show up for the orientation chose not to participate. Once individuals agree to participate, their involvement in the program becomes mandatory under their parole requirements, resulting in very few who drop out before arriving at the SSP.

- AWEE administrators report that the largest drop-off occurs between participants' selection of SSPs and arrival at the SSPs for services. To minimize the drop-off, the grantee requires the SSP to quickly contact participants and engage them in services.

Site staff members report that they do not know the reason that each participant drops off. Staff members perceive that most of those who drop off lack the interest and motivation to participate. A smaller proportion of those who drop off find jobs and no longer require assistance. Although this topic was not covered in depth during the initial evaluation site visits, it will be explored in greater detail during the second-round site visits in fall 2009 and discussed in the evaluation's final report.

## E.  PARTICIPANT ENROLLMENT PATTERNS

Official enrollment in the demonstration occurs once an ex-offender arrives at the selected SSP for service. As discussed earlier, some local sites had difficulty enrolling sufficient numbers of participants during early implementation. The next section uses the quantitative data from the MIS to examine the enrollment patterns over time.

## 1.  Rates of Enrollment Over Time

After the initial planning period, grantees enrolled the first participants in November 2007. As of August 15, 2008, a total of 763 ex-offenders were enrolled in the program across all five sites (Figure IV.1). The 763 enrollees represent those who completed the orientation at the services coordinator, selected an SSP, and actually arrived at the SSP office. As shown in Figure IV.2, monthly enrollment grew steadily for the first few months, but jumped significantly in March and peaked in April 2008. The pattern was driven largely by DLE. After a late start, the site boosted enrollment by accepting large numbers of participants in early spring, then scaled back by screening participants through the multistage intake process described earlier.

**Figure IV.1.   Total Program Enrollment as of August 15, 2008**
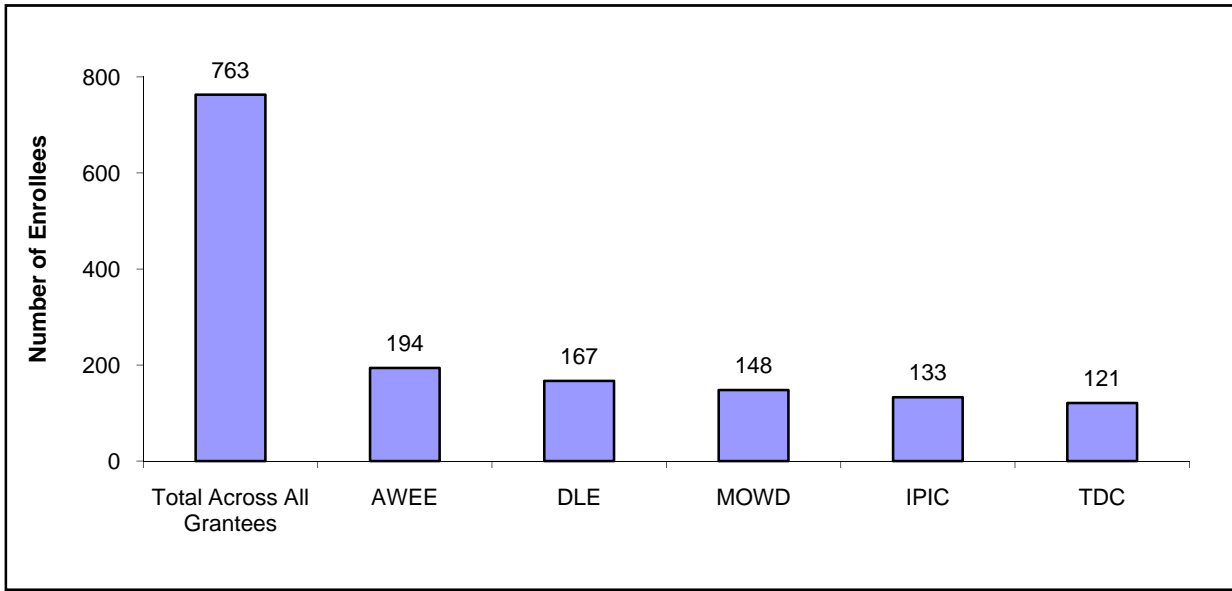


Source:   Beneficiary Choice Management Information System extract dated August 15, 2008.

**Figure IV.2.   Monthly Enrollment Rates by Grantee**
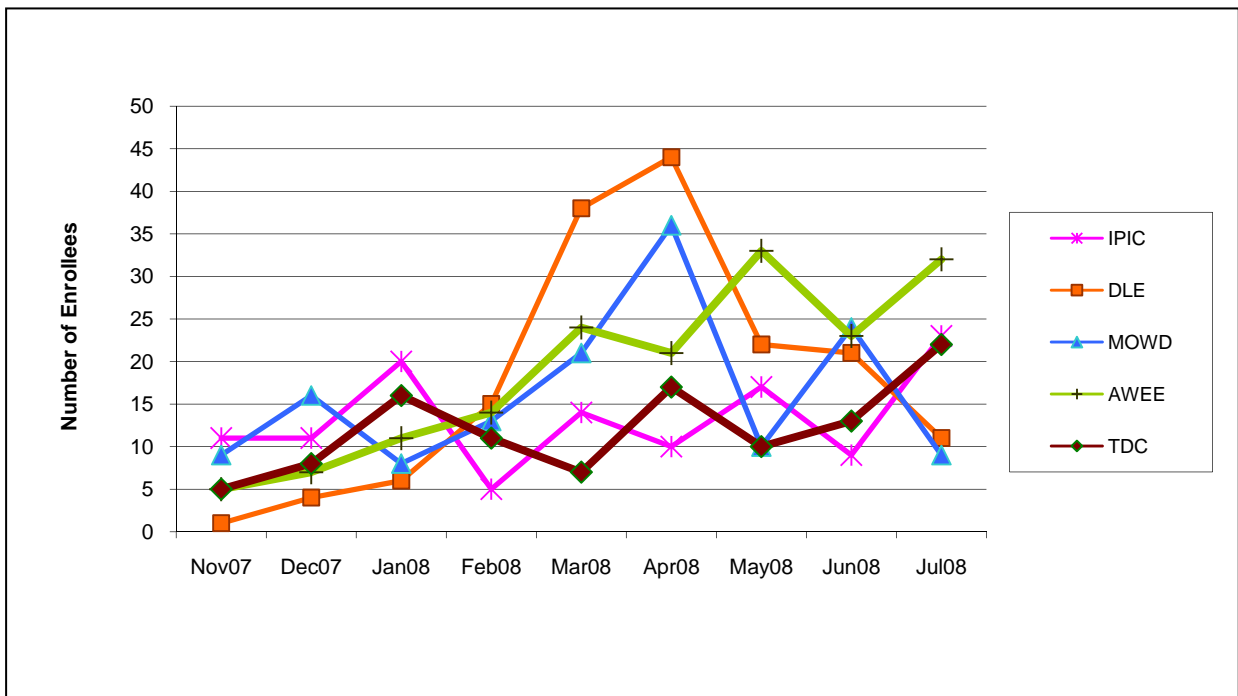


Source:   Beneficiary Choice Management Information System extract dated August 15, 2008.

Target enrollment for each grantee was set at 225 participants per year. According to the data extracted in August 2008, only AWEE, which had enrolled 194 participants as of mid-August, appeared on track for meeting the first year enrollment goal by the end of October 2009. However, during a grantee meeting held on December 2, 2008, DOL reported that three of the five grantees had reached their enrollment goal with the other two very close to reaching the goal.

Supporting these data patterns, most sites reported having difficulty identifying and enrolling sufficient numbers of individuals that met the age and release criteria. This appears largely due to the high rates of drop-off between recruitment and ultimate enrollment, as opposed to the sheer size of the eligible pool of ex-offenders. During site visit interviews, MOWD and IPIC grantees reported finding it difficult to identify, engage, and move participants into services within 60 days of release. This is likely tied to the fact that their outreach efforts relied on referrals from probation and parole agents after participants were already released. All sites also reported that young ex-offenders are particularly difficult to engage and serve. Staff members believe that many are not yet tired of the criminal lifestyle. To help boost its enrollment, IPIC had already received permission from DOL at the time of the site visit to enroll ex-offenders who had served at least one year in county jails.

## 2. Time from Release to Enrollment at the SSP

A key eligibility criterion for the demonstration was that ex-offenders had to be enrolled within 60 days of release. The purpose of this requirement was to engage ex-offenders as soon as possible to ensure a smooth reentry transition. In effect, this requirement encouraged grantees to build strong relationships with criminal justice partners to identify and recruit participants either before or immediately after release.

Grantees were diligent about enrolling individuals within 60 days. As shown in Table IV.7, nearly one-quarter of participants enrolled within one week of release, and nearly 70 percent enrolled within one month. About four percent of participants were enrolled on the day of release (not shown). Overall, the average time between release and enrollment was three weeks. AWEE and TDC had the shortest average time between release and enrollment. This reflects the focus of outreach efforts on prerelease activities by these two grantees.

## 3. Release Conditions

More than 75 percent of participants were on parole after release (Table IV.7), and another 14 percent were released on probation. The percentages were relatively consistent across the sites except for IPIC. Resulting from the grantee's close partnership with the probation office, 57 percent of participants at IPIC were on probation and only 13 percent were on parole.

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**Table IV.7. Time from Release to Enrollment and Release Conditions (Percentages Unless Otherwise Noted)**

|  | Across All Sites | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| Weeks from Release to Enrollment |  |  |  |  |  |  |
| Less than 1 | 24 | 39 | 23 | 4 | 6 | 46 |
| 1 to 2 | 22 | 33 | 16 | 17 | 22 | 21 |
| 2.1 to 4 | 24 | 16 | 20 | 38 | 35 | 9 |
| 4.1 to 8.5 | 30 | 12 | 41 | 41 | 37 | 25 |
| Average (weeks) | 3 | 2 | 4 | 4 | 4 | 2 |
| Had Contact with Grantee Staff Prior to Release | 17 | 37 | 7 | 1 | 21 | 12 |
| Post-Release Status |  |  |  |  |  |  |
| Parole | 75 | 87 | 83 | 93 | 13 | 94 |
| Probation | 14 | 6 | 5 | 6 | 57 | 0 |
| Other criminal justice or court supervision | 7 | 0 | 11 | 0 | 24 | 0 |
| None | 4 | 8 | 1 | 1 | 6 | 6 |
| Mandatory Program Participation | 36 | 80 | 17 | 10 | 1 | 98 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Slightly more than one-third of all participants were mandated to participate in the program through the court system or a supervision agency. At TDC, participation was mandatory for nearly all participants. When parolees choose to enroll in the program, participation becomes part of their parole requirements. More than three-quarters of participants at AWEE also reported that participation in Beneficiary Choice was mandatory.

*Chapter IV: Outreach, Orientation, and Participant Selection of SSPs*

# CHAPTER V

# PARTICIPANT CHARACTERISTICS

Through the first ten months of program operations, the five Beneficiary Choice grantees enrolled 763 ex-offenders. As specified by DOL, any ex-offender between 18 and 29 years of age who was convicted of a Federal or state crime and was released from a Federal or state institution within the past 60 days was eligible to participate in the program. Beyond these few criteria, grantees had the autonomy to decide who they would serve. Based on site visit interviews, local staff members report that many more people expressed interest in and were eligible for the program than ultimately chose to participate. As a result, it is important to understand the characteristics of those who enrolled in the program.

This chapter focuses on the characteristics of ex-offenders who enrolled during early implementation. Section A describes the data sources and the limitations of the analysis. Participant characteristics and backgrounds are discussed in Section B. Finally, Section C explores staff, participant, and employer perceptions of the key barriers to successful reentry.

## A. GRANTEE COLLECTION OF DATA AND LIMITATIONS

The data for this chapter was extracted from the demonstration's MIS on August 15, 2008, approximately 10 months after the first participants enrolled. The MIS offers a rich set of information about participants. It contains information on personal demographics, work experience, criminal histories, educational attainment, housing status, and substance abuse. However, as with any data, there are some limitations to note. First, because the data

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**KEY INITIAL FINDINGS**

- The majority of participants were African American men in their mid-20s.

- Grantees are serving both nonviolent and violent offenders, many of whom are repeat offenders. Seventy-one percent of participants were released for nonviolent offenses, with drug crimes as the most common type of offense. On average, participants have been incarcerated for 3 years during their lifetime.

- Overall, participants have poor work histories and low educational attainment.

were entered by many different staff members across all of the SSPs, there may be inconsistency within given data elements. Certain variables may have been defined and/or coded differently across SSPs or staff members within SSPs, making them difficult to interpret. Second, many of the MIS data elements rely on self-reports. This can make them unreliable if participants either have difficulty remembering certain pieces of information or are not forthcoming with local staff. Finally, in an effort to minimize the burden on sites, DOL structured the MIS to include both required and optional data elements. As shown in Appendix B, some optional data elements were not consistently collected for all participants, resulting in greater proportions of missing data.

## B.  CHARACTERISTICS OF PARTICIPATING EX-OFFENDERS

Ex-offenders often face significant barriers when they are released from incarceration, including limited education and work experience, histories of alcohol and drug abuse, and unstable housing. To explore these issues, this section analyzes not only the demographic characteristics of participants but also the backgrounds and prior life experiences that they bring to the program.

### 1.  Demographic Characteristics

The Beneficiary Choice program serves a diverse group of individuals. Overall, 85 percent of participants are male (Table V.1). At 28 percent, AWEE has the largest proportion of female participants. All participants were between the ages of 18 and 29 at the time of enrollment, with an average age of 25. A majority of participants are African American. In fact, MOWD and IPIC served mostly African Americans (88 and 84 percent, respectively). This is not surprising given that, as noted in Chapter II, both cities have much higher percentages of African Americans than the other three cities in this demonstration.

### 2.  Family Characteristics

An overwhelming majority of participants were single at the time of enrollment (Table V.2). This is not surprising given the program focus on younger ex-offenders. However, more than half of the participants have at least one child. Of those with children, most participants are noncustodial parents who do not live with their children. Women are somewhat more likely than men to be living with their children (not shown in table).

Even though nearly half of participants reported having at least one noncustodial child, only 23 percent of participants reported that they have child support obligations. The MIS data relies on self-reports and therefore may under-report child support obligations. For fear that their wages may be garnished to pay arrears, some participants may have not disclosed this information. A much higher percentage of participants at DLE reported child support obligations than in other sites. At DLE, the criminal justice partner that served as the main source of referrals for the demonstration provided the grantee with case management files from its own system. These files contained extensive information on the participants and may have included information about child support obligations.

**Table V.1.     Demographic Characteristics (Percentages Unless Otherwise Noted)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Gender** | | | | | | |
| Male | 85 | 72 | 86 | 93 | 95 | 84 |
| Female | 15 | 28 | 14 | 7 | 5 | 17 |
| | | | | | | |
| **Age at Enrollment** | | | | | | |
| 18 through 22 | 27 | 20 | 29 | 30 | 32 | 23 |
| 23 through 25 | 31 | 33 | 26 | 31 | 31 | 36 |
| 26 through 29 | 42 | 47 | 45 | 39 | 38 | 41 |
| Average (in years) | 25 | 26 | 25 | 25 | 25 | 25 |
| | | | | | | |
| **Race** | | | | | | |
| White | 34 | 51 | 58 | 1 | 14 | 54 |
| Black | 57 | 34 | 31 | 88 | 84 | 41 |
| Asian | 0 | 0 | 0 | 0 | 0 | 1 |
| American Indian or Alaskan Native | 6 | 12 | 7 | 7 | 1 | 3 |
| Hawaiian Native or Other Pacific Islander | 1 | 1 | 0 | 4 | 0 | 0 |
| Multiracial | 2 | 3 | 3 | 0 | 1 | 2 |
| | | | | | | |
| **Ethnicity** | | | | | | |
| Hispanic or Latino origin | 59 | 38 | 32 | 7 | 0 | 7 |
| Non-Hispanic | 19 | 59 | 64 | 34 | 55 | 86 |
| Not specified | 22 | 4 | 4 | 59 | 45 | 7 |
| | | | | | | |
| Eligible Veteran Status | 2 | 1 | 5 | 0 | 1 | 2 |
| | | | | | | |
| Individuals with a Disability | 1 | 1 | 4 | 1 | 0 | 0 |
| | | | | | | |
| U.S. Citizen | 99 | 99 | 99 | 99 | 100 | 100 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

## 3.     Criminal Histories

Although the participants in this demonstration are relatively young, they still have significant criminal histories.  Nearly 90 percent of participants have been arrested more than once, and more than three-quarters have been convicted more than once (Table V.3).  In fact, on average, participants have been arrested 7 times and convicted three times.  These convictions resulted in substantial time in prison.  On average, total time incarcerated was three years.

**Table V.2.** **Family Characteristics and Child Support Obligations at Enrollment (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Marital Status** | | | | | | |
| Single | 89 | 93 | 73 | 93 | 92 | 94 |
| Married | 7 | 4 | 15 | 6 | 4 | 3 |
| Divorced or widowed | 3 | 3 | 5 | 1 | 3 | 2 |
| Separated | 2 | 1 | 7 | 1 | 1 | 1 |
| **Number of Children** | | | | | | |
| 0 | 47 | 60 | 31 | 48 | 31 | 56 |
| 1 | 25 | 15 | 33 | 23 | 36 | 22 |
| 2 or more | 29 | 25 | 36 | 29 | 32 | 23 |
| **Number of Children Living with Participant**[a] | | | | | | |
| 0 | 82 | 85 | 77 | 72 | 80 | 96 |
| 1 | 7 | 5 | 10 | 13 | 7 | 1 |
| 2 or more | 11 | 10 | 13 | 15 | 13 | 3 |
| **Has Child Support Obligation**[b] | 23 | 26 | 42 | 14 | 23 | 19 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

[a] Includes only those participants who have one or more children.

[b] The data on child support obligations rely on self-reports and may under-report child support obligations.

Grantees were permitted to enroll both violent and nonviolent offenders.  Nearly 71 percent of participants were released for a nonviolent offense (Table V.4).[1]  All sites chose to serve violent offenders; however, as discussed in Chapter IV, three grantees limited participation for individuals who served time for murder or sexual offenses by disqualifying them for the program or handling eligibility on a case-by-case basis.  A fourth grantee, IPIC, did not explicitly limit participation based on the type of offense; however, its heavy reliance on probation to recruit participants had a similar effect.  As of August 2008, IPIC served far fewer violent offenders compared to the other sites.

The criminal backgrounds of nonviolent and violent offenders differed.  On average, violent offenders have fewer total arrests and convictions (six arrests and three convictions) than nonviolent offenders (seven arrests and three convictions) (not shown in table).  However, violent offenders spent more time in prison (four years compared to two years) than nonviolent offenders.

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[1] It is not clear in the data whether sites coded this variable based only on the most recent offense or if they based it on a full and complete criminal history. Based on conversations about the recruitment and enrollment process during site visits, it seems unlikely that they based this classification on complete criminal histories.

**Table V.3.    Criminal History Prior to Enrollment (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Total Number of Arrests** | | | | | | |
| 1 | 11 | 9 | 15 | 10 | 10 | 15 |
| 2 to 3 | 29 | 24 | 26 | 38 | 20 | 34 |
| 4 to 5 | 21 | 18 | 23 | 17 | 20 | 30 |
| 6 to 10 | 25 | 34 | 20 | 23 | 27 | 17 |
| 11 or more | 14 | 16 | 16 | 13 | 24 | 4 |
| Average (number) | 7 | 8 | 7 | 7 | 8 | 4 |
| **Total Number of Felony Arrests** | | | | | | |
| 0 | 3 | 3 | 5 | 1 | 7 | 4 |
| 1 | 27 | 20 | 22 | 20 | 29 | 47 |
| 2 to 3 | 47 | 48 | 55 | 51 | 43 | 37 |
| 4 or more | 25 | 28 | 19 | 28 | 21 | 12 |
| Average (number) | 3 | 3 | 3 | 3 | 3 | 2 |
| **Total Number of Convictions** | | | | | | |
| 1 | 24 | 25 | 31 | 27 | 26 | 10 |
| 2 to 3 | 46 | 54 | 38 | 48 | 46 | 36 |
| 4 or more | 30 | 21 | 31 | 25 | 28 | 54 |
| Average (number) | 3 | 3 | 3 | 3 | 3 | 5 |
| **Total Time Incarcerated During Lifetime** | | | | | | |
| Fewer than 6 months | 9 | 9 | 3 | 14 | 6 | 17 |
| 6 months to 1 year | 17 | 16 | 16 | 22 | 16 | 17 |
| 1 to 2 years | 25 | 22 | 19 | 28 | 30 | 29 |
| 2 to 3 years | 16 | 23 | 15 | 12 | 16 | 11 |
| 3 or more years | 33 | 31 | 48 | 24 | 32 | 27 |
| Average (years) | 3 | 3 | 3 | 2 | 3 | 2 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

**Table V.4.    Characteristics of Most Recent Incarceration (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| Nonviolent Offender | 71 | 64 | 61 | 65 | 93 | 77 |
| **Length of Most Recent Incarceration** | | | | | | |
| Less than 1 year | 34 | 25 | 30 | 41 | 45 | 35 |
| 1 up to 2 years | 29 | 31 | 33 | 26 | 27 | 28 |
| 2 up to 3 years | 14 | 19 | 13 | 12 | 12 | 11 |
| 3 or more years | 23 | 25 | 25 | 21 | 17 | 26 |
| Average (years) | 2 | 2 | 2 | 2 | 2 | 2 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

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For the most recent incarceration, nearly two-thirds of participants served one year or longer. On average, the length of the most recent incarceration was 2.1 years. Again, the difference between violent and nonviolent offenders is statistically significant. For the most recent incarceration prior to enrollment, violent offenders, on average, served 1.1 more years than nonviolent offenders (not shown in table).

The overwhelming majority of participants were released from state prison (Figure V.1). This is not surprising given the grant requirements imposed by DOL. In addition, grantees had close relationships with the state criminal justice partners that often served as their main referral source. Compared to the other sites, IPIC enrolled a higher percentage of participants released from county jails. This is due to the fact that probation was not able to make as many referrals as originally planned, and IPIC sought and received permission from DOL to enroll ex-offenders who had served at least one year in county jails. The State of Indiana requires individuals convicted of a misdemeanor to serve time in county jail rather than state prison, and some individuals may also complete sentences for class D felony offenses in county jails. As a result, IPIC sought to enroll individuals from county jails who served time for similar offenses as those enrolled by other grantees after release from state prisons.

Overall, participants were most often released from prison or jail for drug crimes (Table V.5). Within this category, the most common type of crime was possession of a controlled substance. At MOWD, one-third of participants had served time for drug possession. Relative to the other four sites, AWEE enrolled far fewer participants who served time for drug crimes.

**Figure V.1.    Type of Institution During Most Recent Incarceration (Percentages)**
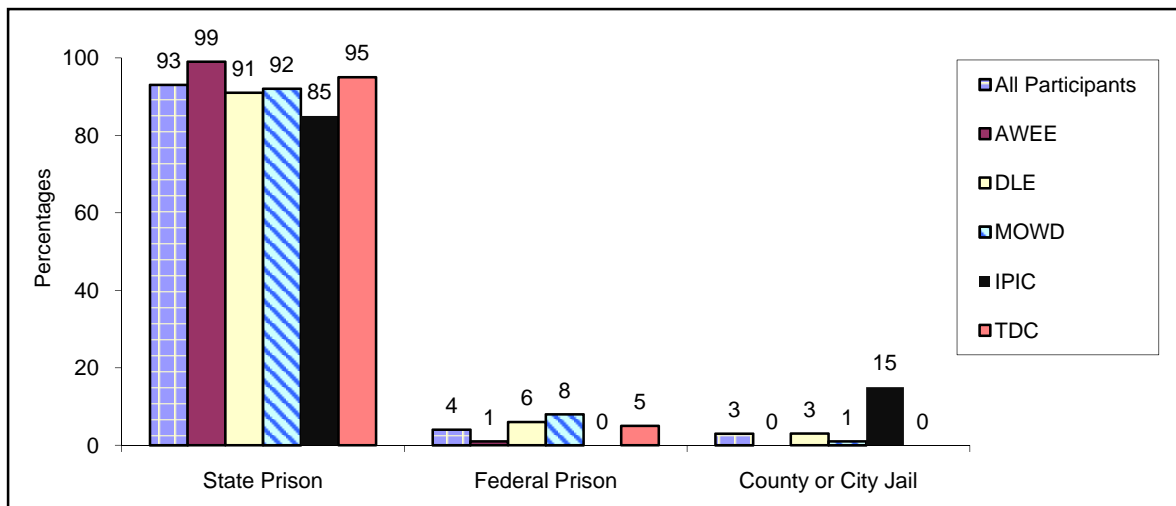


Source:    Baseline data elements in the Beneficiary Choice Management Information System, as of August 15, 2008.

Note:    Percentages may not add to 100 percent due to rounding.

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**Table V.5.    Types of Crimes For Which Most Recently Incarcerated (Percentages)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| *Drug Crimes* | | | | | | |
| Possession of a controlled substance | 21 | 6 | 20 | 33 | 23 | 27 |
| Criminal sale of a controlled substance | 5 | 7 | 5 | 9 | 2 | 2 |
| Possession of drug paraphernalia | 3 | 9 | 2 | 0 | 2 | 1 |
| Trafficking a controlled substance | 3 | 2 | 1 | 1 | 0 | 14 |
| Other drug crime | 6 | 0 | 2 | 9 | 20 | 3 |
| *Property Crimes* | | | | | | |
| Burglary | 11 | 12 | 17 | 3 | 15 | 7 |
| Larceny or theft | 7 | 15 | 2 | 3 | 1 | 10 |
| Motor vehicle theft | 6 | 11 | 8 | 1 | 3 | 2 |
| Other property crime | 3 | 6 | 7 | 0 | 2 | 2 |
| *Public Order Offenses* | | | | | | |
| Driving while intoxicated | 4 | 3 | 5 | 1 | 5 | 6 |
| Other public order offense | 2 | 2 | 3 | 2 | 3 | 1 |
| *Other Offenses* | | | | | | |
| Robbery | 7 | 7 | 4 | 14 | 9 | 3 |
| Weapons | 6 | 9 | 5 | 10 | 1 | 6 |
| Assault offenses | 5 | 8 | 9 | 0 | 0 | 6 |
| Forgery | 4 | 10 | 3 | 1 | 0 | 6 |
| Escape | 4 | 3 | 13 | 0 | 2 | 1 |
| Trespassing | 2 | 3 | 5 | 0 | 0 | 0 |
| Sexual offenses | 2 | 0 | 3 | 0 | 5 | 1 |
| Murder | 1 | 1 | 1 | 4 | 1 | 0 |
| Other offenses | 10 | 9 | 13 | 9 | 15 | 4 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

Notes:    Percentages add to more than 100 percent because participants could have been convicted of more than one crime.  Responses given in "other" categories were back-coded where possible.  Some were back-coded into existing categories while others were back-coded into new categories.

Property crimes, which include burglary, larceny and motor vehicle theft, were the second most common charge. Eleven percent of participants overall had served time for burglary.  At AWEE, where property crimes were the most common category, 15 percent of participants had served time for larceny and 12 percent had served time for burglary.  In contrast, MOWD served very few participants who had been convicted of property crimes.

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All sites served violent offenders, however, MOWD served more participants that had served time for robbery, weapons crimes and murder than the other four sites. As discussed in Chapter IV, AWEE chose not to serve individuals who had been convicted of a sexual offense and TDC chose not to serve individuals who had been convicted of murder. DLE also reported that it would serve individuals who had been convicted of a sex offense on a case-by-case basis. In the end, about one percent of DLE's participants had served time for murder and three percent for sex offenses.

## 4. Employment History

Given the relative youth of this population, it is not surprising that Beneficiary Choice participants have limited attachment to the workforce. Only 39 percent of participants reported that formal employment was their primary source of income during the six months prior to incarceration (Table V.6). An almost equal percentage of participants reported that their primary income came from illegal activities. In addition, 52 percent of participants were not employed at the time of incarceration. These percentages, however, vary significantly by site. While the evaluation cannot be certain of the reasons for these differences, the local labor markets in each site as well as the various referral sources may influence the composition of the Beneficiary Choice enrollees. Missing data could also influence site-by-site patterns. Two grantees—DLE and IPIC—are missing data in these variables for more than 35 percent of participants.

**Table V.6.    Employment Prior to Incarceration (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Primary Income Source During 6 Months Prior to Incarceration** |  |  |  |  |  |  |
| Formal employment | 39 | 42 | 72 | 18 | 22 | 40 |
| Illegal activities | 35 | 34 | 7 | 38 | 60 | 43 |
| Friends and family | 14 | 16 | 13 | 21 | 11 | 7 |
| Informal employment | 6 | 5 | 5 | 9 | 6 | 2 |
| Public benefits | 2 | 2 | 1 | 4 | 0 | 2 |
| Other | 5 | 2 | 3 | 10 | 1 | 7 |
| **Employment Status at Incarceration** |  |  |  |  |  |  |
| Not employed | 52 | 58 | 17 | 74 | 50 | 65 |
| Employed full-time | 24 | 28 | 34 | 14 | 8 | 33 |
| Employed part-time | 6 | 7 | 11 | 1 | 7 | 1 |
| Missing | 19 | 7 | 38 | 12 | 35 | 2 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

On average, participants worked in their longest-held full-time job for nearly 17 months and earned an average of $9.89 per hour (Table V.7). The majority of these jobs were in food preparation and service, sales, construction and extraction, and production.

Because all participants had to be enrolled in the program within 60 days of release and 70 percent were actually enrolled within one month, very few participants had obtained employment prior to enrollment (Figure V.2). About 7 percent of participants were employed at enrollment across all sites with the percentage ranging from 0 percent at MOWD to 11 percent at DLE. Those employed at enrollment made an average of $8.46 per hour, and more than 60 percent were working 35 hours per week or more.

**Table V.7. Characteristics of Longest-Held Full-Time Job (Percentage of Participants with Nonmissing Data)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Months Worked** | | | | | | |
| Fewer than 6 months | 29 | 40 | 19 | 22 | 33 | 19 |
| 6 to 11 months | 17 | 13 | 22 | 16 | 14 | 26 |
| 12 months | 15 | 15 | 12 | 19 | 12 | 15 |
| More than 12 months | 39 | 32 | 47 | 44 | 42 | 39 |
| Average (months) | 17 | 14 | 18 | 20 | 19 | 17 |
| | | | | | | |
| **Occupation** | | | | | | |
| Food preparation and serving related | 27 | 21 | 31 | 25 | 33 | 30 |
| Sales and related | 17 | 27 | 9 | 13 | 15 | 10 |
| Construction and extraction | 14 | 11 | 23 | 6 | 19 | 19 |
| Production | 11 | 10 | 3 | 20 | 11 | 14 |
| Transportation and material moving | 8 | 9 | 10 | 13 | 4 | 4 |
| Building and grounds cleaning and maintenance | 5 | 5 | 10 | 1 | 0 | 8 |
| Installation, maintenance, and repair | 7 | 7 | 5 | 9 | 6 | 8 |
| Other | 11 | 10 | 10 | 14 | 13 | 9 |
| | | | | | | |
| **Hourly Wage** | | | | | | |
| Less than $7.50 | 28 | 33 | 22 | - | 31 | 23 |
| $7.50 to $8.49 | 18 | 18 | 16 | - | 15 | 22 |
| $8.50 to $9.99 | 20 | 19 | 18 | - | 27 | 18 |
| $10.00 to $14.99 | 27 | 24 | 34 | - | 23 | 27 |
| $15.00 or more | 8 | 6 | 11 | - | 4 | 10 |
| Average (in dollars) | $9.89 | $9.29 | $10.46 | - | $8.87 | $10.96 |
| | | | | | | |
| **Sample Size** | **444** | **165** | **80** | **71** | **54** | **74** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Note: Data on the characteristics of prior jobs were often missing. The variables in these tables were missing for between 1 and 42 percent of participants. Therefore, these estimates must be interpreted with caution.

**Figure V.2. Employment at Enrollment**
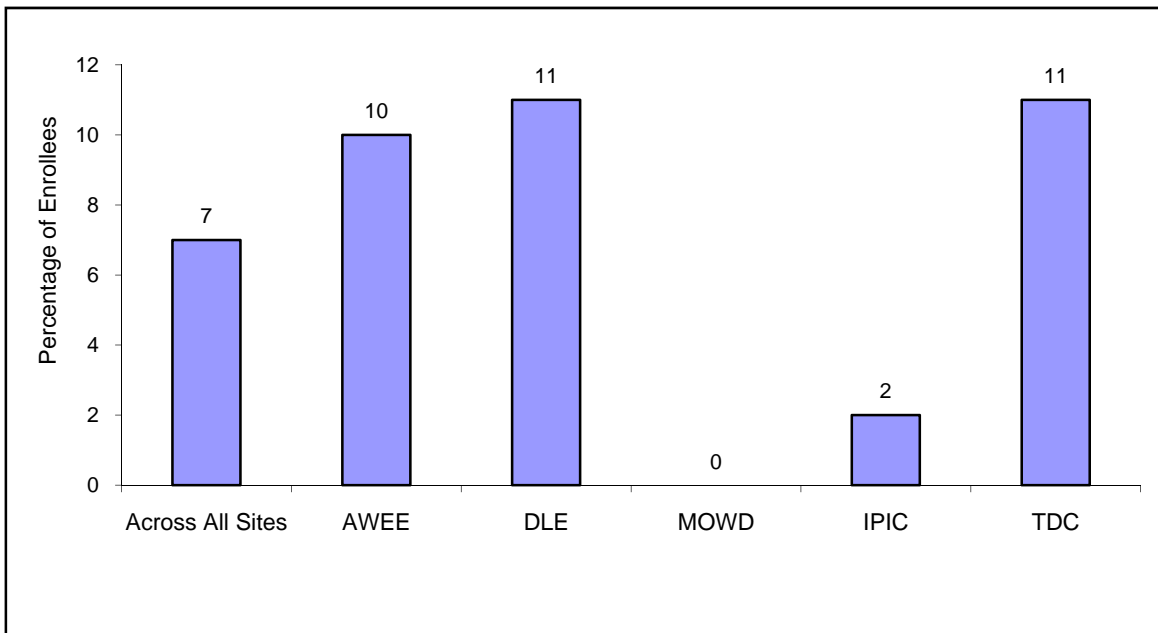


Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

### 5. Educational Attainment

Lacking a high school diploma, general equivalency diploma (GED), or higher degree can be a significant barrier to finding employment. Forty percent of participants have less than a high school diploma or GED (Figure V.3), and only 5 percent have education beyond high school (not shown). The grantees in Chicago and Indianapolis enrolled participants with lower levels of educational attainment than the other three sites. Two-thirds of participants at IPIC and 68 percent of participants at MOWD do not have a high school diploma or a GED.

As expected, older participants had slightly higher levels of education, on average, than younger participants. Among participants ages 25 or older, 53 percent had a high school diploma, GED, or higher degree, compared with 47 percent of participants ages 18 to 24 (not shown in figure). In addition, more female participants had a high school diploma, GED, or higher degree than male participants (61 percent and 48 percent, respectively). Differences in attainment of a high school diploma, GED or higher also appear between violent and nonviolent offenders (57 percent and 47 percent, respectively). Nonviolent offenders also report somewhat higher levels of limited English proficiency compared with violent offenders (93 percent compared with 88 percent).

**Figure V.3. Educational Attainment at Enrollment (Percentage with Less Than a High School Diploma or GED)**
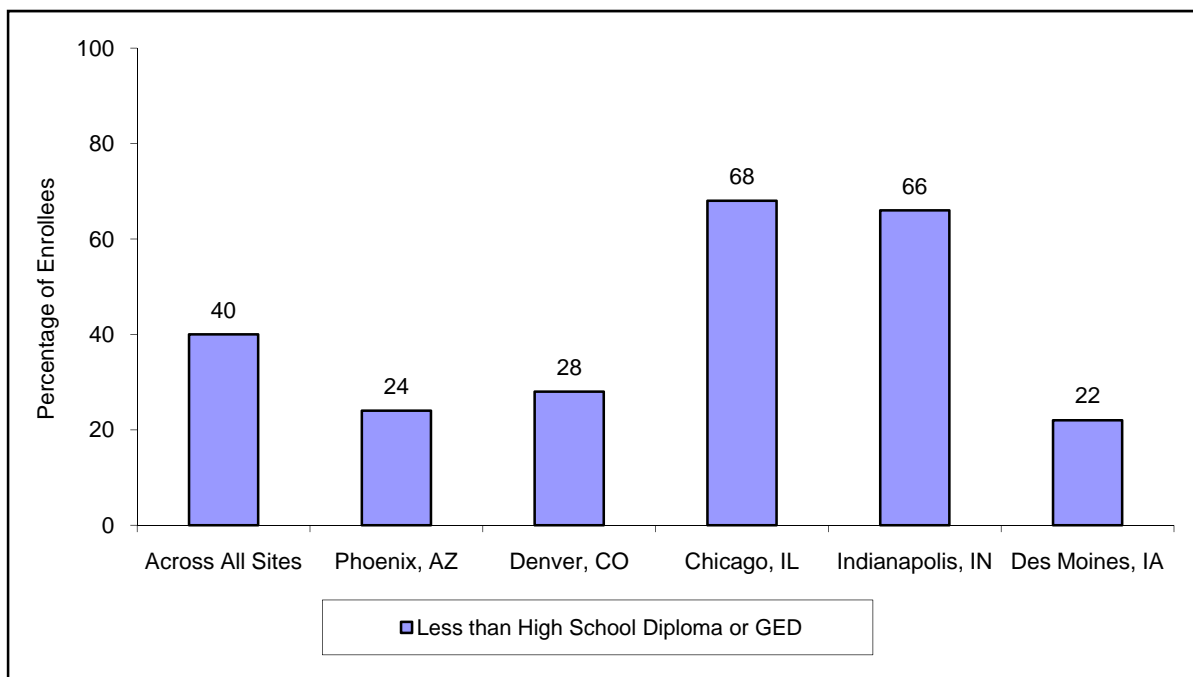


Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Overall, 39 percent of participants received a GED while incarcerated (not shown). This is a high percentage relative to national statistics. According to a 2003 report from the Bureau of Justice Statistics on educational attainment (Harlow, 2003), 26 percent of all prisoners nationwide reported receiving a GED while in prison. This still holds true when looking at the subset of prisoners of similar age to Beneficiary Choice participants. It appears the relatively high percentage in the demonstration is mostly driven by AWEE, where 52 percent of the participants reported receiving a GED while incarcerated.

### 6. Substance Abuse and Housing Status

Two common obstacles to successful reentry are substance abuse and mental health problems and housing instability. Individuals with a history of substance abuse are often in need of treatment and may not be ready for employment. For example, as suggested by the site's use of a specialized screening tool to identify substance abuse issues, staff members at AWEE report that treatment is an immediate need for many of their participants. Likewise, lack of a stable housing situation makes the process of finding and maintaining a job very difficult.

According to the MIS data, nearly 60 percent of participants reported alcohol abuse or drug use either prior to enrollment, in three months prior to incarceration, or both (Table V.8). It is important to note that these data rely on self-reports and may underestimate the

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problem. Although this percentage varies greatly by site, the differences may be due, in part, to data collection and entry procedures. In particular, site visits revealed that some enrollment staff felt more comfortable and were more diligent in consistently asking participants about their substance abuse history.

Housing also posed a significant problem for many of the Beneficiary Choice participants. In fact, several grantees noted that housing was one of the biggest challenges facing ex-offenders. Most likely because participants are young, very few own or rent their own apartment, room, or house. More commonly, participants reported living at someone's apartment, room, or house. About 44 percent reported living in a transitional or unstable living arrangement.

**Table V.8.     Housing, Substance Abuse, and Health Status at Enrollment (Percentages)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Self-Reported Alcohol Abuse or Drug Use** | | | | | | |
| In three months prior to enrollment | 3 | 6 | 2 | 3 | 2 | 3 |
| In three months prior to incarceration | 53 | 73 | 53 | 7 | 47 | 84 |
| Both | 3 | 1 | 5 | 1 | 6 | 3 |
| None | 41 | 20 | 39 | 90 | 45 | 11 |
| **Significant Health Issues at Enrollment** | 5 | 3 | 8 | 2 | 10 | 1 |
| **Ever Received Mental Health Treatment Prior to Enrollment** | 8 | 4 | 16 | 3 | 5 | 14 |
| **Housing Status at Enrollment** | | | | | | |
| Own or rent apartment, room, or house | 6 | 2 | 7 | 11 | 5 | 6 |
| Stable living situation staying at someone's apartment, room, or house | 51 | 71 | 40 | 26 | 65 | 46 |
| Halfway house or transitional house | 13 | 24 | 32 | 8 | 23 | 47 |
| Unstable living situation staying at someone's apartment, room, or house | 26 | 2 | 6 | 53 | 5 | 1 |
| Residential treatment | 1 | 1 | 1 | 1 | 1 | 0 |
| Homeless | 4 | 1 | 15 | 1 | 2 | 0 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

## C. STAFF, PARTICIPANT, AND EMPLOYER PERCEPTIONS OF KEY BARRIERS TO SUCCESSFUL REENTRY

Site visits revealed a number of major barriers facing ex-offenders as they are released back into society. Supporting the MIS analysis results, the top barriers identified during interviews include low education levels, limited work history, housing instability, inadequate transportation, and substance abuse. If not sufficiently addressed, these factors could not only inhibit successful reentry but trigger recidivism and reincarceration.

Most grantees reported that the education levels and limited work histories of participants placed them at a severe disadvantage when seeking employment. Many participants were in need of basic educational or remediation services. One participant interviewed during the site visits reported that, even though he had a high school diploma, his skills were rusty, and he needed tutoring to improve his math, reading, and spelling skills. Staff members report that some participants had been incarcerated as juveniles, moved into the adult corrections system, and had been released with absolutely no work experience. These participants need to learn the most basic skills about how to dress, show up on time, and act appropriately in the workplace.

Finding safe, stable and affordable housing was another major barrier reported in demonstration sites. Staff at three sites reported that many participants were returning to unstable living arrangements that could detrimentally affect their ability to remain free of crime. In describing his living situation, one participant reported, "All hell could break loose at any moment … If someone told me today that they'd find me another place to live, I'd leave in a heartbeat." Many offenders are returning to the same communities where they lived before incarceration, and thus are exposed to many of the same negative influences that contributed to their criminal behavior. Local staff members report that most demonstration communities do not have sufficient amounts of affordable housing and lack the resources to support housing transitions to safe neighborhoods.

In addition, inadequate transportation presents a significant logistical barrier for many participants. Staff members at TDC and AWEE reported that many participants had difficulty with transportation. Bus service in these communities is not available to all areas, takes a significant time to travel between locations, and is limited on evenings and weekends when many ex-offenders have work shifts. Those who do not have good access to public transportation often lack driver's licenses or personal transportation, making it difficult to travel to and from the SSPs and work.

As discussed earlier, substance abuse is particularly prevalent among ex-offenders. Addiction often limits the relationships and resources that participants have upon their release. If such problems are not addressed, participants may not be able to perform successfully on the job or maintain positive personal and professional relationships.

# CHAPTER VI

# SERVICE OFFERINGS, SERVICE RECEIPT, AND JOB PLACEMENT

T he Beneficiary Choice initiative was designed to expand needed services to inmates as they transition from prison to the community. With explicit goals of helping ex-offenders get and keep jobs and avoid criminal behavior, Beneficiary Choice offers a range of core and supplemental services to achieve these ends. Also unique to the service model is the use of client choice, which creates an indirect funding stream to SSPs. This provision allowed grantees considerable flexibility to include SSPs that use a wide range of service delivery strategies. Not only could this flexibility influence how services are provided, but also the types of services that participants ultimately receive.

This chapter discusses the types of services offered to participants, the services they actually receive, and patterns of job placement. Section A describes the process used for assessing participants and developing a formal or informal service plan. Section B summarizes the services offered to and received by participants to help them meet their employment goals. In Section C, the discussion turns to SSPs' success in placing participants in unsubsidized employment. This section also includes a discussion of the types of jobs they obtain and the wages earned. Section D finishes by documenting some of the challenges with service delivery and job placement.

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**KEY INITIAL FINDINGS**

- Requiring services coordinators to conduct initial assessments may ensure some consistency across participants; however, SSPs do not always obtain or use assessment results and service plans generated by the services coordinator.

- Despite the range of core and supplemental services available at SSPs, most service receipt was heavily focused on employment-based activities. This appears to be driven both by the demonstration goal of rapid employment and participants' need for immediate income and desire to comply with supervision requirements.

- Grantees, services coordinators, and SSPs quickly and actively serve program participants. Across the sites, 80 percent of participants received three or more services, which typically began within the first few days of enrollment.

- Most participants receive workforce preparation and supportive services. By comparison, relatively few receive education and training services, or participate in community service activities.

- In Denver, the grantee was able to leverage resources for short-term training in two specialized occupations, creating opportunities for higher-paying jobs.

- Although indirect funding allowed the flexibility to offer faith-infused services, SSPs generally did not incorporate faith-infused activities possibly due to a lack of understanding of the types of allowable services.

## A. ASSESSING PARTICIPANT NEEDS AND PLANNING A SERVICE STRATEGY

Individuals who leave prison have considerable service needs and limited supports. As discussed in the previous chapter, immediate needs can range from basic food, clothing, and shelter to specialized needs such as substance abuse or mental health treatment. Nearly all participants also have low education levels, limited work experience, and few occupational skills. This section discusses how services coordinators and SSPs assess the needs of individual participants and plan a service strategy to meet those needs.

### 1. Use of Formal and Informal Assessments

Assessments provide key information for identifying and addressing participants' immediate service needs and matching them to unsubsidized employment. Formal and informal assessments are also used as a relationship-building tool through which the participant shares with the case manager his or her fears about returning to the community. As part of the design of the Beneficiary Choice model, the services coordinator begins the assessment process during the initial orientation. SSPs can supplement the information with their own assessment, which is typically an informal conversation with the participant that, in some cases, also involves the use of an intake form or formal assessment tool.

Placing primary responsibility for the assessment on the services coordinator has several advantages. First, ex-offenders are assessed before they are enrolled in the program. The assessment may reveal circumstances or conditions that may need to be addressed before they are referred to an SSP or that suggest that the participant is not a good fit for the program. (For example, a sex offense on a participant's record would exclude him or her from participation in some sites.) Second, the services coordinators generally have the capacity to conduct formal assessments. Many SSPs are small FBCOs that may not have the expertise or resources to conduct extensive participant assessments. Third, placing primary responsibility for the assessment on the services coordinator guarantees that every participant within the site receives the same basic assessment. If primary responsibility for

assessment were placed on the SSPs, then the quality and consistency of the assessment would vary based on which SSP the participant selected.

The two-tiered assessment structure also appears to have several disadvantages. First, a major drawback is that after the services coordinator conducts the assessment, the SSP does not always obtain or use the assessment results. Second, according to services coordinator and SSP staff, conducting assessments at both agencies is sometimes disruptive to participants because it requires them to tell their stories multiple times. At sites where the services coordinator completes an extensive assessment process, the services coordinator staff members report that participants develop a bond with them. They feel that these relationships are disrupted when participants are passed from the services coordinator to the SSP, and participants must then forge new attachments with SSP staff. Finally, as the participants transition from the services coordinator to the SSP, the participants may be confused about who to contact when they have a service need. In fact, during group interviews in two sites, participants served by the same SSP reported different approaches to seeking assistance, with some always approaching staff from the services coordinator directly for help while others went straight to SSP staff members when needs arose. Despite these findings, grantees had not yet developed strategies to minimize overlap in the provision of assessments.

Participant assessment takes multiple forms. In all sites, the services coordinators and SSPs use informal conversations with the participant as an assessment opportunity. All of the services coordinators and some of the SSPs visited also use standardized forms to gather basic information about participants at intake. In nearly all cases, these forms are self-administered. In addition, three sites conduct formal assessments of basic skills or career interests using standardized assessments tools. One site uses a specialized screening tool to identify substance abuse issues.

- **Intake or Self-Assessment Forms.** The intake or self-assessment form used by services coordinators in each of the sites includes, at a minimum, the information required for the demonstration's MIS. This information includes demographic information, criminal history, employment history, education, housing status, access to health care and household income. Sites often label the form as an "application" rather than an assessment. SSPs typically obtain this information from the MIS or directly from the services coordinator. Two of the 10 SSPs that the evaluation team visited use their own intake form to gather additional information.

- **Standardized Assessment Tools.** Services coordinators in three sites also use standardized instruments to assess participants' skills and interests. Two grantees, MOWD and IPIC, use the Test of Adult Basic Education (TABE) to gauge participants' math and reading skills. MOWD also uses the Preference Profiler, a psychometric tool to identify an individual's top 10 skills and match him or her to ideal occupations. AWEE uses the Career Orientation Profile Screener (COPS) to identify participants' career interests.

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**Use of Specialized Assessments to Uncover Participant's Mental Health Needs**

Elpis Ministries, a small noncongregational faith-based organization in Des Moines, operates with only two paid staff and a host of volunteers to help roughly 600 disadvantaged job seekers in the community each year. Among the volunteers is a licensed clinical therapist who conducts in-depth clinical assessments for those who show signs of having a mental health condition during the initial intake appointment and/or during ongoing service delivery. The licensed therapist will generate a diagnosis and refer the participant to affordable mental health treatment in the community.

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In the two sites where the services coordinators do not use standardized instruments during the assessment, some SSPs that were visited during evaluation site visits conduct their own formal assessments. For example, YMCA of Des Moines administers two career profile inventories to identify the participant preferences and appropriate occupations. Denver Works also uses a formal assessment tool—the Career Decision-Making Tool—to identify career interest.

- **Specialized Screening Tool.** One site screens all participants for specialized service needs. At AWEE, grantee staff members administer a substance abuse screening tool to all orientation attendees to identify those who should be referred to a local substance abuse treatment provider for a clinical assessment. One SSP in another site—Elpis Ministries in Des Moines—offers in-depth clinical assessments for individuals who may have a mental health condition.

## 2. Service Planning

Service planning involves a formal process at the services coordinators in three sites, compared to an informal collaboration between the services coordinators and SSPs in two sites. Generally, service plans are used to define the participants' goals and identify the activities and supports needed to achieve those goals. Services coordinators contracted by MOWD and IPIC used the assessment information to develop a formal individualized employment plan (IEP). In both sites, the participant's IEP was sent to the SSP along with the referral. The SSP case manager and the participant then updated the IEP after their initial meeting. Service plans are typically reviewed periodically during follow-up meetings, but rarely change once the participant gets a job. DLE and AWEE rely primarily on the SSP to develop the service plan. In these sites, the SSP either develops a formal service plan or writes informal activities in the case notes of the participant's file. At TDC, the services coordinator case managers, parole officer, and participant develop a parole plan during the initial intake meeting, which serves as the formal service plan.

## B. SSP SERVICE OFFERINGS AND PATTERNS OF PARTICIPANT SERVICE RECEIPT

Using qualitative data gathered during the site visits along with MIS data gathered by local staff, this section describes the patterns of service offerings among SSPs and service receipt among participants. It begins with a discussion of service initiation at the SSPs,

followed by descriptions of the types of core and supplemental services offered to participants and the proportion who receive each. The section ends with a discussion of the role of faith in service provision.

**1. Rates and Timing of Service Initiation**

After the initial enrollment, SSPs quickly and actively serve program participants. Of the 763 participants enrolled by August 15, 2008, 95 percent received at least one service (Table VI.1). Sixty percent of these participants received their first service on the day of enrollment, and 85 percent began service within one week. On average, participants received about six services.

Sites varied in the number of services they provide and how quickly services begin. At AWEE, 99 percent of participants received at least one service, with 95 percent of participants receiving the first service on the day of enrollment. Grantee staff members report that SSPs have decided collaboratively to offer at least one job readiness service to all participants on the first day to bolster their sense of accomplishment and encourage further participation. The site also reports the highest number of services provided, with roughly seven per participant. It is not clear whether AWEE actually provided a greater number of

**Table VI.1.** **Rates, Number, and Timing of Service Receipt (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Received Any Services After Enrollment** | 95 | 99 | 92 | 97 | 93 | 92 |
| **Days Between Enrollment and First Service** [a] |  |  |  |  |  |  |
| 0 | 60 | 95 | 59 | 54 | 54 | 13 |
| 1 to 7 | 25 | 2 | 16 | 40 | 22 | 62 |
| More than 7 | 16 | 4 | 25 | 6 | 24 | 25 |
| Average (number of days) | 5 | 2 | 7 | 3 | 6 | 7 |
| **Number of Services Received Prior to Exit** |  |  |  |  |  |  |
| 0 to 2 | 19 | 11 | 24 | 4 | 36 | 27 |
| 3 to 5 | 33 | 22 | 29 | 58 | 25 | 36 |
| 6 to 9 | 29 | 40 | 24 | 29 | 25 | 21 |
| 10 or more | 19 | 27 | 23 | 9 | 14 | 17 |
| Average (number of services) | 6 | 7 | 6 | 5 | 5 | 6 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

[a] Data pertain only to those participants who received at least one service.

services, particularly because the grantee case manager remains actively involved with the case, or if it is more diligent in reporting the services provided.[1]

DLE and TDC each take about one business week, on average, to engage participants in service activities. At DLE, the data indicate that most participants, 59 percent, are served the same day they are enrolled. However, one-quarter of all participants do not receive a service until they have been enrolled for at least seven days, indicating that they may complete an intake interview and then wait for a period of time before starting an activity. The two SSPs visited in Denver had structured job readiness classes offered twice a month, which may have contributed to the lag in service for some. In Des Moines, SSPs are required to make contact with the participant within 24 to 48 hours of referral from the services coordinator; however, this is often done by telephone with initial services scheduled for the following week.

## 2. Core Services Offered and Received

DOL specified that all SSPs must provide three core services. These include (1) work readiness training, including soft skills, life skills, and/or basic skills training; (2) career counseling, through either one-on-one or group sessions; and (3) follow-up services for a minimum of six months after participants exit from the program. According to the MIS, 90 percent of ex-offenders who enroll at the SSPs receive at least one core service (Figure VI.1). On average, participants receive three core services. The list below describes what the three core services entail and the proportions of participants across sites who receive them.

- **Work Readiness Training.** This first step in service provision aims to give participants the tools and skills to get and keep jobs. Based on interviews with SSP staff and observation of activities, work readiness activities often include resume writing, interviewing skills, basic computer skills training, and teaching workplace norms, such as how to dress, the importance of showing up on time, and workplace conflict resolution. Although some SSPs conduct these activities on an individual basis, most SSPs appear to address job readiness skills through group sessions.

- **Career Counseling.** SSP case managers typically engage participants in informal conversations about the types of occupations that both appeal to the participant and match his or her skills. Given that Beneficiary Choice participants are young and few have solid attachment to the workforce, career counseling can play an important role in identifying the best job fit. Local staff members report that a major challenge lies in helping participants develop reasonable expectations. Many enter the program with unrealistic ideas about

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[1] At AWEE, the staff's familiarity with the MIS through the PRI grant and the fact that the grantee hired a full-time quality assurance specialist to carry out monitoring functions likely boosts the accuracy and completeness of the service reporting compared to other sites.

**Figure VI.1.  Rate and Number of Core and Supplemental Services Received**
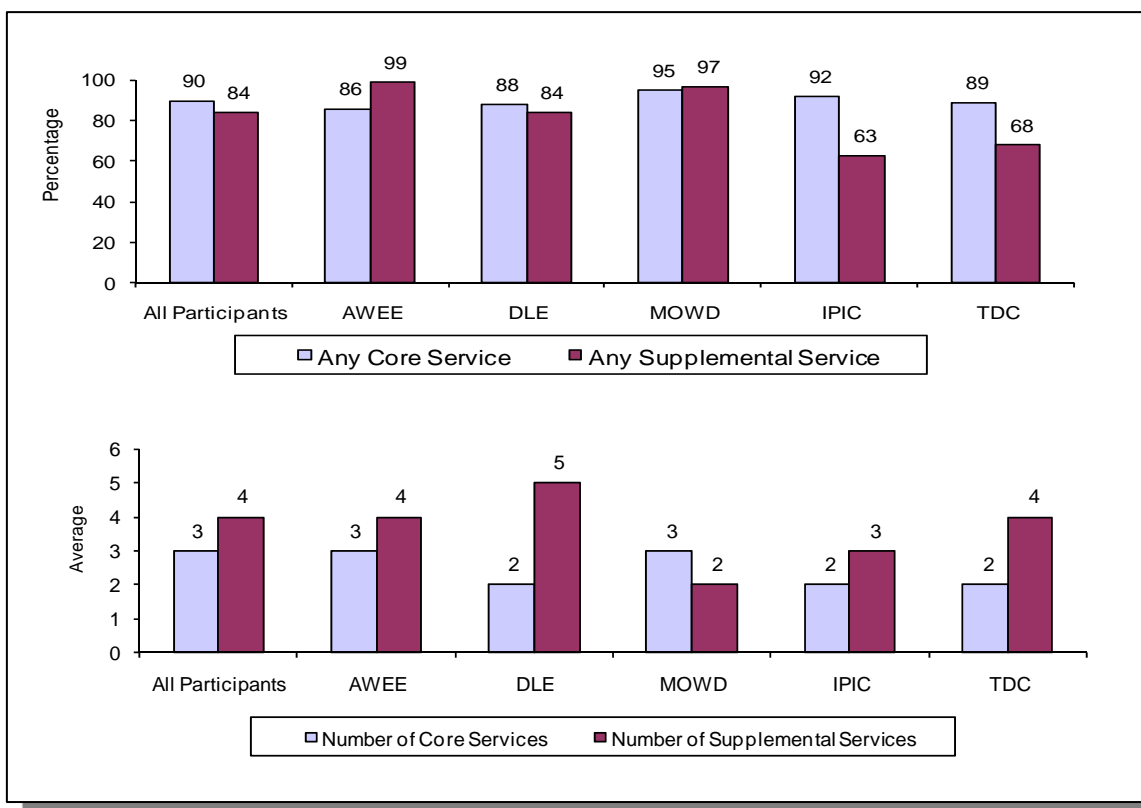
Notes:  Includes only services received before program exit.  Once a participant has not received any services (excluding supportive services) for 90 consecutive calendar days, the date of exit is applied retroactively to the last date of service.  Given the small number of participants who had exited from the program more than a full calendar quarter prior to the date of the MIS extract, the receipt of follow-up services could not be analyzed.

the careers they can immediately obtain.  The counselor's job is to help participants take a step back and identify how to work toward that ideal job. This might include entry-level employment to build experience and tenure or education and training to develop specific skills.

- **Follow-Up Services.**  SSPs are also required to follow up with participants for six months after they exit the program.  This involves maintaining regular contact with participants, offering additional services as needed, and tracking participants' outcomes.  At the time of the site visits, SSPs were still in early implementation and had little experience following participants over time. Some reported that offering work supports, such as bus passes or work-related tools, appeared to help keep participants in touch with SSP staff.  Others use volunteer work or monthly activities to stay in contact.

SSPs provide work readiness training at high rates across all sites, while rates of career counseling are substantially lower (Figure VI.2). About 86 percent of participants have received at least one work readiness training activity. The proportion ranges from 83 percent at DLE and IPIC to 93 percent at MOWD. By contrast, only 40 percent of all participants received career or life skills counseling. Rates in these activities vary much more substantially across sites. In particular, MOWD appears to provide counseling to nearly three-quarters of participants, whereas AWEE recorded counseling activities for only 6 percent. The remaining three sites range from 41 to 47 percent.

Given the early stage of program implementation, data on SSP success in providing follow-up services is limited. Of the 763 ex-offenders who had enrolled by August 15, 2008, 307 had officially exited the program. Among this group, 35 percent had received at least one service after exit (not shown in figure). These most often included transportation assistance and other supportive services, such as work clothing and tools. Of those who had exited, only 139 had exited by March 31, 2008, the latest date that allows a full quarter of

**Figure VI.2. Types of Core Services Received (Percentages)**



Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Note: Includes only services received before program exit. Once a participant has not received any services (excluding supportive services) for 90 consecutive calendar days, the date of exit is applied retroactively to the last date of service. Given the small number of participants who had exited from the program more than a full calendar quarter prior to the date of the MIS extract, the receipt of follow-up services could not be analyzed.
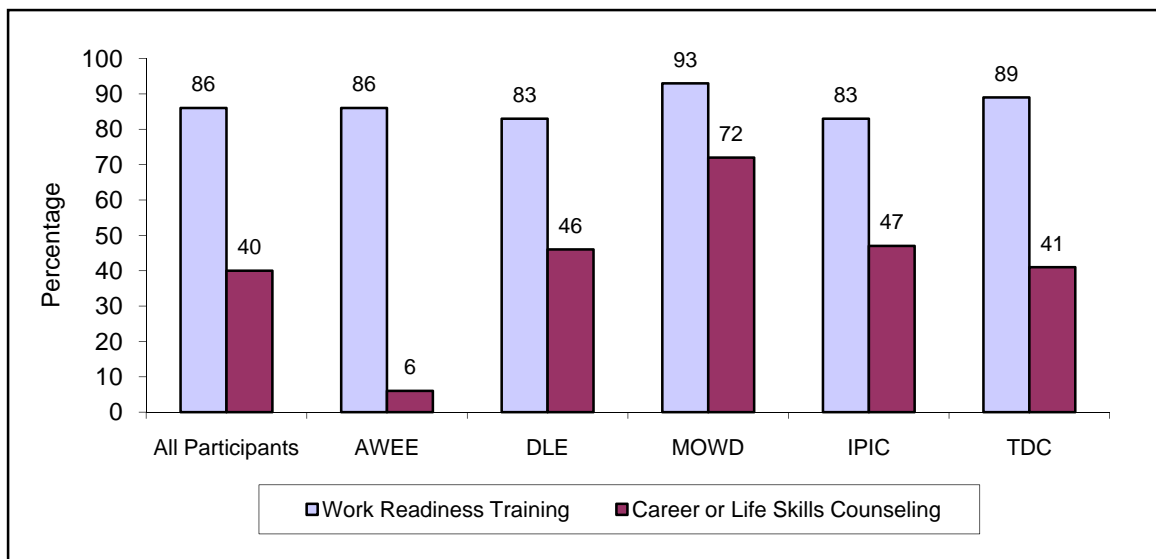
> ### Transitional Jobs Program for Ex-Offenders
>
> Workforce Inc., a transitional employment program in Indianapolis, has been exclusively serving ex-offenders for about three years. The program is designed to build job skills and address participants' service needs while they are working, to prepare them for competitive employment and prove to future employers that they perform well. This program is particularly useful for participants that have limited work experience and/or situations where employers may be reluctant to hire them. Participants may either demanufacture computers and electronics or be assigned to a team of workers who provide moving and room set-up services for DePauw University. Participants are paid $7.50 per hour and typically work 40 hours per week for two to three months. The case manager maintains an ongoing relationship with the participant while they are working to address any service needs that may interfere with his or her ability to show up and perform assigned tasks. Building on this transitional experience, a job developer then works to move the participant into unsubsidized employment to meet both IPIC's contract payment points for job placement and DOL's entered employment goals.

followup by the time the data was extracted. Because so few participants had completed their first follow-up quarter, this report does not examine SSPs success in tracking participants over time. The final evaluation report will examine follow-up data as well as participants' post-exit outcomes, such as employment, retention, and recidivism.

## 3. Supplemental Services Offered and Received

By allowing participants to select their own provider, the demonstration was intended to ensure a good match between service offerings and participants' specific needs. Table VI.2 illustrates the range of supplemental services and the extent to which they are offered by all SSPs. Although SSPs are using grant funds to support many of these activities, many also leverage other funding sources to support service provision to Beneficiary Choice participants. As the table reveals, the SSPs offer a wide range of services not only to place participants in jobs but also to provide them with the supports and stability to maintain those jobs. A brief description of each service type is provided below.

- **Job Development and Placement.** Although the survey data reveal that all SSPs provide job development and placement services, discussions with services coordinators and site visits to 10 SSPs suggest that the structure and formality of these services is wide-ranging. SSPs take several different approaches to providing job placement services. Very few SSPs have formal in-house job placement services. Instead, most conduct informal job search assistance led by a case manager. A few SSPs also make referrals to One-Stop Career Centers or other employment providers.

- **Job Retention Services.** More than 90 percent of SSPs report offering job retention services; however, their job retention techniques and experiences appear to vary dramatically. Several SSPs have formal relationships with

**Table VI.2.    Supplemental Service Offerings**

| | Percentage of SSPs Offering Service Funded Through Beneficiary Choice | Percentage of SSPs Offering Service Through Other Funding Sources | Percentage of SSPs Offering Service Through Either Source |
|---|---|---|---|
| **Supplemental Workforce Preparation Services** | | | |
| Job development and job search | 86 | 21 | 100 |
| Job retention services | 79 | 25 | 93 |
| **Supportive Services** | | | |
| Transportation assistance | 64 | 43 | 93 |
| Clothing assistance | 46 | 54 | 82 |
| Food assistance | 36 | 57 | 71 |
| Child care assistance | 11 | 39 | 53 |
| **Education and Training Services** | | | |
| Occupational skills training | 39 | 50 | 79 |
| Basic education | 25 | 46 | 64 |
| Mentoring | 57 | 32 | 75 |
| **Health Services** | | | |
| Substance abuse treatment | 25 | 46 | 61 |
| Mental health treatment | 7 | 46 | 50 |
| **Other Supplemental Services** | | | |
| Housing assistance | 14 | 54 | 57 |
| Monetary incentives | 32 | 18 | 50 |
| Bonding services | 18 | 32 | 43 |
| **Sample Size** | **28** | **28** | **28** |

Source:  Survey of participating SSPs collected in July 2008.

employers that enable them to follow up regularly when a participant has been placed and troubleshoot problems as they arise.  Others require participants to remain in touch with their case managers on a regular basis to update them on the successes and challenges on the job.  Most, however, appear to offer assistance as needed.

- **Supportive Services.**  All SSPs offer at least some minimum supportive services to assist participants with their ability to work and successfully reintegrate into the community.  The most common are transportation assistance (such as bus passes and gas cards) and clothing assistance (such as work attire and everyday clothing).  About 71 percent also offer food assistance, either through meals provided at the SSP, vouchers, food banks, or donations (such as turkeys donated at Thanksgiving).  Slightly more than half of SSPs also report offering child care assistance.  Other supportive services revealed during site visits that are not listed in the table include help with obtaining identification and/or a driver's license and free haircuts.  SSPs report that many of these services are supported through other funding sources, including other grants and donations.

*Chapter VI: Service Offerings and Receipt of Services*

- **Education and Training.** Given the low education levels of participants, education and training can provide important skills to facilitate entry into the workplace. More than three-quarters of SSPs report offering occupational skills training, and nearly two-thirds offer basic education. Site visits reveal that basic skills services often include adult basic education classes, GED preparation classes, and computer classes to increase the basic job skills of participants. These services are most often supported by non-grant funds.

- **Mentoring.** The absence of healthy support networks is common among ex-offenders. Mentoring services may be useful for teaching problem-solving skills, assisting with work-related challenges, and obtaining needed emotional encouragement and support. Three-quarters of SSPs reported offering mentoring services. Site visit interviews reveal, however, that very few SSPs have structured individual or group mentoring programs in place. Most rely on agency staff to provide informal mentoring throughout service receipt.

- **Health Services.** Participants may need specialized support, such as substance abuse and mental health services, to successfully reintegrate into society. Despite the need, very few SSPs provide these services using Beneficiary Choice funds. However, nearly half offer services through other funding sources. Site visits also reveal that some SSPs provide basic health services, such as dental care and preventative health care.

- **Other Supplemental Services.** Many ex-offenders need additional supports to stabilize their personal lives and prepare them for job placement. For instance, housing instability is common among ex-offenders, particularly after long periods of incarceration. Only 14 percent of SSPs offer housing assistance using grant funds; however, more than half offer assistance through other sources. About half of SSPs offer monetary incentives to provide participants with some immediate income to encourage their continued participation—funded either with Beneficiary Choice funds or other sources. These include cash payments and gift cards for completion of services or achievement of key milestones, such as completion of an educational degree or job retention for 30 days. About 43 percent of SSPs also offer bonding services through the Federal Bonding Program[2] to encourage employers to hire participants; however, site visit interviews reveal that very few employers take advantage of bonding opportunities. Additional services identified during site visits that are not included in the table include parenting classes, family reunification, and community involvement activities.

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[2] The Federal Bonding Program is designed to reimburse employers for any loss due to employee theft of money or property. Sponsoring agencies purchase bonds that are distributed to employers as incentives for hiring ex-offenders.

The vast majority of participants are receiving supplemental services.  As shown in Figure VI.1, about 84 percent of participants received at least one supplemental service, which is only slightly lower than the proportion receiving core services.  Interestingly, the average number of supplemental services is higher at four services compared with three core services received.

Although SSPs offer a wide range of supplemental services to participants, the pressure to rapidly place participants in full-time employment appears to have limited the number of participants taking advantages of this diversity in service offerings.  Figure VI.3 shows the proportion of participants who received key types of supplemental services.  The section turns next to a discussion of participation rates for each type.  Note that the MIS does not

**Figure VI.3.   Types of Supplemental Services Received**
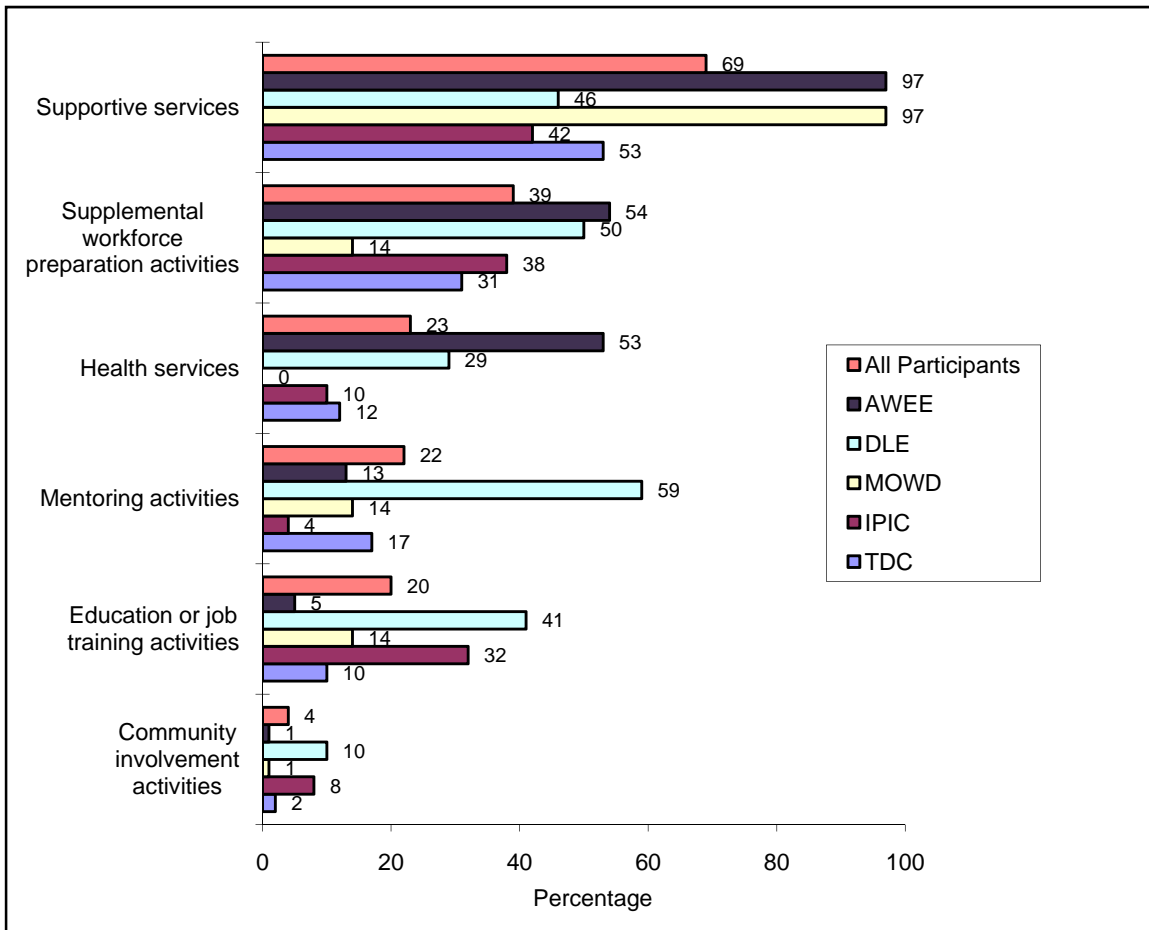


Source:  Beneficiary Choice Management Information System extract dated August 15, 2008

Notes:   Includes only services received before program exit.  When a participant has not received any services (excluding supportive services) for 90 consecutive calendar days, the date of exit is applied retroactively to the last date of service.  Given the small number of participants who had exited from the program more than a full calendar quarter prior to the date of the MIS extract, the receipt of follow-up services could not be analyzed.

capture the number of participants who receive job development, placement, and retention services. However, SSPs are required to enter data on actual job placements. Patterns of job placement across sites as well as the characteristics of jobs that participants receive are discussed in Section C.

- **Supportive Services.** About 70 percent of participants across all sites receive at least some supportive services (Figure VI.3). Transportation assistance was the most common type (Table VI.3). More than a quarter received other supportive

**Table VI.3.     Subcategories of Supplemental Services Received (Percentages)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| Supportive Services[a] | | | | | | |
| Transportation services | 60 | 97 | 35 | 95 | 32 | 22 |
| Needs-related payments | 3 | 2 | 5 | 0 | 5 | 1 |
| Child care services | 0 | 0 | 0 | 0 | 1 | 0 |
| Other supportive services | 27 | 42 | 17 | 7 | 23 | 47 |
| Supplemental Workforce Preparation Activities | | | | | | |
| Workforce information services | 21 | 42 | 23 | 0 | 11 | 23 |
| Subsidized employment | 1 | 1 | 2 | 4 | 0 | 0 |
| Internships | 0 | 0 | 2 | 0 | 0 | 0 |
| Other workforce preparation | 28 | 31 | 43 | 13 | 32 | 19 |
| Health Services | | | | | | |
| Substance abuse treatment | 5 | 1 | 19 | 0 | 1 | 5 |
| Medical care[b] | 1 | 0 | 2 | 0 | 2 | 1 |
| Mental health treatment | 1 | 0 | 3 | 0 | 1 | 1 |
| Other health services | 21 | 52 | 24 | 0 | 8 | 8 |
| Education or Job Training Activities | | | | | | |
| Vocational or occupational skills training | 11 | 0 | 34 | 11 | 6 | 0 |
| GED preparation | 4 | 4 | 0 | 1 | 17 | 2 |
| On-the-job training | 3 | 1 | 3 | 0 | 13 | 0 |
| Math or reading remediation | 0 | 0 | 0 | 0 | 0 | 1 |
| Other education or training | 7 | 3 | 10 | 3 | 14 | 9 |
| Community Involvement Activities | | | | | | |
| Community service | 2 | 0 | 10 | 1 | 1 | 0 |
| Other community involvement | 2 | 1 | 1 | 0 | 8 | 1 |
| **Sample Size** | **763** | **194** | **167** | **148** | **133** | **121** |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

Note:     Mentoring activities are not included in this table as the MIS does not include further detail on the types of mentoring received.

[a] Includes only supportive services received prior to exit.

[b] The MIS distinguishes between emergency and nonemergency care; however, no participants were reported to receive emergency care.

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services, which commonly included clothing, tools and work supplies, and food assistance. Given that the demonstration involved very few custodial parents, the use of child care assistance was very small. In two of the sites, AWEE and MOWD, nearly all participants received supportive services, while only about half of participants in other sites received supports (Figure VI.3)

- **Other Workforce Preparation Activities.** In addition to the two core workforce preparation activities, about 39 percent of participants received other workforce preparation services. These often included basic information on career options, the local economic environment, and available jobs within the community. Among those listed in the "other" category, common activities were resume preparation, receiving job leads and referrals, assistance with work-related clothing and tools, and specialized services such as typing lessons and assessments.

- **Health Services.** The use of health services ranged from no participation at MOWD to more than half at AWEE. In that site, the high rate reflects the distribution of "hygiene shoebox kits" to about half of new enrollees. In addition, many listed as receiving "other health services" across all sites were tested for drug use through urinalysis. DLE also reported providing substance abuse treatment to nearly 20 percent of participants.

- **Mentoring.** About 22 percent of participants attended at least one mentoring session. The rate was particularly high in DLE with nearly 60 percent of participants involved in mentoring. As discussed earlier, site visits revealed that SSP mentoring programs are generally unstructured and often involved staff mentors rather than volunteer mentors from the community.

- **Education and Training.** Despite the fact that nearly half of participants lacked a high school diploma or GED, and many had limited work skills, only 20 percent received some form of education or job training services. In three sites, fewer than 15 percent received these activities. Due to the focus on rapid employment, local staff members in these sites report that they tend not to encourage participants to enter these activities. By contrast, 41 and 32 percent of participants at DLE and IPIC, respectively, received education services. DLE offered vocational training programs in asbestos abatement, hazardous materials, and forklift operating using leveraged resources. At IPIC, several SSPs offered GED courses and one SSP offered a transitional employment program that included on-the-job training as an integral component.

- **Community Involvement.** Sites rarely involve participants in community involvement activities such as volunteer work. At DLE, about 10 percent of participants engaged in community service, reflecting the fact that SSPs encouraged participation in activities such as cleaning up the local parks, sorting donated clothing, and helping with building repairs. These activities are often used to encourage participants to invest in their community, stay busy, and

increase their contact with agency staff. The limited use of this activity may be a missed opportunity for SSPs to teach participants basic work skills and habits.

Readers should consider three key issues when interpreting these findings. First, these service receipt patterns are reported at the site level and do not take into account differences in the patterns at individual SSPs. In some sites, many participants clustered at small numbers of providers. As a result, the proportion of participants with access to different types of services may vary from the numbers shown in Table VI.2. Second, most participants had not yet exited from the program, suggesting that additional services may be provided to these participants before they exit. Third, some site-specific differences may also result from data entry practices across grantees, service coordinators, and SSPs as they record service receipt. Nonetheless, this analysis suggests that most participants do not appear to be taking advantage of the full range of service offerings available at the SSPs. This may result from changes in the focus of SSP service provision based on DOL's emphasis on rapid job placement. Alternatively, it could reflect participants' priorities to abide by parole and probation requirements and receive immediate income.

## 4.    Role of Faith in Service Provision

Not only did the indirect funding mechanism used in the Beneficiary Choice Initiative aim to include SSPs with a diversity of service strategies and offerings, it also opened the door for FBOs to provide faith-infused services to program participants. A faith-infused model enables FBOs to include inherently religious services as an integral component of service delivery. This may include prayers during group orientation sessions, scripture or religious sayings on job readiness materials, or general talk about faith during service delivery. Across the five sites, only two of the 30 SSPs were designated as offering faith-infused programs. The evaluation team conducted an in-depth visit to one of these providers. The Good Samaritan program in Chicago is administered by a religious pastor and offers organized prayer sessions, religious teaching sessions, and readings and discussions based on the basic tenets of Christianity and Islam. The program also provides family conflict resolution using a spiritual foundation.

Although they do not offer faith-integrated services, many of the other FBOs and some nonfaith-affiliated community-based organizations (CBOs) create a faith-centered environment in which the SSP includes religious symbols or materials; however, the religious influence is not directly present in service delivery. Two factors appear to contribute to this. First, the faith-centered environment may be driven by an agency mission and vision that is founded upon faith-based and humanitarian principles. Many of these agencies were created based on the religious conviction of an individual in an effort to give back to the community. Agencies such as Elpis Ministries in Des Moines and My Brother's Keeper in Phoenix were founded by individuals who were motivated by their religious faith, but emphasize a humanitarian and spiritual tone rather than a specific religion. In Denver, Denver Works included on its website welcome statement, "Our highly motivated and caring staff believe we serve a God of second chances." Other than the text on its website, religious topics are not mentioned or included during service delivery.

Second, these organizations employ staff members who talk about influencing participants by providing a good example.  For these agencies, the personal faith of the staff motivates them to treat participants with humanitarian tolerance and respect.  At these SSPs, staff may engage in religious conversation at the request of the participant or they may ask a participant for permission to share a faith-promoting story.  Staff members at these agencies typically talk in more general terms, such as talking about a "higher power." Administrators at two CBOs that the evaluation team visited also said that the value system of their staff rubs off on participants or reported that faith references often came up naturally during conversations with participants.  In general, these faith-centered environments do not appear to violate the religious liberties of participants given that staff members ask permission to discuss faith and offer spiritual guidance on a voluntary basis.

While faith appears to play a role in many SSP programs, local sites did not fully capitalize on the opportunities for inclusion of religiously-based services allowed under the Beneficiary Choice model.  Instead, most appeared to provide services as if they were operating under the religious restrictions required when receiving direct funding from the government.  Based on site visit interviews, five reasons appear to explain why sites did not take full advantage of the flexibility allowed to them:

- **Grantees were apparently not clear about whether and how explicitly religious activities could be a part of service provision.**  In general, grantees and services coordinators appear to be unclear about what types of services SSPs are allowed to provide under the Beneficiary Choice service model.  As a result, they may default to what they know about religious restrictions associated with the receipt of direct funding.  For example, one site reported informing SSPs that they were not allowed to proselytize to participants, even though the SGA explicitly stated that proselytizing was permitted as long as participants were informed that the provider offered faith-infused services.

- **Grantees conducted limited outreach to recruit faith-infused SSPs.**  As mentioned in Chapter III, sites made limited, if any, efforts to specifically recruit FBOs that provide faith-infused services.  Instead, grantees mostly recruited agencies with which they had worked in the past.

- **FBOs may be accustomed to the religious restrictions associated with government funding.**  Most FBOs that accept any government funding have designed services to either eliminate or separate religious content in time and location from required program components.  Most of these organizations defaulted to a service model that was familiar to them under the principles of Charitable Choice legislation passed in the late 1990s.[3]

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[3] Charitable Choice refers to several laws passed in the late 1990s that clarified the rights and responsibilities of FBOs receiving Federal funds.  More information on Charitable Choice is available online at http://www.whitehouse.gov/government/fbci/guidance/charitable.html, accessed December 16, 2008.

- **Some SSPs feared that participants would not select faith-infused providers.** Given that participants have a choice of providers, FBOs might be reluctant to advertise that they provide faith-infused services. One of the faith-infused SSPs received a disappointingly low number of referrals, a turnout that the grantee and provider attributed to their efforts to advertise as a faith-infused provider.

- **SSPs may not be aware or believe that they are allowed to provide faith-infused services.** The grantees' lack of clarity about what constitutes faith-infused services likely transferred to SSPs. Some SSPs might be inclined to provide more faith-infused services if they better understand what is allowed.

## C. JOB PLACEMENT PATTERNS

Through the provision of core and supplemental services, the ultimate goal of the demonstration is to help place and keep participants in unsubsidized employment to reduce their likelihood of recidivism. Although data are not yet available on participants' post-exit employment outcomes, data is available on initial job placements, a key indicator of the program's early success. In this section, the report discusses the rates and timing of job placements, the types of jobs that participants receive, and employer perspectives on hiring participants.

### 1. Rates of Job Placement

As of August 15, 2008, about 43 percent of all participants had been placed in unsubsidized employment (Figure VI.4). Across the sites, the job placement rates were highest at TDC and AWEE with 61 percent and 54 percent, respectively. Both grantees also had the quickest placement rate with nearly two-thirds of participants placed within the first month after enrollment (Table VI.4). IPIC had the lowest job placement with 25 percent, followed closely by MOWD at 32 percent. DLE's job placement rate of 44 percent was almost equivalent to the average across the sites.

The higher rates at AWEE and TDC may result from four key factors. First, both grantees have also been operating PRI grants since 2005. As PRI grantees, both had formal processes for monitoring and tracking employment outcomes in place before the Beneficiary Choice project. This experience, as well as familiarity with the MIS system, may have allowed them to capture all of the job placements. Second, services coordinators in both sites hired staff devoted to ensuring the accuracy of the MIS data. At AWEE, a quality assurance specialist was responsible for monitoring and tracking outcomes. At TDC, the program manager reportedly spent the majority of her time reviewing and updating the service use and outcomes data. Third, both sites introduced incentives for rapid placement. At TDC, nearly all participants were required to enter employment quickly as a condition of parole. Involving parole officers as active partners also helped the site document employment placements in a timely fashion. AWEE developed its performance-based contracts to associate the most lucrative payment point with placement in unsubsidized employment within 21 days of enrollment. (Chapter VII provides in-depth discussion of site

**Figure VI.4. Job Placement Rate by Site**
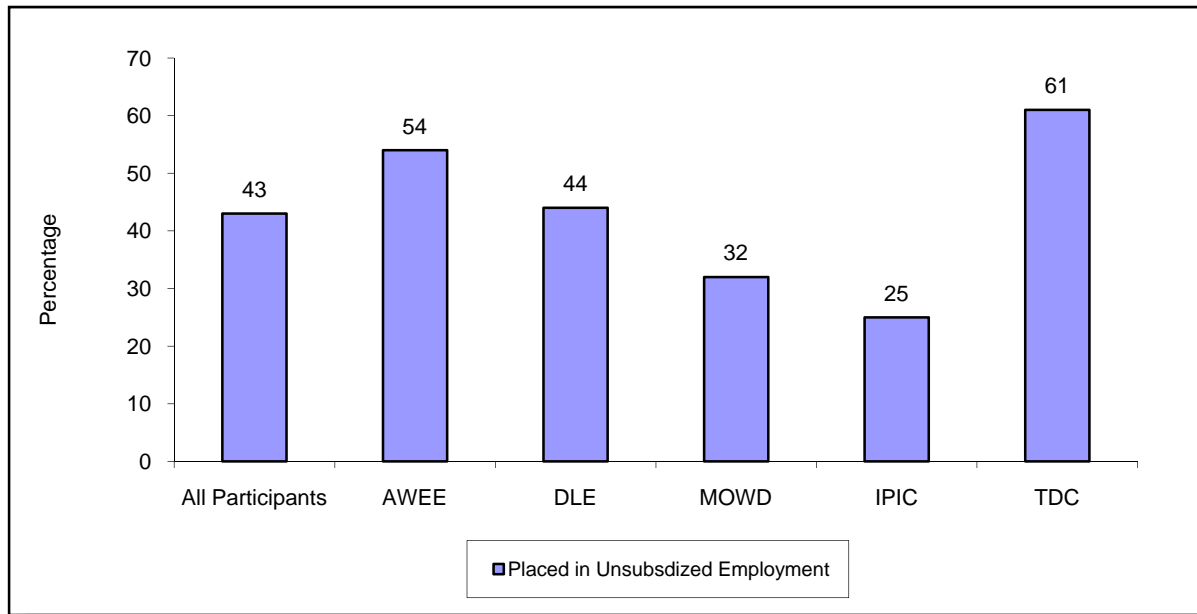


Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

**Table VI.4. Timing and Number of Placements in Unsubsidized Employment (Percentages Unless Otherwise Noted)**

|  | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Weeks From Enrollment to Initial Placement** |  |  |  |  |  |  |
| Less than 2 | 27 | 35 | 30 | 9 | 18 | 30 |
| 2 to 4 | 24 | 30 | 14 | 13 | 21 | 32 |
| 4 to 6 | 15 | 14 | 22 | 19 | 9 | 11 |
| 6 to 12 | 19 | 14 | 19 | 30 | 18 | 19 |
| 12 or more | 15 | 8 | 15 | 30 | 33 | 8 |
| Average (weeks) | 6 | 4 | 6 | 9 | 10 | 4 |
| **Number of Placements** |  |  |  |  |  |  |
| 1 | 80 | 65 | 88 | 83 | 94 | 82 |
| 2 | 16 | 23 | 12 | 17 | 6 | 15 |
| 3 or more | 4 | 12 | 0 | 0 | 0 | 3 |
| Average (placements) | 1 | 2 | 1 | 1 | 1 | 1 |
| **Left Initial Placement** | 28 | 49 | 16 | 23 | 12 | 18 |
| **Sample Size** | **331** | **104** | **73** | **47** | **33** | **74** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Note: Data reflect patterns among only those participants who were placed in at least one job.

*Chapter VI: Service Offerings and Receipt of Services*

experience with performance-based contracting.) Finally, participants in both sites have higher levels of education and are less likely to be minorities than participants in other sites; research has shown that these characteristics are associated with better employment outcomes (Ehrenberg and Smith 2000; USDOL 2008).

Despite its relative success in placing participants, AWEE's experience illustrates that placing participants in jobs too quickly might contribute to job turnover. Compared to the other sites, AWEE experienced higher rates of re-placement as participants cycled in and out of jobs (Table VI.4). Grantee staff reported that many participants are young and not ready to settle into a stable job. Staff members fear that high job turnover rates not only have negative consequences for participants (for example, loss of income and decreased self-esteem), but also may deter employers from hiring participants from the program in the future.

Local staff at MOWD and IPIC report that low placement rates in these sites result from three factors. First, many SSPs do not have structured job development systems in place and are inexperienced in addressing the unique challenges associated with placing ex-offenders. Second, both sites report that the local economic context has inhibited placements. MOWD reported that most construction jobs are unionized. Local staff report that it is difficult to become a union member and even more difficult to obtain a job if an individual is not a union member, thus an entire industry that could fit the skills and interest of this population is virtually eliminated as an option. By contrast, IPIC reported that the city has faced several large layoffs in recent years, increasing the unemployment rolls. As a result, ex-offenders are now competing for jobs with more highly qualified individuals. Third, participant tracking and MIS data entry procedures in these sites are not as sophisticated. In particular, services coordinator staff members report that SSPs are having difficulty tracking participants over time. As a result, they may not be aware when participants find jobs on their own and drop out of the program. There was also miscommunication between MOWD and its SSPs during early implementation as to the types of jobs eligible for payment under their contracts and whether they should be recorded in the MIS. As a result, the SSPs were not entering data on jobs with low wages or part-time hours.

## 2. Characteristics of Jobs

Placement in high quality jobs is also a high priority of the demonstration. Based on performance standards set by DOL, grantees aim to place participants in full-time positions (35 hours or more per week) with average earnings of $9.22 per hour or more. To promote job retention, local areas also report attempting to place participants in positions that encourage longer-term career paths.

Early results indicate that 80 percent of those placed in jobs worked a full-time schedule during their first week at work and earned an average of $8.50 per hour (Table VI.5). The most common jobs were in the food preparation and service-related occupations (19 percent), followed closely by jobs in construction and extraction (18 percent). Across sites, IPIC and MOWD placed fewer participants in full-time jobs with rates of 55 percent and 66 percent, respectively. In terms of wages, DLE reported an average wage of $11.21 per hour,

**Table VI.5. Characteristics of Unsubsidized Employment Placements (Percentages Unless Otherwise Noted)**

| | All Participants | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|---|
| **Hourly Wage in Initial Placement** | | | | | | |
| Less than $7.50 | 15 | 14 | 8 | 2 | 9 | 31 |
| $7.50 to $8.49 | 28 | 34 | 18 | 36 | 39 | 18 |
| $8.50 to $9.99 | 27 | 24 | 21 | 51 | 21 | 24 |
| $10.00 | 12 | 13 | 11 | 4 | 15 | 15 |
| $10.01 to $14.99 | 12 | 13 | 15 | 6 | 12 | 11 |
| $15.00 or over | 8 | 3 | 27 | 0 | 3 | 1 |
| Average (in dollars) | $8.50 | $8.90 | $11.21 | $8.89 | $9.00 | $8.70 |
| **Hours Worked During First full Week in Initial Placement** | | | | | | |
| Less than 35 | 21 | 17 | 18 | 34 | 46 | 8 |
| 35 or more | 80 | 83 | 82 | 66 | 55 | 92 |
| Average (hours) | 37 | 38 | 38 | 36 | 34 | 38 |
| **Occupation of Initial Placement** | | | | | | |
| Food preparation and serving related | 19 | 14 | 12 | 11 | 6 | 46 |
| Construction and extraction | 18 | 14 | 40 | 4 | 12 | 12 |
| Production | 16 | 16 | 8 | 17 | 21 | 19 |
| Installation, maintenance, and repair | 13 | 4 | 8 | 47 | 6 | 11 |
| Sales and related | 11 | 22 | 4 | 6 | 12 | 3 |
| Building and grounds cleaning and maintenance | 8 | 10 | 7 | 4 | 18 | 4 |
| Transportation and material moving | 7 | 6 | 12 | 0 | 21 | 3 |
| Office and administrative support | 3 | 7 | 1 | 2 | 0 | 1 |
| Personal care and service | 3 | 6 | 4 | 0 | 3 | 0 |
| Other | 3 | 3 | 3 | 9 | 0 | 1 |
| **Sample Size** | **331** | **104** | **73** | **47** | **33** | **74** |

Source: Beneficiary Choice Management Information System extract dated August 15, 2008.

Note: Data reflect patterns among only those participants who were placed in at least one job.

at least $2 more per hour, on average, than the other sites. This wage level, combined with the large proportion entering the construction and extraction field, suggests that the specialized training opportunities offered by DLE are paying off for program participants.

## 3. Employer Perspectives of Hiring Beneficiary Choice Participants

Given the reluctance of many employers to hire ex-offenders, the evaluation interviewed employers to understand their experiences hiring participants from the program. Interviews with a total of six employers in two sites, observation of an employer breakfast, and an interview with a training provider that coordinates with employers revealed four potential benefits of hiring Beneficiary Choice participants. First, employers appreciate that potential job applicants are screened by a trusted organization before they apply for a job.

Second, they report that participants show up to work with the appropriate clothing and equipment to do the job. Third, employers and participants receive immediate support from program staff when issues such as attendance problems, poor work habits, and interpersonal conflicts at the workplace emerge. Finally, companies may receive tax benefits for hiring ex-offenders. One employer noted, "There is something special and different about these guys compared to those who come off the street. You know that these men will succeed. I wish there were more programs to let offenders have hope, and employers will give them a chance."

## D. CHALLENGES IN PROVIDING SERVICES AND PLACING PARTICIPANTS IN JOBS

Through early implementation, sites have experienced many successes in providing services to program participants and placing them in unsubsidized employment. For example, DLE has leveraged additional resources and developed a successful strategy to move large numbers of participants through vocational training and into high paying jobs. In addition, based on anecdotal evidence, all five sites have been successful in making changes in the lives of individual participants. As one participant stated, "You're thrown back to the wolves when you get out. This is a positive place with positive role models. There's a lot more to life than I thought. They're helping me get the confidence and motivation to keep trying. I initially came for my GED but you get so much more, even things that you didn't realize you need. It is like a stepping stone, but it's up to you to keep stepping forward or to step back."

Despite these achievements, several sites experienced steep learning curves as they began implementing this new approach to service delivery. Even sites that are experienced with ex-offender grants encountered new challenges along the way. In particular, the services coordinators and SSPs reported four main challenges that they are working to overcome:

- **Encouraging Steady Program Participation.** Because the program is voluntary, keeping participants engaged in the program, especially after they are working, can be challenging. SSPs found that establishing a strong and supportive relationship early encourages participants to regularly return for follow-up visits. Parole and probation officers can also be instrumental with keeping participants engaged in activities.

- **Understanding the Needs of the Ex-Offender Population.** Some SSPs reportedly did not anticipate the intensive service needs of ex-offenders and the difficulties that come with placing individuals who have criminal histories. The grantees reported providing technical assistance and encouragement to SSPs, but many SSPs still struggled with the task of helping participants find jobs. As previously mentioned, in one site the Department of Corrections held a formal training session describing what to expect when serving this population.

- **Meeting Quick Job Placement Requirements.** All grantees encouraged SSPs to make rapid placements based on DOL guidance. Based on reports from SSP staff, this required them to redesign their programs to emphasize job development services and place some participants in jobs before they were ready. Although it is too soon

to tell, the risk is that some participants may not receive the supports they need before being placed and, as a result, lose their jobs. Grantees also fear that employers who hire participants who weren't ready for the workforce may be reluctant to hire more participants or ex-offenders in the future.

- **Limited Relationships with Employers.** Some SSPs were inexperienced with job development, particularly placement of ex-offenders. As a result, they had limited relationships with employers who were willing to hire ex-offenders. These SSPs had greater difficulty placing participants in competitive jobs.

# CHAPTER VII

# EXPERIENCES WITH PERFORMANCE-BASED CONTRACTING

T he Beneficiary Choice model is charting new territory in combining participant choice with performance-based contracting. Performance-based contracts are designed to make payment to providers when they achieve agreed-upon benchmarks, referred to as payment points. The goal is to establish a "win-win" situation for both the grantee and the provider by establishing payment points that are challenging but reasonably attainable. This process, however, involves inherent risks and rewards for the SSPs. By adding further uncertainty about the number of clients that will choose each SSP through client choice, the demonstration provides a very interesting test for a new program approach.

This chapter seeks to explore sites' experiences with performance-based contracting and how the interaction with customer choice unfolded during early implementation. Section A discusses the contract and payment point structures developed by each grantee. The chapter then turns in Section B to the process that grantees use to pay SSPs, including the ability of SSPs to track participant outcomes and meet payment benchmarks. Finally, Section C discusses the challenges that sites faced in implementing performance-based contracting within the Beneficiary Choice model.

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**KEY INITIAL FINDINGS**

- Sites have budgeted between $2,667 and $4,489 as the maximum payment per participant for reaching all key benchmarks.

- Given the emphasis DOL placed on employment, three sites have associated the largest payments with job placement. By contrast, two sites have focused payments largely on service provision to ensure that small FBCOs had sufficient cash flow.

- Although most SSPs are able to achieve payment points related to service provision, three grantees reported that at least some SSPs were struggling to make job placements and therefore were unable to invoice for related payment points.

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**KEY INITIAL FINDINGS** *(continued)*

- At least some SSPs in three sites believe that performance-based contracting is generally working well. These organizations feel that the payment points were designed reasonably well and the contracts are structured to allow SSPs to cover their costs as well as motivate them toward good performance.

- By contrast, at least some SSPs in four sites reported that they have not been able to cover the costs of serving Beneficiary Choice participants or do not believe they will break even in the long run.

- SSPs in four sites reported that combining participant choice with performance-based contracting has involved significant unpredictability and risk.

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## A. CONTRACT STRUCTURES AND PAYMENT POINTS

All five grantees had at least some experience with performance-based contracts prior to the Beneficiary Choice program; however, the SSPs were mixed in their levels of experience with this contracting method. This section discusses the process for developing those contracts, the emphasis of established payment points, and grantees' use of advance payments.

### 1. Process for Developing Contracts

Given the lack of SSP experience with performance-based contracts, the grantees developed strategies either to create equity among the SSPs or promote SSP collaboration and buy-in. Three grantees worked with the SSPs to develop their performance-based contracts and reported that the goal was to encourage a collaborative environment from the start of the grant and ensure that the SSPs were comfortable with and vested in the contracts (Table VII.1). By contrast, two grantees developed payment points without SSP input to ensure a simple structure and straightforward process that encouraged equity among the local providers.

These two different processes resulted in standardized contracts across SSPs in three sites and customized contracts in two sites. Both grantees that developed their contract payment points without the input of the SSPs decided upon standardized contracts. One additional grantee who collaborated with the SSPs broke the SSPs into two groups—those that offered training and those that did not—and developed standardized contracts for each of these two groups. By contrast, two grantees worked with the SSPs to individualize both the definitions of the payment points and the associated payment values. This enabled each organization to tailor the contract to its unique program design.

**Table VII.1. Development of Performance-Based Contracts**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| Collaboration with SSPs on Payment Points | No | Yes | Yes | Yes | No |
| Standardized or Customized Payment Points Across SSPs | Standard | Customized | Standardized | Customized | Standardized |
| Number of Payment Points | 8 | 4 or 5 | 3 or 4 | 7 to 12 | 3 |

Sources: Site visit interviews with grantee administrators and SSP directors, as well as contract documents collected from each site.

Only one site reported that the SSPs had difficulty when developing the performance-based contracts. In particular, the SSPs in that site were required by the grantee to conduct a cost analysis, determine their cash flow needs, establish expectations for performance, and identify reasonable payment points. The grantee reported that SSPs had never gone through this process and found it very difficult. In the end, financial staff at the grantee provided technical assistance to each SSP to develop and finalize the contracts.

Administrators at the SSPs in three sites are content with their final contract structure and feel the payment points are reasonable. In one of the remaining sites, the SSPs believe the development of the payment points involved a top-down process with too many contract revisions and changing expectations. Given the needs of the target population, they also believe that the payment points related to employment placement are unrealistic. In the final site, the SSPs were glad that they were involved in the development of the payment points but reported that the grantee determined the final definitions without their knowledge. In the end, the job placement payment point included a 30-day retention requirement in order to receive any payment, and SSPs did not know during negotiations that this would be included. They felt this additional requirement would reduce the number of participants that would reach the payment benchmark and ultimately the amount of payment they could receive from the contract.

## 2. Payment Points

DOL required that grantees allot $600,000 of the $1 million grant to the SSPs to serve 225 participants. Dividing evenly across participants, this amounts to $2,667 in total payments per participant. Generally, performance-based contracts are designed to assume that providers will not be able to invoice the maximum payment amount for all participants. As a result, contracts estimate the proportion of participants that is likely to achieve each benchmark. If grantees underestimate the proportion who achieve each benchmark, they could end up overcommitting funds for payments to SSPs. Alternatively, if they overestimate, they could underfund the SSPs, resulting in unexpended grant funds.

*Chapter VII: Experiences with Performance-Based Contracting*

Sites budgeted between $2,667 and $4,489 as the maximum payment for participants who reached all benchmark payments, with an average of $3,478 (Table VII.2). TDC, the grantee with the simplest payment structure, assumed that SSPs would be able to reach all benchmarks for every participant for the full payment of $2,667. In other sites, however, the grantees assumed that only a portion of participants would achieve each payment point. AWEE allotted the highest maximum payment per participant, assuming that SSPs were not likely to achieve full payment for many participants. The proportion expected to complete core service benchmarks was relatively high, whereas the percentage estimated to achieve other benchmarks such as receipt of an educational certificate or employment retention for 120 consecutive days were significantly lower.

The number of the payment points also varied substantially across sites (Table VII.1). TDC, MOWD, and DLE kept the number of benchmarks relatively low—between 3 and 5 payment points per SSP. By contrast, AWEE used 8 standard payment points, and IPIC ranged from 7 to 12 payment points at a single SSP. Those grantees with smaller numbers of payment point allocated larger sums of money to each benchmark, whereas those with more payment points divided the total payment into smaller increments.

The emphasis of the payment point structures across the five sites focused on three key program components and reflects the overall goals of the Beneficiary Choice program (Table VII.2):

- **Job Placement and Retention.** Three sites associated the largest payments with job placement, given DOL's emphasis on employment placement. On average, the sites allocated 32 percent of the maximum payment for job placement. This ranged from 15 percent to 44 percent. Substantial payment was also associated with job retention across all sites. This emphasis is directly tied to the ultimate goal of this demonstration to help ex-offenders become employed and stay employed so they avoid further involvement with the criminal justice system.

- **Service Provision.** By contrast, two sites focused payments largely on service provision to ensure that small FBCOs had sufficient cash flow during early implementation. An average of 28 percent of the maximum payment per participant was allocated for service provision. Again, this ranged from 17 percent to 45 percent. Administrators in one of these sites reported that the large up-front payment for participant enrollment and assessment was included in the contract to ensure that SSPs had initial funds to support service provision.

- **Additional Outcomes.** Three of the five sites included other payment points related for followup, recidivism avoidance, abstinence from substances, or other outcomes. These accounted for a small proportion of total payments.

**Table VII.2.    Emphasis of Performance-Based Contract Payment Points**

|  | Nontraining Services | Training Services or Certification Attainment | Job Placement | Job Retention | Followup or Other Outcomes | Total |
|---|---|---|---|---|---|---|
| **Average Across All Sites**[a] | | | | | | |
| Payment | $976 | $318 | $1,101 | $889 | $193 | $3,478 |
| Percentage | 28 | 9 | 32 | 26 | 6 | 100 |
| **AWEE** | | | | | | |
| Payment | $836 | $457 | $1,769 | $684 | $742 | $4,489 |
| Percentage | 19 | 10 | 39 | 15 | 17 | 100 |
| **DLE**[b] | | | | | | |
| Payment | $1,396 | $225 | $701 | $703 | $63 | $3,088 |
| Percentage | 45 | 7 | 23 | 23 | 2 | 100 |
| **MOWD**[b] | | | | | | |
| Payment | $600 | $333 | $1,500 | $1,000 | $0 | $3,433 |
| Percentage | 17 | 10 | 44 | 29 | 0 | 100 |
| **IPIC**[b,c] | | | | | | |
| Payment | $1,300 | $575 | $575 | $1,100 | $163 | $3,713 |
| Percentage | 35 | 15 | 15 | 30 | 4 | 100 |
| **TDC** | | | | | | |
| Payment | $750 | $0 | $958 | $958 | $0 | $2,667 |
| Percentage | 28 | 0 | 36 | 36 | 0 | 100 |

Source:    Contract documents collected from each site.

Note :    These payment amounts represent the average amount paid to the SSP for each participant reaching the benchmark.  The total column represents the maximum total amount paid, on average, for a participant that reached all benchmarks at that site or as an average across all sites.  Total SSP budgets accounted for the proportion of participants that were expected to reach each benchmark.

[a] These statistics represent the average across all sites, not the average across SSPs.   The sites were not weighted based on the number of SSPs with which the grantee contracted.

[b] Within these sites, the SSP contracts were not standardized.  As a result, these statistics represent the average across all SSPs within the site.

[c] These statistics represent data on only four of the five SSPs at IPIC.

Two grantees modified or expected to modify their payment point structures. One grantee made modifications in spring 2008 to all of its SSP contracts when DOL placed the site on corrective action for poor job placement rates.[1] The modification required SSPs to place participants in employment within 21 days of enrollment to achieve the placement payment point. Although the grantee's goal was to increase the site's overall performance by motivating SSPs to emphasize job development and placement, the SSPs believe the 21-day time frame is unrealistic given the characteristics, barriers, and limited work history of participants. At the time of the site visit, the grantee was considering adapting the contracts to pay half of the payment point if a job placement was made more than 21 days after enrollment and the participant remained employed for 60 consecutive days. At the same time, another grantee was considering adjusting its SSP payment points in the second year of the project to emphasize job placement rather than service provision now that SSP cash flow had stabilized.

### 3. Use of Advance Payments

None of the five sites offered advance payments using grant funds; however, one site provided additional leveraged funds to SSPs to support the planning phase. MOWD was able to leverage city corporate funds earmarked for reentry initiatives to pay the SSPs for their participation in planning meetings prior to the start of participant enrollment. They also gave a $20,000 grant to one SSP that was new to working with the grantee and relatively inexperienced in service provision. The SSP used the advance to reorganize and structure the program design and purchase a computer lab. The advances were not held against the SSPs' invoices once they began serving Beneficiary Choice participants. Administrators at the other four sites did not feel there was a need to make advanced payments or provide additional funding to support the planning phase because their participating SSPs were already established with sufficient infrastructure.

### B. SSP SUCCESS IN ACHIEVING PAYMENT POINTS

The key to the success of a performance-based contract is an adequate balance of risks and rewards for the service provider. If the risk is too great, the provider may not be able to cover its costs. If the reward is too high or too easy to achieve, the provider may not perform sufficiently or control costs. This section explores how grantees are verifying participant outcomes to support payment and the early experiences of the SSPs in achieving their contract benchmarks.

### 1. Verifying Outcomes and Making Payments to SSPs

All sites require SSPs to document participant achievement of benchmarks before making payments. These processes involve both SSPs' use of the demonstration's MIS as

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[1] In spring 2008, DOL placed four of the five grantees on corrective action due to low enrollment and poor job placement rates. The fifth site contested and, therefore, was not placed on corrective action. All grantees were asked to develop plans to improve outreach and enrollment as well as job development.

well as their ability to gather other verification data. Some sites are more exact than others in their requirements, resulting in significant challenges for some SSPs.

- **Requirements for Documentation of Service Receipt.** Grantees vary dramatically in the extent of required documentation on service receipt and the degree to which that documentation is verified. One grantee requires data to be entered within 72 hours of service receipt, while the other four require SSPs to enter service data into the MIS at least weekly (Table VII.3). All sites review the MIS data against SSP invoices before approving them for payment, but only two sites conduct reviews of SSPs to validate the accuracy of MIS data in its match to services documented in case files. Three sites also require additional documentation to be submitted with invoices. AWEE is particularly noteworthy in that SSPs must submit hard-copy sign-in sheets with their invoices that show participant signatures for every service received. If signatures are missing or do not match the invoice, the grantee will deny payment to the SSP.

- **Requirements for Documentation of Participant Outcomes.** Requirements for payment points related to participant outcomes are generally more thorough than documentation of service receipt across all sites. Two grantees—AWEE and DLE—require SSPs to provide written documentation for each outcome on the invoice. Employment verification can include pay stubs or verification letters from employers. MOWD and IPIC also require SSPs to collect documentation of employment; however, copies do not need to be submitted with their invoices. At TDC, case managers at the services coordinator, rather than the SSPs, are responsible for gathering documents on employment outcomes.

Grantees and SSPs in three sites were actively tapping community partners to track participants over time and document their employment outcomes. At TDC, case managers from the services coordinator are responsible for gathering documentation from parole officers on participant job placements and recidivism. Rather than having individual SSPs collaborate with parole in this way, the services coordinator has centralized this function. On occasion, case managers at the services coordinator also review employment records collected by the One-Stop Career Center. In Indianapolis, the probation office also actively helps SSPs track participants and provides copies of employer verification or pay stubs for job placements. In Denver, the John Innman Center uses the State Department of Corrections database to track participant outcomes and provide ongoing updates to the grantee.

Recidivism data entry screens in the MIS became available at the time of site visit. As a result, the grantees had only minimal experience collecting recidivism data. Three sites, however, reported routinely checking state, county, or local corrections websites for publicly available recidivism data on program participants.

**Table VII.3.  Documentation of Participant Service Receipt and Outcomes**

|  | AWEE | DLE | MOWD | IPIC | TDC |
|---|---|---|---|---|---|
| **Service Receipt** | | | | | |
| Required timing of MIS data entry at SSPs | Within 72 hours of service receipt | Weekly | Weekly | Weekly | Weekly |
| Grantee verification that MIS data matches invoice before payment | Yes | Yes | Yes | Yes | Yes |
| Grantee reviews of hard-copy case files | Monthly | None | None | Quarterly | None |
| Additional documentation requirements for SSP invoice approval | Participant signatures for all services | Copies of educational certificates | None | None | Monthly narrative reports |
| **Outcomes** | | | | | |
| Employment documentation | Submitted with invoice | Submitted with invoice | Kept in SSP case file | Kept in SSP case file | Collected by grantee staff |
| Community partners actively providing documentation of employment outcomes | No | Yes | No | Yes, probation officers | Yes, parole officers |
| Grantee reviews state, county, or local on-line databases for recidivism outcomes | Yes | No | No | Yes | Yes |
| Grantee verification that MIS data matches invoice before payment | Yes | Yes | Yes | Yes | Yes |

Sources:   Site visit interviews with grantee administrators and SSP directors, as well as contract documents collected from each site.

SSPs in two sites either experienced delays in receiving payment or were denied payment due to lack of documentation. At AWEE, most SSPs had difficulty during early implementation complying with the documentation requirements set by the grantee. Invoices were only partially paid when pieces of documentation were missing. At the time of the site visit, the grantee had paid about half of the total amount invoiced by the SSPs. The grantee reported that some SSPs became acclimated to the system quickly, while others are still having difficulty adapting. During early implementation, IPIC found some discrepancies between the payment points claimed on invoices and the documentation provided in the MIS. As a result, IPIC developed and trained SSP staff on a "case notes policy" outlining the steps needed to sufficiently document participants' experiences

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throughout service provision. IPIC administrators report that SSPs have improved since the policy was implemented and most invoices are now paid quickly.

## 2. Ability of SSPs to Reach Payment Benchmarks

All sites reported that SSPs were able to reach their service benchmarks for large proportions of participants. As shown in Chapter VI, more than 90 percent of all participants received job readiness training, which was a key payment point in nearly all SSP contracts. As a result, SSPs were able to invoice for some payments early during participants' enrollment at their organization.

Three grantees, however, reported that at least some SSPs were struggling to make job placements and therefore were unable to invoice for related payment points. As discussed in Chapter VI, the employment placement rate was 43 percent across all five grantees on August 15, 2008. Local staff reported three common reasons for poor placement rates.

- **SSP Inexperience with Job Development.** Many SSPs did not have formal job development and placement infrastructures in place before the grant. As a result, they experienced a steep learning curve when faced with DOL's performance expectations. For example, one SSP was a fledgling FBO with few staff members and little experience operating a formal grant. The grantee had hoped that a small number of participants would select that SSP to enable it to slowly build capacity in job placement. However, large numbers of enrollees flocked to the provider, causing it to far exceed its capacity.

- **SSP Inexperience Serving Ex-Offenders.** A portion of SSPs had very little or no experience serving ex-offenders and had to learn the unique challenges of placing this population in employment. They reported that the low education levels, poor work history, and criminal backgrounds of participants made it more difficult to place them in employment than the SSP's traditional clientele.

- **Site-Specific Factors Influencing Placements.** Grantees also reported site-specific factors that influenced their ability to achieve job placement benchmarks. At MOWD, for example, there was a misunderstanding among the SSPs about which jobs qualified for payment. The SSPs did not believe that they could invoice for participants who received part-time jobs or jobs earning less than $9 per hour. However, the written contract did not include such restrictions. Case file reviews uncovered that some SSPs were indeed not reporting or billing for those placements. In Indianapolis, the SSPs reported that they were not accustomed to moving participants into work as quickly as DOL expected in this program. As a result, SSPs were forced to redesign their programs to shorten the time frame for service receipt and refocus their efforts on placement. These redesign efforts were still underway at the time of the site visit. In addition, MOWD was planning to pay for a job developer at the services coordinator to help the SSPs make placements and to provide technical assistance to develop their job development and placement capacity.

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## C. CHALLENGES IN IMPLEMENTING PERFORMANCE-BASED CONTRACTS

Given that the Beneficiary Choice model is breaking new ground in combining participant choice with performance-based contracting, the evaluation team solicited feedback on the challenges that grantees and SSPs faced during early implementation. At least some SSPs in three sites believe that performance-based contracting is generally working well. These organizations feel that the payment points were designed reasonably well and the contracts are structured to enable SSPs to cover their costs as well as motivate them toward good performance. Despite these positive reports, site visit interviews revealed three challenges that local sites faced in implementing performance-based contracts for this demonstration: (1) inability of SSPs to cover costs, (2) SSP concerns about shifts in program design resulting from the emphasis on employment placement, and (3) the unpredictability and risk associated with combining customer choice and performance-based contracting.

### 1. Many SSPs Are Unable to Cover Their Costs

At least some SSPs in four of the five sites report that they have not been able to cover the costs of serving Beneficiary Choice participants or do not believe they will break even in the long run. There appear to be three main reasons. First, SSPs in two sites reported that they have not yet been able to break even because they are not achieving the job placement and retention benchmarks. Most reported surviving by minimizing overhead, supplementing the program with operational funds, and including Beneficiary Choice participants in existing workshops so they do not have to pay new staff. The directors find it difficult to operate in that way but feel it is necessary given the intense needs of this population combined with uncertainty about the number of participants that will select their programs. Second, at least one SSP in each of two sites reported that low referral numbers will prevent them from recovering their costs. One director said that she has attended as many administrative team meetings as the other SSP directors but has received very little income from clients to cover those costs. Two other SSPs, as discussed in Chapter III, reported that they hired new staff when the grant began but needed to lay them off when they did not have enough referrals to support their salaries. Finally, SSPs in one site reported that they will not be able to meet their costs if payments are denied for lack of documentation.

In the fifth site, SSPs reported that they will be able to cover costs. The up-front payment point related to service receipt has provided sufficient cash flow. In addition, parole requirements play a substantial role in encouraging participants to find employment quickly. With the grantee and parole office heavily involved in documenting these placements, SSPs have been able to invoice for job placement and retention payment points for many participants. Importantly, one SSP from the site felt that it would not earn enough income to support the program without a sufficient number of participants; that SSP therefore dropped out of the demonstration during early implementation due to lack of referrals.

## 2. Some SSPs Expressed Concerns About the Strong Emphasis on Rapid Job Placement

In addition to challenges with covering program costs, SSPs in two sites also reported that the structure of the payment points and emphasis on rapid employment placements has led them to modify their program designs in ways that they fear will undermine their ability to meet participants' needs. In particular, several SSPs have shortened the period of service delivery and refocused their efforts on rapid employment. Given the poor work histories and many barriers facing these participants, local staff members fear that this will prevent them from sufficiently meeting participants' needs before placing them in the workforce. Rather than allowing Beneficiary Choice clients to blend into their existing programs, this phenomenon has also caused disruption in program operations and required SSPs to develop unique service strategies to serve Beneficiary Choice participants compared to other clients. In general, grantee and SSP staff members in both sites believe that DOL expectations for grantee performance are too high given the population being served and the current economic situation.

## 3. SSPs Report that the Model Involves Significant Unpredictability and Risk

Finally, SSPs in four sites reported that combining participant choice with performance-based contracting has involved significant unpredictability and risk. In these sites, customer choice resulted in an unpredictable and unequal distribution of participants across SSPs. As a result, SSP directors were uncomfortable hiring new staff without knowing the volume of participants to expect. In some instances, small or inexperienced providers were inundated with participants and exceeded their capacity before being removed from the SSP list. These providers then had difficulty devoting sufficient time and resources to serving existing clients and moving them into jobs. The remaining site was able to avoid this phenomenon by implementing monthly enrollment caps that equalized the number of participants selecting each provider.

# CHAPTER VIII

## SUCCESSES AND CHALLENGES OF IMPLEMENTING THE BENEFICIARY CHOICE PROGRAM MODEL

The Beneficiary Choice program model is entering uncharted territory by combining the indirect funding mechanism of customer choice with the use of performance-based contracting. Although the demonstration was still in its infancy at the time of the evaluation's site visits, many interesting patterns already appear to be emerging from local sites' early experiences. Drawing information from across the report, this final chapter distills the main lessons that grantees learned as well as the challenges they faced during early implementation.

The chapter is organized around four central facets of the program model. Section A discusses how the program appears to have influenced community capacity and network development within the demonstration sites. Section B focuses on sites' efforts to expand the service delivery network for ex-offenders. Section C describes lessons on participant choice. Section D then turns to issues surrounding the implementation of performance-based contracts. The chapter ends in Section E with a discussion of the evaluation's next steps.

### A.  COMMUNITY CAPACITY AND NETWORK DEVELOPMENT

**The first notable success of the Beneficiary Choice project is the expansion of services to many ex-offenders in participating communities who would not normally have received assistance after release.** The grants provided each local system with an infusion of dedicated funds and prompted local areas to leverage additional resources to serve the ex-offender population. As noted in Chapter II, most communities reported limited resources for ex-offenders prior to the demonstration and, through the grant, were able to expand service delivery within their cities.

**The demonstration focused on a community-based approach that helped sites build a framework for ongoing collaboration, with the grantees and services coordinators serving as central points of contact for community partners.** Traditionally, DOL contracts directly with service providers in local areas. DOL still provides support to grantees under the Beneficiary Choice model, but service contracts are negotiated and entered at a local level. This has enabled local areas to build their own

service delivery networks. Throughout early implementation, grantees have brought together their SSPs to collaborate as a coalition for the betterment of the community, rather than viewing each other as competitors. In addition, rather than having community partners collaborate with a large number of smaller agencies, this centralized model helps streamline the outreach and referral processes as potential participants are released from correctional facilities. In three sites, it has also standardized the process for collaborating with parole and probation officers as they assist with participant follow-up and documentation of participant outcomes. This has not only minimized the effort required of community partners and the SSPs, but also appears to maximize the use of grant resources.

*Despite some advantages, the organizational structure may be confusing to participants given that two sets of organizations are involved in participant services and ongoing case management.* As specified by DOL, staff members from services coordinators are involved in participant assessment, service planning, and ongoing case management even after participant referral to the SSPs. Staff and participant reports suggest that the involvement of two sets of staff members may be disruptive to participants or cause some uncertainty about which staff members to contact with issues or needs. Given the early state of implementation, this service delivery structure has not played out in full. However, interviews with program administrators suggest that allowing sites additional discretion in deciding which organizations should be responsible for specific services may promote efficiencies in service delivery.

*Further capacity-building activities with SSPs, particularly smaller FBCOs, might be needed to improve the quality of service delivery and participant outcomes.* Site visits revealed that most SSPs struggled in at least some aspects of program implementation. SSPs tend to be experienced with providing employment services or experienced with serving ex-offenders, but a limited number have experience in both areas. In addition, few SSPs had well-developed relationships with employers that were willing to hire ex-offenders. Technical assistance provided by grantees and services coordinators to support SSPs during early implementation focused on use of the MIS and the process for submitting invoices. Limited effort was made to identify and individualize technical support based on SSPs' service capacity or to provide activities to improve the quality of service delivery. Given that nearly all grantees talked about the challenges of meeting grant goals without strengthening SSPs' employer networks, this suggests a key area in which SSPs require further technical assistance.

## B. EXPANSION OF THE SERVICE DELIVERY NETWORK

*Factors such as limited community outreach conducted by grantees and potential challenges associated with the combination of participant choice and performance contracting appear to have limited the number and types of participating SSPs in local areas.* The network of participating providers is influenced not only by the total supply of FBCOs within a community but also by the outreach conducted by grantees to make local FBCOs aware of the grant opportunity. Grantees relied heavily on their past experiences with specific organizations and the recommendations from their community partners to identify a pool of potential SSPs. This approach may not have reached providers that are out of the "mainstream," such as those that offer faith-

infused services. In addition, grantees generally received small numbers of applications when conducting open procurements for SSPs, suggesting that local FBCOs either were not aware of the procurement, did not have the capacity to participate, or were daunted by performance contracting. While the evaluation team was not able to interview SSPs that chose not to participate, grantee administrators in several sites reported that the program model combining participant choice and performance-based contracting lacked appeal for potential bidders. In several sites, SSPs also dropped out of the demonstration after learning more about the program model or receiving too few participant referrals. Additional outreach activities aimed at making FBCOs aware of the program and educating them about the advantages of participation may have resulted in a different or larger group of SSPs.

***Although grantees engaged mostly organizations with which they had partnered before, the choice model did allow for the inclusion of some new and unique service providers that had not traditionally received DOL funding for employment services.*** Under the traditional employment program model that uses direct funding, organizations must be sufficiently experienced to compete for grant resources in a national open competition and have enough capacity to serve large numbers of participants. The local procurement process established under this project allowed for the inclusion of smaller, less experienced FBCOs and FBCOs that use distinctive or unique approaches to service delivery. For example, SSPs included two fledgling FBOs with limited experience, an organization focused on housing assistance for the homeless, and two programs aimed at helping young fathers become better parents. These programs appear to fill a niche within the ex-offender service market that appealed to some program participants.

***To date, faith-infused services, while allowed under the Beneficiary Choice model, have not played a substantial role in service delivery.*** Although faith appears to play a role in many SSP programs, so far, local sites have not fully capitalized on the opportunities for inclusion of providers that offer religiously-based services. Site visits revealed that some grantees did not fully understand whether and how religious activities could be part of service provision. As a result, the SSPs may not be aware or believe that faith-infused services are allowable. Grantees also relied heavily on those organizations that they had worked with in the past when recruiting SSPs, and therefore conducted limited outreach to recruit faith-infused SSPs. Those FBOs that are accustomed to direct funding streams may default to their normal service models and separate religious service in time and location from core service offerings. As suggested by a grantee and a faith-infused provider involved in the demonstration, others may also fear that participants would not select their programs if religious services were an inherent part of the program.

## C. EMPHASIS ON PARTICIPANT CHOICE

***The emphasis on choice and the voluntary nature of the program targets services to those ex-offenders who are interested in and committed to finding employment and reengaging with their communities.*** After outreach, the Beneficiary Choice model involves an extra layer of service provision that may filter out participants who are not interested in or committed to receiving services. As discussed in Chapter IV, significant drop-off occurs as participants are required to express interest, attend orientation, select an SSP, and arrive at the SSP before becoming officially enrolled. This may have the positive

effect of allowing SSPs to save scarce resources by focusing their efforts on the most motivated individuals. Alternatively, the model may, in fact, filter out those participants who are most in need of assistance and could benefit most from services. This phenomenon is difficult to disentangle given that the evaluation was not designed to analyze the characteristics of those who drop out before official enrollment.

*Although services coordinators attempt to promote free and independent choice, participants may be making choices without fully understanding their service options.* Participant orientations vary in their structure and length, but staff in all sites try to remain neutral in their presentations of consistent, accurate, and accessible information about each SSP. Despite the range of SSP offerings, local staff members report that participants often select SSPs based solely on the providers' locations. Given the sprawling nature of the participating sites, accessibility may ultimately be the most important factor. However, the orientation structures in most sites do not encourage participants to explore other facets that may influence their selection. For there to be truly meaningful choice, sites may need to offer a more comprehensive presentation of the differences among SSPs and allow participants sufficient time to make their decisions. The difficulty is balancing this approach with the potential for increased drop-off if participants are required to attend more extensive orientations and higher costs if additional staff members are needed at the services coordinators.

*According to local staff and participant interviews, some participants appear to feel more committed to the program after making their own choice of provider.* Staff members report that motivation plays a major role in an ex-offender's ultimate success. The staff members believe that when participants select their own providers, they become more vested in the program, are more likely to stay involved, and receive more appropriate services. Without the use of an experiment, however, it is impossible to determine whether the involvement of choice will ultimately affect participant outcomes.

## D. USE OF PERFORMANCE-BASED CONTRACTING

*The SSPs found it difficult to plan for and implement the program given the substantial uncertainty due to the combination of provider choice and performance-based contracting.* The inclusion of customer choice makes it difficult to know how many participants will select each provider. The use of performance-based contracting makes it difficult to know how many participants will reach each benchmark allowing the SSP to recover the cost of services. In combination, these two factors require SSPs to balance decisions on the appropriate levels of staff and service offerings with their expectations for payment. Without experience using this model, most SSPs felt unable to plan adequately. To minimize the risks for their organizations, many SSP directors relied upon existing staff to serve Beneficiary Choice participants rather than hiring dedicated staff for the project. SSPs' ability to meet the reporting requirements of this demonstration, as well as their inability to meet payment points, often hindered their ability to cover costs.

*Performance-based contracts proved difficult for small FBCOs without capacity for job development or experience documenting service provision and participant outcomes.* At least some SSPs in four of the five sites report that they have not been able

to cover the costs of serving Beneficiary Choice participants or do not believe they will break even in the long run. SSP directors identified a range of reasons. In particular, some SSPs were unable to achieve their job placement and retention benchmarks. Others reported that low referral numbers will prevent them from recovering their costs. Still others reported that payments are denied for lack of documentation. As discussed above, the relative inexperience of many FBCOs with performance-based contracting may require grantees to invest more effort over time in technical assistance to help SSPs identify their unique needs and build their internal capacity, cost efficiency, and overall performance.

***SSPs face a difficult balance between meeting DOL's expectations for rapid job placements and addressing participants' needs sufficiently before moving them into the workforce.*** Participant choice is most meaningful when there is diversity in the types of services offered to meet individual needs. The emphasis on quick attachment to the workforce has required some SSPs to change their service models in ways that they do not think are as effective for helping ex-offenders get and maintain high-quality jobs. Based on site visits, this appears to have shifted the focus away from individualized services and toward a one-size-fits-all model or standard employment program. In particular, SSP service structures appear to be losing some of their diversity, either by shortening or eliminating unique supplemental services in the face of performance-based contracting requirements for job placement. Staff members at some grantees, services coordinators, and SSPs felt that the program did not allow the SSPs to tap into their strengths for providing individualized, nurturing, and holistic services to participants. Despite these concerns, interviews with participants reveal that perhaps the employment focus of the program is consistent with their priorities of complying with parole and probation requirements as well as their need for immediate income. SSPs, therefore, perceive that they face a challenging dilemma in managing two competing objectives: (1) meeting both customers' short-term needs for income and DOL's and grantees' interests in measureable outcomes, and (2) addressing the nonemployment barriers that may hinder customers' long-term self-sufficiency and successful integration into the community.

## E. NEXT STEPS IN THE EVALUATION

New programs typically evolve over time as local staff members gain a better understanding of what works best. The first findings presented in this report are based on data collected during early implementation when grantees had been operating their Beneficiary Choice programs for only 10 months. During this early phase, the grantees, services coordinators, and SSPs were learning and adapting their program designs to meet the unique challenges of this new and cutting-edge program model.

Examining the second year of implementation will be critical in understanding how program practices evolve over time, the strategies that sites use to overcome initial challenges, and the new lessons that emerge as programs mature. For example, as SSPs became more familiar with the MIS and invoicing procedures, grantees were preparing to shift their technical assistance efforts toward helping SSPs improve their capacity for service delivery and job development. At the time of the initial site visits, SSPs were also still in the midst of adapting their program designs to meet the expectations of their performance-based contracts. After a second year of implementation, sites are likely to have worked

through many of these issues and moved into a more steady state of operations. More participants will also have moved through the Beneficiary Choice system, allowing a better understanding of their ability to find and keep jobs and stay free of crime after program participation.

The second year of the evaluation will involve the collection and analysis of data from several new sources. The evaluation team will conduct another round of site visits in fall 2009 after grantees have been serving participants for a full two years. These visits will involve qualitative interviews as well as the collection of cost data on program expenditures. In addition, the evaluation team will analyze MIS data on participant service use and outcomes through the end of 2009. Finally, the evaluation team will collect and analyze state-level criminal justice administrative data to measure participants' ability to stay crime free. These upcoming evaluation efforts will be used to explore further the early implementation findings as well as other topics of interest to DOL. The final evaluation report will be delivered to DOL in spring 2010.

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# APPENDIX A
# SUMMARY DESCRIPTIONS OF GRANTEES

**ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC. (AWEE)**
**(PHOENIX, ARIZONA)**

**Grantee and Services Coordinator.** The grantee is a nonprofit employment and training service provider targeting mostly low-income women, including ex-offenders. As a Prisoner Reentry Initiative (PRI) grantee, staff expanded services to include men. The grantee is also the services coordinator.

**SSPs.** Two are FBOs (Childhelp KEYS Community Center, My Brother's Keeper Lifeline); three are CBOs (WEDCO, Tetra Services, Goodwill Industries of Central Arizona).

**Target Population.** All applicants who meet the criteria specified by DOL, except sex offenders. About 60 percent of participants are men.

**Services Provided by Grantee/Services Coordinator.** Services provided include an orientation session, career and substance abuse assessments, basic case management, and supportive services (e.g., bus passes and clothing assistance).

**Client Choice in Selecting an SSP.** Each SSP assembled four recruitment PowerPoint slides promoting their agency, which grantee staff read during the program orientation. Participants select a provider based on the PowerPoint presentation.

**Services Provided by SSPs.** SSPs provide basic case management, job readiness and job placement, assessments, mentoring, family counseling, supportive services, and other services.

**Local Corrections Agency Involvement.** The relationship between the local corrections agency and grantee began with PRI. The corrections agency provides referrals and allowed grantee staff to make presentations to parole officers during staff meetings.

**Local Workforce Investment System Involvement.** AWEE has communicated with the local workforce investment system, but the system has not had ongoing involvement.

**Employer Involvement.** The grantee held an employer breakfast. Otherwise, SSPs maintain their own relationships with employers.

**Involvement of Other Community Partners.** AWEE has relationships with Maricopa Skills Center to provide vocational training in cosmetology, welding, butchery, and nursing; however, few participants enroll.

**Contract Payment Points.** Payment benchmarks are: (1) active enrollment ($371.46), (2) work readiness ($464.33), (3) job placement within 21 days of enrollment (35 or more hours per week and $8.00 per hour) ($1,061.33), (4) earnings more than $9.25 per hour ($707.55), (5) abstinence from drugs and alcohol for at least two consecutive quarters ($481.53), (6) no recidivism for at least six months after release ($260.68), (7) job retention ($684.28), and (8) completion of education or training ($457.45). The payments total about $4,500.

**COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT**
**(DENVER AND MESA COUNTY, COLORADO)**

**Grantee and Services Coordinator.**   Grantee is a large government organization. Grant is managed out of the Division of Offender Programs and Special Projects.  Grantee is the services coordinator.

**SSPs.**  Denver relies on four FBOs (Denver Works, Turnabout, Concerned About You, Road Called STRATE) and one CBO (The Empowerment Program).  In Mesa County, Hilltop Child and Family Center (CBO) and Grand Valley Catholic Outreach (FBO) are SSPs.

**Target Population.**  All applicants who meet the criteria specified by DOL, except those who committed a murder or sex offense (based on grantee discretion).

**Services Provided by Grantee/Services Coordinator.**  Services include short-term vocational training, temporary housing, upfront case management, and supportive services (e.g., toolkits, bike helmets and locks, cell phones, Walmart cards, and bus cards).

**Client Choice in Selecting an SSP.**  Participants choose a provider based on an informal conversation with the program manager during the intake appointment.

**Services Provided by SSPs.**   Services include assessments, job search and job readiness workshops, basic case management, clothing assistance, work supports, job retention, mentoring programs, and a fatherhood program.

**Local Corrections Agency Involvement.**  Corrections agencies provide referrals and verify employment and offender status.

**Local Workforce Investment System Involvement.**  The One-Stop Career Center provides office space and some referrals.  In Mesa County, the Career Center provides office space, access to a job search database, a job readiness workshop, and GED classes.

**Employer Involvement.**  Employers contacts are made through the One-Stop Career Centers.  SSPs rely on their own relationships with employers.

**Involvement of Other Community Partners.**  The grantee developed partnerships with local vocational education providers and a landlord in the community.  Mesa County refers to a provider for mental health counseling and substance abuse treatment.

**Contract Payment Points.**  Four payment points; SSPs defined two benchmarks and dollar amounts for all up to $3,000 per participant.  Standard payment points include: (1) enrollment and assessment ($500-$600), (2) work readiness ($460-$600), (3) job placement ($600-$1,000), and (4) job retention at six months ($500-$700).  Other points include vocational training ($600), job search development ($700), and no re-incarceration ($500).

## MAYOR'S OFFICE OF WORKFORCE DEVELOPMENT
### (CHICAGO, ILLINOIS)

**Grantee and Services Coordinator.** The grantee is a city government agency focused on helping individuals get and keep jobs. Career Advancement Network (CAN), a local employment and training provider, is the services coordinator.

**SSPs.** One FBO is faith-infused (Good Samaritan). Four FBOs offer secular services with optional religious content (St. Leonard's, Safer Foundation, Haymarket, and St. Sabina). The rest (Heartland, Phalanx, Chicago Anti-Hunger, and North Lawndale) are CBOs.

**Target Population.** No restrictions beyond criteria specified by DOL.

**Services Provided by Grantee/Services Coordinator.** The grantee manages SSPs and completes quarterly grant reporting requirements. The services coordinator recruits participants and, during a three-day program orientation, assesses them and provides case management. They also provide technical support to SSPs.

**Client Choice in Selecting an SSP.** SSP information is given in written format as well as a video. SSPs are given the opportunity to help design the information provided and participate in making the video. Participants are required to visit at least two SSPs.

**Services Provided by SSPs.** SSPs provide assessments, job readiness training, job search assistance, case management, assistance with transportation and clothing, job retention services, vocational training, basic computer skills training, and mentoring.

**Local Corrections Agency Involvement.** Parole officers provide nearly all referrals (more than 90 percent). They were also involved in the program design.

**Local Workforce Investment System Involvement.** The One-Stop system has no involvement with the project.

**Employer Involvement.** The grantee has fostered an existing relationship with the Chicago Transit Authority (CTA) for an apprenticeship program. SSPs also cultivate their own relationships with employers.

**Involvement of Other Community Partners.** Some SSPs refer participants to local colleges for free GED courses. SSPs also refer to local specialized treatment providers.

**Contract Payment Points.** Six SSPs are considered "non-training" and have three payment points: $600 for enrollment of 27 people, $1,500 for employment placement of 22 people, and $1,000 for 90-day retention for 16 people, totaling to $65,200. Three SSPs provide training and have four payment points: $600 for enrollment of 21 people, $1,000 for training certification for 17 people, $1,500 for placement of 16 people, $1,000 for retention of 13 people, for a total of $66,600.

## INDIANAPOLIS PRIVATE INDUSTRY COUNCIL
## (INDIANAPOLIS, INDIANA)

**Grantee and Services Coordinator.** The grantee was established in 1983 as the workforce investment board for Marion County. Job Works, who operates the One-Stop Career Center operator, is the services coordinator.

**SSPs.** Four SSPs are CBOs (Workforce Inc., Fathers and Families, PACE/OAR, and Horizon House), and one FBO offers both faith-infused and secular services depending on participant needs (Oasis Christian Community Development Corporation).

**Target Population.** No restrictions beyond criteria specified by DOL.

**Services Provided by Grantee/Services Coordinator.** The grantee manages the grant, handles reporting, and provides technical support to SSPs. The services coordinator conducts orientation and assessments, develops employment plans, and tracks participants.

**Client Choice in Selecting an SSP.** Each SSP contributed to PowerPoint slides presented during orientation. SSPs also present during some orientations.

**Services Provided by SSPs.** All of the SSPs do service planning with participants, offer job readiness training, and provide ongoing case management. SSPs vary in the provision of vocational training, GED preparation, transitional work, and family services.

**Local Corrections Agency Involvement.** The probation office was involved with the grant application and provides the bulk of referrals.

**Local Workforce Investment System Involvement.** The One-Stop Career Center was involved in the original application process and serves as the services coordinator. They also enroll a small number of participants in WIA.

**Employer Involvement.** The services coordinator holds job fairs. Most SSPs make placements on a one-on-one basis.

**Involvement of Other Community Partners.** A representative from Martin University presents at the weekly orientation. The grantee also has funding from the Lilly Endowment to provide supportive services to 18- to 25-year-old at-risk youth.

**Contract Payment Points.** Benchmarks include: job readiness training, career counseling, job placement plus 30 days, job retention for 60 days, job retention for 120 days, and follow-up. Additional benchmarks include GED preparation, advanced training, housing assistance, and supportive services assessments. The amount paid and the number of participants expected to reach each benchmark varies across providers.

## THE DIRECTORS COUNCIL
### (DES MOINES, IOWA)

**Grantee and Services Coordinator.** The grantee is a nonprofit consortium of six local agencies. Spectrum Resources, a nonprofit agency that serves ex-offenders, is the services coordinator.

**SSPs.** One SSP is an FBO (Elpis Ministries). Three SSPs are CBOs (YMCA of Greater Des Moines, Urban Dreams, and Creative Visions).

**Target Population.** All applicants who meet the criteria specified by DOL, except those with a murder conviction, and no more than 20 percent of participants can be sex offenders.

**Services Provided by Grantee/Services Coordinator.** At the time of the visit, the services coordinator administered the grant and provided outreach, assessments, ongoing case management, job search assistance, and technical support to SSPs.

**Client Choice in Selecting an SSP.** Participants make a choice during the hour-long intake meeting based on agency brochures.

**Services Provided by SSPs.** SSPs provide basic case management, career assessments, specialized assessments, job readiness activities, job placement, mentoring, and supportive services (e.g., transportation and clothing).

**Local Corrections Agency Involvement.** The corrections agency assists with recruiting participants and reengaging those who drop out. They also verify employment and recidivism data.

**Local Workforce Investment System Involvement.** For minimal cost, the local One-Stop Career Center provides office space to four services coordinator staff and part of the cost of one staff member to provide job search assistance to participants.

**Employer Involvement.** Upon request, the One-Stop Career Center provides SSPs with a list of employers who are willing to hire ex-offenders.

**Involvement of Other Community Partners.** Limited involvement of other partners.

**Contract Payment Points.** The grantee established three payment points with all SSPs. They include (1) first contact ($750), (2) completion of the two-week job readiness workshop ($958.33), and (3) first quarter after job placement ($958.33). SSPs could earn up to $2,666.66.

# Appendix B

# Missing Data

**Table B.1.    Proportion of Missing Data Among Participant Characteristics**

|  | Required or Optional | Proportion of Participants with Missing Data |
|---|---|---|
| **ENROLLMENT** | | |
| Date of enrollment | Required | 0 |
| **DEMOGRAPHICS** | | |
| Birth date | Required | 0 |
| Gender | Required | 0 |
| Race – any category marked | Required | 17 |
| Ethnicity Hispanic/Latino | Required | 0 |
| Highest school grade completed | Required | 3 |
| Limited English proficiency | Required | 3 |
| Marital status | Required | 2 |
| Number of children | Required | 9 |
| Number of children living with participant | Required | 13 |
| Veteran status | Required | 1 |
| Disability status | Required | 0 |
| Citizenship | Optional | 3 |
| Significant health issues at enrollment | Required | 3 |
| Ever admitted for mental health treatment or prescribed psychiatric medication | Optional | 92 |
| Child support obligations at enrollment:  number of children | Optional | 32 |
| Child support obligations at enrollment:  amount[a] | Optional | 18 |
| **WORK HISTORY** | | |
| Employment status at incarceration | Required | 19 |
| Most recent job prior to incarceration - job code | Optional | 37 |
| Most recent job prior to incarceration – hours worked | Optional | 45 |
| Most recent job prior to incarceration – number of weeks worked | Optional | 41 |
| Most recent job prior to incarceration – hourly wage | Optional | 28 |
| Longest-held full-time job prior to incarceration - job code | Optional | 42 |
| Longest-held full-time job prior to incarceration - hourly wage | Optional | 11 |
| Longest-held full-time job prior to incarceration - number of weeks worked | Optional | 1 |
| Employment status at enrollment | Required | 0 |
| Job at enrollment – job code[a] | Required | 4 |
| Job at enrollment – number of hours worked per week[a] | Required | 2 |
| Job at enrollment – hourly wage[a] | Required | 2 |
| Job at enrollment – start date[a] | Required | 0 |
| Primary income source prior to incarceration[b] | Optional | 13 |
| **HOUSING STATUS** | | |
| Housing status at enrollment | Required | 0 |
| **ALCOHOL ABUSE AND DRUG USE** | | |
| Alcohol abuse and drug use at enrollment | Required | 0 |

| CRIMINAL HISTORY AND RELATED ELEMENTS | | |
|---|---|---|
| Probation/parole status at enrollment | Required | 0 |
| Participation in Beneficiary Choice mandated by criminal justice agency | Required | 7 |
| Date of most recent incarceration | Required | 0 |
| Date of release from most recent incarceration | Required | 0 |
| Type of institution where incarcerated | Required | 3 |
| Type of crime for which most recently incarcerated | Required | 0 |
| Total time incarcerated in lifetime | Required | 0 |
| Number of arrests in lifetime—total and felony | Optional | 12 |
| Number of convictions in lifetime—total and felony | Optional | 11 |
| Services received while incarcerated – types | Optional | 16 |
| Services received while incarcerated - GED receipt | Optional | 11 |

Source:  Beneficiary Choice Management Information System extract dated August 15, 2008.

[a]Includes only those for whom the data element is applicable according to skip logic.

[b]Includes both participants who are missing data as well as participants for whom this element is not applicable.