Examining a New Model for Prisoner Re-Entry Services: The Evaluation Of Beneficiary Choice

Final Report

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DISCLAIMER

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EXECUTIVE SUMMARY

In July 2007, the U.S. Department of Labor (DOL), Employment and Training Administration created the Beneficiary Choice Program, a demonstration to help ex-offenders successfully enter and remain in the workforce and stay free of crime. DOL awarded five grantees a total of $10 million through two rounds of grants to serve approximately 450 participants each. To be eligible to receive services, ex-offenders had to be between the ages of 18 and 29, within 60 days after release of incarceration, and convicted of a federal or state crime. DOL contracted with Mathematica Policy Research to evaluate how the program unfolded over time. This report presents the findings of this evaluation.

The Beneficiary Choice Model

The Beneficiary Choice model represents 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. Unlike prior prisoner reentry initiatives, the Beneficiary Choice program involved an indirect funding model in which grantees were expected to engage in performance-based contracts with at least five local faith-based and community organizations (FBCOs) acting as specialized service providers (SSPs) to provide a range of employment-focused service options to participants. DOL was interested in knowing how this model affected participant choice and capitalized on the strengths of FBCOs to improve participant outcomes. Three key components of the Beneficiary Choice service delivery strategy distinguish it from prior prisoner reentry programs:

1. *Emphasis on Participant Choice.* The cornerstone of this program was that it involved a range of providers, that each offered different services and allowed participants to choose the program that best meets their needs. While each SSP had to offer three core services—workforce readiness training, career counseling, and six months of follow-up services, SSPs were also expected to offer, either directly or through partnerships with other organizations, a unique combination of supplemental services. After receiving detailed information about the mix of services available at each SSP, participants selected the one they wished to attend.

2. *Expansion of the Service Delivery Network.* Grantees were encouraged by DOL to engage a wide range of SSPs that offer a variety of secular and faith-infused services. The choice-based model allowed Federal funds to be used to provide "inherently religious activities" that would be prohibited if Federal funding was directly provided. DOL also required that each grantee partner with at least one local service provider with which it had not worked before. In this way, the demonstration could draw on the unique qualifications of FBCOs that may not typically partner with the government.

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

To achieve these aims, the Beneficiary Choice model used a three-tiered administrative infrastructure. At the first level, the grantees were responsible for designing and administering the

program and reporting grant expenditures and program outcomes to DOL. At the second level, services coordinators had primary responsibility for recruiting and enrolling participants in the program. In some cases, they continued to provide basic case management to participants throughout the grant period. Grantees provided services coordinator responsibilities by either contracting with a separate provider or handling these responsibilities in house. Finally, at the third level, SSPs provided direct services to participants by offering assessments, career counseling, job readiness, and job placement and retention services, among other services.

Table ES 1 lists the five grantees. All were located in large metropolitan areas, although the Colorado grantee chose to implement the program in both Denver and Mesa County (a rural area) and the Iowa grantee provided services in both Des Moines and Waterloo (also a rural area).

Table ES 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, Department of Family and Support Services (DFSS)	Chicago, IL
Indianapolis Private Industry Council, Inc. (IPIC)	Indianapolis, IN
The Directors Council (TDC)	Des Moines, IA

Evaluation Design

The evaluation was designed to describe the implementation of the program, the short-term outcomes of participants, and the costs of providing services. It 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 study draws upon four key sources of data.

1. *Site Visits.* The evaluation involved two rounds of in-depth site visits, the first conducted in July 2008 and the second conducted in October and November 2009.

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

3. *State-Level Criminal Justice Administrative Data.* Mathematica collected administrative data on participants in four sites to analyze patterns of recidivism and assess the reliability of grantees' MIS data collection.

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

The Pool of SSPs

Requiring grantees to identify and work with a pool of at least five FBCOs expanded contract opportunities to small, inexperienced grassroots organizations that might not have had a competitive edge or the service capacities of the large, well-established providers. Through several rounds of solicitations, the five grantees were able to engage 44 FBCOs as SSPs. The number of SSPs per site that were actively engaged in the demonstration ranged from 5 to 10. At the time of the first round site visits, about half were community-based organizations and half were faith-based organizations. They ranged in size, their level of experience serving ex-offenders, their experience providing employment services, the extent of their employer networks, and their ability to leverage supportive services for participants.

Sustaining SSPs once they were selected was more challenging than grantees envisioned. Nine of 30 SSPs involved at the time of the first site visits had dropped from the project by the second round of visits. Limited earnings from the project appear to have contributed substantially to turnover. Those SSPs that stayed with the program tended to be located where participants lived or were accessible by public transportation, had a strong reputation in the community for serving ex-offenders or helping hard-to-employ job seekers find and keep jobs, and received funding from a range of sources, not just Beneficiary Choice.

Notably, while the indirect funding stream in the Beneficiary Choice model allowed for the possibility of faith-infused activities, only three SSPs offered faith-infused services, and they served a small number of participants. Two of these SSPs were involved in the first round of site visits, however they had dropped out by the time of the second site visit. One new faith-infused provider was added in Indianapolis but had only enrolled nine participants by the time of the second site visit. In the end, the model did not provide an opportunity to learn about whether and how faith-infused services could engage ex-offenders and help them overcome their barriers to employment and successful reentry.

Outreach, Orientation, and Participant Selection of SSPs

Grantees and services coordinators were charged with raising community awareness of the demonstration and conducting outreach efforts to target potential enrollees. Correctional agencies were pivotal in meeting recruitment and enrollment goals. Other recruitment activities included presentations to inmates, referrals from community partners, and referrals directly from the SSPs. Once individuals expressed interest in the program, they had to attend an orientation at the services coordinators to learn about the program and to select an SSP.

Most grantees made formal efforts to ensure that participants were fully informed about the available SSPs so they could make independent choices; others used less-structured methods to facilitate customer choice. Three sites used structured and consistent orientation materials to describe the SSPs involved in the demonstration and allow participants to make an independently and full informed selection. This was done either through group orientations or a combination of group and individual orientations. Two grantees, on the other hand, used a more "guided" choice approach using individual orientations only. These involved informal, unscripted meetings in which participants received input from services coordinator staff on the decision-making process. In these cases, some participants may not have had full information about all available providers and may have been encouraged to make selections quickly.

Despite information about the range of services offered at SSPs, interviews with participants and services coordinator staff suggest that participants chose SSPs primarily based on their geographic location and agency reputation. In fewer cases, participant choices were based on the mix of services offered.

It was only after an interested individual attended orientation, selected an SSP, and arrived at the SSP for service that he or she was officially enrolled in the program. In some cases, SSPs also imposed additional activities that needed to be complete before a new participant could enroll. Driven in part by DOL performance standards and the use of performance-based contracts, site visits revealed that services coordinators and SSPs introduced more pre-enrollment activities over time to identify and enroll the most motivated participants.

Participant Characteristics and Service Use

By June 2010, the five grantees had enrolled 2,382 ex-offenders. The majority of participants had many barriers to employment including low educational attainment, poor work histories, unstable housing, and extensive criminal histories. The proportion of participants who faced observable barriers was particularly great in Chicago and Indianapolis. All the grantees reported that Beneficiary Choice created opportunities for these ex-offenders to receive workforce services that may otherwise have been unavailable in their communities.

Both participants and their SSPs had incentives to focus on quick placements in unsubsidized employment, resulting in a relatively light-touch program with a work-first approach. The desire for job placement was usually what brought participants to the program. Although ex-offenders may recognize that they have a myriad of service needs, their most immediate need is often for income. Additionally, parole and probation conditions usually require stable employment. The service providers also had reasons to focus on immediate job placement. The DOL performance measures regarding entered employment, employment retention and wages provided incentives for the grantees to structure their performance-based contracts with SSPs to emphasize immediate job placement instead of investments in education and training and other supportive services.

Despite the potential for substantial variation in service delivery across SSPs, the resulting services were heavily focused on short-term employment-based activities. About 40 percent of participants received services for one month or less with an average length of service receipt across grantees of 1.8 months. About 96 percent of participants received at least one workforce development service through Beneficiary Choice. This was most often work readiness training (92 percent) followed by career counseling (47 percent). About 20 percent also received education or training services, with the highest rates in Denver and Indianapolis at 45 and 31 percent, respectively.

Once these formal activities were complete, site visits revealed that job search activities were largely or entirely self-directed and self-initiated by participants at many SSPs. Some SSPs provided participants with job leads or conducted formal outreach to employer networks on behalf of individual participants. However, others were less experienced with workforce development and had limited relationships with local employers, leaving participants to conduct their job searches independently.

Employment and Criminal Justice Outcomes

Driven by the work-first model, 65 percent of participants received a placement in unsubsidized employment. Placements were made an average of nine weeks after enrollment. Among those participants placed in jobs, 72 percent worked a full-time schedule during their first week at work and earned an average of $9.23 per hour.

There was fairly substantial variation, however, in placement success across grantees (Figure ES 1). The placement rates in Phoenix, Denver, and Des Moines exceeded 75 percent; Chicago and Indianapolis had placement rates of 48 and 44 percent, respectively. These differences are partially attributable to differences in participant characteristics and local economic conditions. Chicago had the highest unemployment rate and Chicago and Indianapolis had substantially more participants who faced significant barriers to employment. In particular, lack of education seemed to present a substantial barrier to job placement. Only 54 percent of participants without a high school diploma were placed in unsubsidized employment compared to 80 percent of participants who received a high school diploma. Not surprisingly, Chicago and Indianapolis had the largest percentage of participants without a high school diploma (83 and 57 percent, respectively). Site visits suggest that some of the difference may also be due to a lack of accurate reporting and differences in grantees' familiarity with the MIS

Figure ES 1. Placements in Unsubsidized Employment, by Site
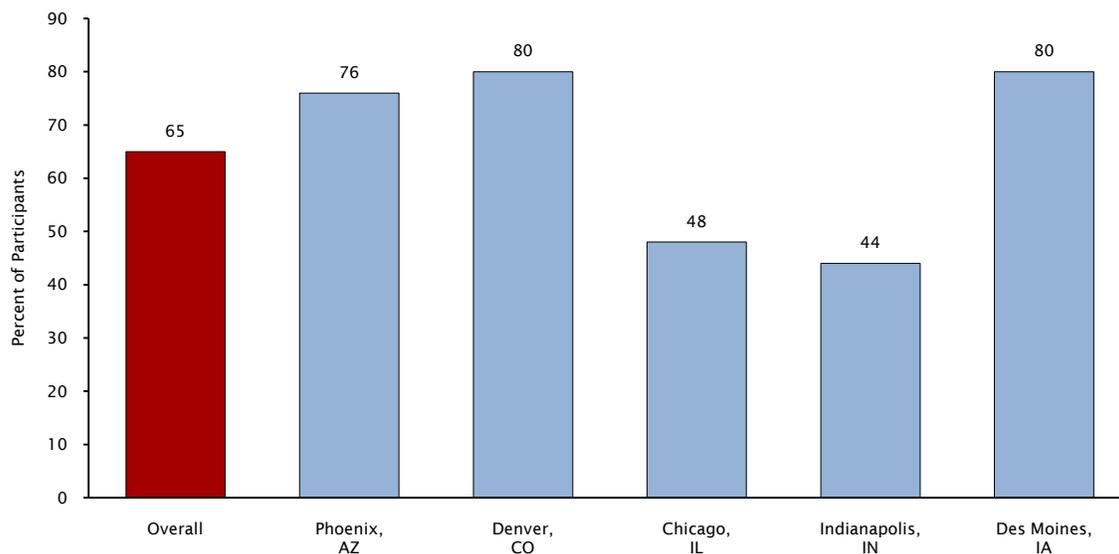
Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

When examining recidivism outcomes, participants continued to have significant rates of criminal justice involvement. Across grantees, 34 percent of participants were rearrested for a new crime within one year of release. By comparison, the most recent comprehensive study of recidivism nationwide showed that 44 percent of released offenders were rearrested within 12 months (Langan and Levin 2002). That study also showed a strong relationship between an offender's age and probability of recidivating, with younger offenders more likely to recidivate than older offenders.

This suggests that the rearrest rate for Beneficiary Choice participants is lower than the national rate for offenders between 18 and 29 years.

Overall, the most common reason for arrest fell into the category of "other personal crimes," which included disorderly conduct and driving under the influence. The other common reasons for arrest included drug use or possession and assault or battery charges. Among participants who were arrested in the year after release, fewer than 20 percent of participants were arrested while enrolled in the Beneficiary Choice program.

Across grantees, the recidivism rate ranged from 25 percent in Colorado to 50 percent in Indianapolis (Figure ES 2). When comparing recidivism numbers across states, it is important to acknowledge that the data are limited by variations in the policies and procedures of the criminal justice system agencies in each state. In particular, the data may reflect differences in how states distinguish between arrests for new crimes and arrests for technical violations. Another possible source of variation in recidivism outcomes across grantees are differences in the participant populations they served.

Figure ES 2. Arrests for a New Crime Within 12 Months of Release, by Site
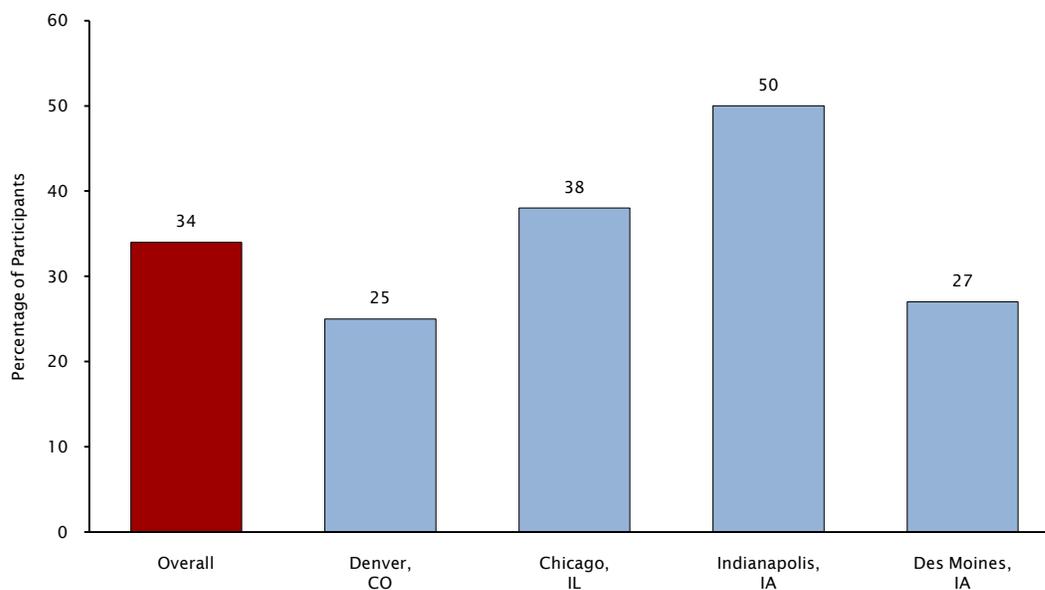
Source: State criminal justice administrative data from CO, IL, IN, and IA.

Note: Only includes participants enrolled by June 30, 2009 who had a valid match in the administrative data.

In addition to the state-level criminal justice administrative data, the grantees also collected recidivism outcomes and recorded them in the MIS. An important finding from the study is that, despite grantee efforts to validate their outcome data, the MIS suffered from underreporting of criminal justice involvement. This highlights the value of using administrative data as an outside validation of outcome measures.

Performance-Based Contracting and Program Costs

As discussed earlier, the program model required that grantees enter into performance-based contracts with all participating SSPs. These contracts were designed to pay service providers only when they achieved agreed-upon benchmarks, referred to as payment points. DOL allowed grantees a great deal of flexibility in structuring their payment points, including choosing the number, timing, and dollar amount of each payment point.

Both grantees and SSPs experienced a steep learning curve in the use of these contracts. Over time, most of the grantees chose to simplify and standardize the benchmark payments across SSPs and streamline the documentation process. Site visits revealed two reasons for this shift. First, grantees implemented some changes to make it easier for them to administer and track payments. Second, grantees wanted to make it easier for SSPs to recoup their costs. For example, SSPs in one site were struggling to meet the numerous payment points, strict definitions, and complex documentation requirements. In another site, some SSPs were unable to cover their initial program costs since the largest payment points were associated with outcomes that both took longer and were harder to achieve.

As of September 30, 2009, total expenditures across all five sites exceeded $5.5 million, which was slightly more than half of the total grant amount. At that time, the grantees had been in operation for two years and three months of the demonstration, reflecting a much slower than expected pace of expenditures. Of the total expenditures, 31 percent supported activities at the grantee, 13 percent was paid to services coordinators, and 56 percent was paid to the SSPs.

SSPs were paid an average of $1,455 per participant, although this varied across sites. This was substantially lower than the grant budget of $2,677 per participant. SSPs received the majority of payments for providing initial services, such as enrollment and assessment, and completion of work readiness training. Payments for job placements and retention were a small proportion of overall payments because many SSPs had difficulty helping participants achieve those benchmarks and, even if a participant got or retained a job, SSPs found it challenging to document their employment.

Only one grantee—Denver—was able to leverage substantial resources to help support the program. These funds were used for occupational skills training in designated fields in which jobs were immediately available, including asbestos abatement, hazardous materials handling, and forklift operation.

Conclusions

The Beneficiary Choice program tested a new model for administering reentry services to ex-offenders. Combining participant choice and performance-based contracting created challenges for participating organizations, including risk and uncertainty. This was particularly true for small, inexperienced FBCOs. Local grantees were able to mitigate some of this risk by redefining contract benchmarks and easing documentation requirements to facilitate payments to SSPs. Nonetheless, sustaining SSPs over time was challenging.

The initial philosophy of the program was that placement in a stable job along with individualized supplemental services would help participants remain free from criminal involvement. About 65 percent of participants were placed in jobs, although some programs were more successful than others in helping their participants find employment. Criminal justice administrative data show

that 34 percent were rearrested for a new crime in the 12 months after program enrollment, which is lower than the national rate of 44 percent. Despite these successes, many SSPs felt the program model did not fully capitalize on the unique set of services available at FBCOs and resulted in few participants receiving the full range of supplemental services that they needed for successful reentry and long-term avoidance of criminal involvement. As it evolved over time, the program offered relatively light-touch services over a short duration with a work-first approach.

It was beyond the scope of this study to determine the impact of the program on participants' long-term outcomes and reentry success. Nonetheless, policymakers and practitioners can use the lessons learned from this descriptive study to shape future programs aimed at improving the employment and earnings outcomes of ex-offenders.

I. INTRODUCTION

In July 2007, the U.S. Department of Labor (DOL), Employment and Training Administration created the Beneficiary Choice Program, a demonstration that provided ex-offenders with workforce readiness training, career counseling, and intensive follow-up to help them successfully enter and remain in the workforce and stay free of crime. DOL awarded five grantees a total of $10 million through two rounds of grants to serve approximately 450 participants each. At the same time, DOL contracted with Mathematica Policy Research to evaluate how the program unfolded over time.

This final evaluation report details the implementation of the program, the short-term employment and recidivism outcomes of participants, and the costs of providing services. As a foundation for the remainder of the report, this introductory chapter discusses DOL's history of supporting ex-offender initiatives, provides an overview of the Beneficiary Choice program and the participating sites, and describes the evaluation.

A. DOL Efforts to Serve Ex-Offenders

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 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 also 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.

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[1] A summary of trends in prisoner release can be found at the Bureau of Justice Statistics website (http://bjs.ojp.usdoj.gov/index.cfm?ty=pbdetail&iid=2070).

In the late 1990s, Congress set aside more than \$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 of three rounds of grants in 1999. These grants were intended to support development of programs to address the needs of youth who had been or who were at risk of being under juvenile or criminal justice supervision. 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 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 programs (or expand existing ones) 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). An impact evaluation using propensity score matching showed modest improvements in outcomes for adult participants but no impacts for juveniles at 15 and 24 months after release (Lattimore and Visher 2009).

In the early 2000s, DOL sought to expand its offender initiatives to capitalize on the unique strengths of faith-based and community organizations (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 implementation evaluation of the program revealed that the nearly 5,000 participants were 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 appeared 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 were subsequently awarded to extend the demonstration within the original grant locations and expand services into new communities. An evaluation 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. Within the first two years of the demonstration, grantees were able to place about 60 percent of participants in jobs (Holl et al. 2009). An experimental study of the programs' impacts on participant's employment and recidivism outcomes is also underway.

Most recently, DOL announced plans in 2010 to initiate a transitional jobs demonstration targeted at ex-offenders and noncustodial parents. An in-depth process evaluation coupled with an

experimental impact study will assess the implementation of the program as well as its effects on participants' employment, earnings, and rates of recidivism.

B.   The Beneficiary Choice Program Model

As part of its initiatives to serve this needy population, DOL designed the Beneficiary Choice Program in 2007. Unlike prior DOL initiatives, the program involved an indirect funding model in which grantees were 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 was interested in knowing how this model maximized participant choice as well as the use of FBCOs to improve participant outcomes. Three key components of the Beneficiary Choice service delivery strategy distinguish it from prior programs:

1.   **Emphasis on Participant Choice.** The cornerstone of this program was that it allowed participants to drive the choice of providers. After initiating service at the grantee, participants received detailed information about the available SSPs and selected the SSP they wished to attend. This choice-based model aimed to foster a diversity of service styles among providers and to enable participants to choose the program that best met their preferences and needs. Each SSP had to offer three core services: (1) workforce readiness training, (2) career counseling, and (3) six months of follow-up services. In addition, SSPs were 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.[2] DOL required that each grantee also partner with at least one local service provider with which it has not worked before. In addition, the grantees were required to maintain a referral list of other local social service providers; the list had to contain secular alternatives to each faith-infused service offered directly through the program. In this way, the demonstration could draw on the unique qualifications of FBCOs that may not typically partner with the government.

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

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[2] 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). The regulations state that FBCOs that receive direct funding from DOL through contracts or grants cannot use those funds to provide "inherently religious activities." These rules do not apply, however, when FBCOs receive indirect funding, such as through a 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."

Through two rounds of funding, DOL awarded five grantees across the country with $2 million each to serve 450 Beneficiary Choice program participants each. Table I.1 lists the five grantees. All were located in large metropolitan areas, although the Colorado grantee chose to implement the program in both Denver and Mesa County (a rural area) and the Iowa grantee provided services in both Des Moines and Waterloo (also a rural area).

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
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Indianapolis Private Industry Council, Inc. (IPIC)	Indianapolis, IN
The Directors Council (TDC)	Des Moines, IA

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. To be eligible for the program, individuals had to 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 correctional institution within the past 60 days.

C. Participating Sites and Their Local Economies

The community context in each of these five sites is important for understanding the types of challenges that grantees faced in implementing and sustaining grant activities. Beneficiary Choice sites were primarily large urban city centers that housed relatively diverse ethnic and racial communities. Two sites were in Chicago and Phoenix, among the top 10 cities with the largest populations in the United States. Among these sites, the city populations ranged from a high of 2.8 million residents in Chicago to 194,000 in Des Moines (Table I.2). Chicago was also among the most diverse communities, with more than a third of the population Black 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 71.8 percent, while Des Moines reported the highest at 83.0 percent (Table I.2).

Several sites were located in communities that had relatively high poverty rates. Although the unemployment rate was lower than the national average in all but one site at the start of the demonstration, unemployment in three sites ultimately exceeded the national average by 2010. All five cities reported poverty rates above the national average of 14.3 percent. In particular, residents of Chicago were struggling with the highest poverty and unemployment rates at 21.6 percent and 11.3 percent, respectively. Des Moines reported the lowest rates for both indicators with a poverty rate of 17.2 percent and an unemployment rate of 7.5 percent.

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

Grantee Service Area	City Population[a]	High School Completion Rate (25+ years old)[a]	Poverty Rate[b]	Local Unemployment Rate[c]	City Crime Index Data[d]
Phoenix, AZ	1,512,986	76.6	21.1	10.5	482.1
Denver, CO	566,974	78.9	19.1	8.7	350.9
Chicago, IL	2,833,321	71.8	21.6	11.3	615.5
Indianapolis, IN	785,597	81.3	20.2	10.2	679.5
Des Moines, IA	193,886	83.0	17.2	7.5	464.3
United States	307,006,550	80.4	14.3	9.5	320.9

[a]U.S. Census Bureau 2000, 2006, and 2009 Estimates (http://quickfacts.census.gov, accessed on October 8, 2010).

[b]2009 American Community Survey, U.S. Census Bureau (http://factfinder.census.gov/, accessed on October 8, 2010).

[c]Bureau of Labor Statistics, July 2010 (http://data.bls.gov/cgi-bin/surveymost?la.com, accessed on October 8, 2010).

[d]2008/2009 Crime index data are available at www.city-data.com, accessed on October 8, 2010. 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. A higher index means more crime.

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

	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
White Non-Hispanic	46.0	50.8	31.3	62.7	73.1
Black	5.4	9.1	34.2	25.9	9.8
Hispanic	43.0	34.3	28.1	7.4	10.8
Other race	4.1	4.3	5.3	2.1	4.7
Two or more races	1.5	1.5	1.0	2.0	1.6

Source: www.city-data.com (accessed October 8, 2010).

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.

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 were also PRI grantees that serve nonviolent offenders (with some exceptions). Still, in Phoenix, the demand for services reportedly far exceeded the supply. In Chicago, grantee staff members reported that there was a mismatch between the locations where reentry services were often provided (the city's west side) and the communities where ex-offenders typically returned (the city's south side). In Denver, those with high service needs and serious barriers to work could receive basic case management through a local transitional center, although resources were limited and caseloads were reportedly high. In Indianapolis, only a small number of the SSPs for this demonstration had 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.

D. Overview of the Evaluation

The Beneficiary Choice program model was a new direction in the provision of services to ex-offenders. This evaluation provides rich information about this new model and its potential for improving services to ex-offenders. It aims to address the following six main research questions about the Beneficiary Choice program:[3]

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?

6. What are the costs of the program?

To answer these questions, the evaluation collected and synthesized qualitative, quantitative, and cost data to provide a complete picture of how the program unfolded over time. The four key data collection activities included the following:[4]

- **Site Visits.** The evaluation team conducted two rounds of in-depth site visits in summer 2008 and fall 2009. The visits involved semi-structured interviews with administrators and staff at the grantee agencies as well as participants, employers, One-Stop Career Centers, and other partners.[5] Team members conducted group interviews with SSP directors and visited two SSPs per site during each round to provide rich information about service offerings (although the data are not intended to be representative of all participating SSPs). The team was also able to interview 53 program participants (24 in round 1 and 29 in round 2). Again, the views of these participants do not represent the perspectives of all participants, but rather provide themes about the experiences of ex-offenders as they move through the program.

- **Management Information System (MIS) Data Collection.** Grantees were required to collect and enter information on participants' characteristics at intake, their service use

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

[4] A fifth data source was used in the first findings report published in January 2009. In conjunction with the first round of site visits, the evaluation team gathered detailed information about the five grantees and their SSPs through a grantee survey. The survey 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.

[5] The Denver grantee served a small number of participants in Mesa County, CO. For efficiency considerations, the evaluation team held a telephone interview instead of an on-site interview with the local project manager to collect information on these participants.

throughout participation, and their short-term outcomes (including employment placement and retention, and recidivism), using an internet-based tracking system. Appendix A.1 provides more information about the MIS.

- **State-Level Criminal Justice Administrative Data.** In summer 2010, the evaluation team collected administrative data on program participants from four states.[6] These data allowed 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. These data collection efforts are documented more fully in Appendix A.2.

- **Cost Data Collection.** During the second round of in-depth site visits, the team collected detailed information on grantees' actual expenditures as well as their performance-based payments to SSPs. Cost data collection is described in detail in Appendix A.3.

E. Organization of the Rest of the Report

The purpose of this report is to answer the full range of research questions outlined above using all available data. Building on the evaluation's first findings report (Bellotti et al. 2008), this report tracks the progress of demonstration implementation from its inception, explores the cost of providing services, and examines' participants' short-term outcomes as they attempt to successfully reintegrate into society. The report continues in Chapter II with a description of the organizations participating in the demonstration. Chapter III describes outreach efforts, orientation of participants, and the process of facilitating customer choice. The report then turns in Chapter IV to describing the characteristics of participants who ultimately enroll in the program and the services they receive at the SSPs. Next, the report describes in Chapter V the employment and recidivism outcomes of participants based on MIS and administrative data. Chapter VI discusses grantee and SSP experiences with performance-based contracting as well as an in-depth analysis of program costs. Finally, Chapter VII provides overall findings from the implementation of the Beneficiary Choice demonstration.

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[6] Arizona does not have publicly available criminal justice data and requires a lengthy approval process to access data for evaluation purposes. As a result, the evaluation was unable to collect administrative data on participants from Arizona.

II. GRANTEES, SERVICES COORDINATORS, AND SSPS

Unique to the Beneficiary Choice model is a three-tiered administrative infrastructure designed to expand the pool of eligible service providers and provide participants with independent choice. At the first level, the grantees, which included a mix of government and nonprofit agencies, were responsible for designing and administering the program and reporting grant expenditures and program outcomes to DOL. At the second level, services coordinators had primary responsibility for recruiting and enrolling participants in the program. In some cases, they continued to provide basic case management to participants throughout the grant period. Grantees provided services coordinator responsibilities by either contracting with a separate provider or handling these responsibilities in house. Finally, at the third level, SSPs provided direct services to participants by offering assessments, career counseling, job readiness, and job placement and retention services, among other services. Requiring grantees to identify and work with a pool of at least five faith-based and community organizations (FBCOs) expanded contract opportunities to small, inexperienced grassroots organizations that might not have had a competitive edge or the service capacities of the large, well-established providers. This chapter describes each structural layer of the Beneficiary Choice model—the grantee, services coordinator, and SSPs—and its evolution over time. We also describe the role of community partners within and across the study sites.

Key Findings

- Grantees that were government organizations had the ability to garner resources and build on long-term alliances with other government agencies to provide additional services to program participants, beyond those funded through Beneficiary Choice.

- Contracting out services coordinator responsibilities brought needed expertise and resources to the project when grantees were not positioned to provide direct services.

- Through several rounds of solicitations, the five grantees were able to engage 44 faith-based and community organizations to serve as specialized service providers. This included three organizations that offered faith-infused services.

- Sustaining SSPs once they were selected for involvement in the demonstration was more challenging than grantees envisioned. Nine of 30 SSPs involved at the time of the first site visits had dropped from the project by the second round of visits.

- Initially, some grantees reported that correctional agencies saw them as competitors vying for the same pool of reentry funds. However, through outreach and education efforts by services coordinators, correctional agencies became a valuable resource for referrals in all five sites.

- In most sites, the involvement of the One-Stop System was limited to providing office space and general access to Center services, rather than to providing direct services as a partner in the Beneficiary Choice project.

- Reflecting the need to quickly move participants into work, grantees reported few relationships with education and training providers.

A. Grantees

The solicitation for grant applications (SGA), released in April 2007, sought 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 to the project. The grant was open to government agencies and FBCOs.

Results from the grantee survey summarized in the first findings report revealed that grantees were mostly large, longstanding government or nonprofit organizations with extensive partnerships in the community. Four of the five grantees had been in operation for at least 20 years, and all five had previous experience with operating programs for ex-offenders and/or at-risk youth (Bellotti et al. 2008). Annual operating budgets ranged from $2.8 to $62 million before the grant award.

1. Responsibilities

Grantees defined the administrative infrastructure of the grant and created a service delivery pathway for program participants. Some grantees served as the services coordinator, described below, while others contracted this role out to other organizations. In addition, they recruited, procured, and formalized agreements with a pool of at least five SSPs, including at least one non-faith-based organization. Once SSPs were selected, grantees provided ongoing monitoring and technical assistance to help them improve service quality and reporting accuracy. They also reached out to local community partners (for example, correctional agencies, One-Stop Career Centers, and SSPs) and employers, encouraging them to invest time and resources. As the grant holder, they were also accountable to DOL to submit quarterly reports and ensure that the administrative data were accurately recorded in the Beneficiary Choice MIS.

2. Types of Organizations

As noted, DOL awarded grants to different types of agencies, each bringing different strengths and resources to the project. Government organizations brought extensive relationships and financial resources, while nonprofits brought expertise with helping ex-offenders get and keep jobs. Three of the grantees were governmental or quasi-governmental organizations, one grantee was a large nonprofit service provider, and the other was a nonprofit consortium of local agencies that did not provide direct services. Among the government organizations, Colorado Department of Labor and Employment (DLE) is a state agency, the Chicago Department of Family and Support Services (DFSS) is a city-based social service agency, and Indianapolis Private Industry Council (IPIC) is a local workforce investment board (WIB). Nonprofit organizations included Arizona Women's Education and Employment (AWEE) and The Director's Council (TDC).

Between the first- and second-round site visits, organizational changes within two grantees resulted in shifting grant responsibilities to another lead agency. In Chicago, the grant was originally managed by the Mayor's Office of Workforce Development, but shifted midway through the grant period to DFSS as a result of organizational restructuring within the city. Although the shift caused few, if any, disruptions to service delivery, it reportedly expanded leveraged resources available to participants. Chicago DFSS, which includes the Office of Children and Youth Services, provides a range of supportive services and specialized assistance to disadvantaged populations through its six community service centers. These services were available to Beneficiary Choice participants who qualified. In Des Moines, TDC was a consortium of agencies managed by the executive director of Spectrum Resources (the services coordinator). Spectrum Resources used TDC to provide a

financial pass through and took over all grant management responsibilities. As a result, we refer to Spectrum Resources as the grantee for the remainder of the report.

3. Assets and Limitations

According to grantees, governmental and quasi-governmental organizations typically brought more leveraged resources, had more influence with other government agencies, and, in some cases, appeared to have more influence with SSPs. The government grantees funded other local projects provided by a subset of the Beneficiary Choice SSPs, and two of the three already had working relationships with their government partners at corrections and workforce investment agencies. In addition, many of the SSPs operating under government grantees talked about the importance of performing well on the Beneficiary Choice project so they might be awarded other contracts in the future. Still, government organizations often were not structured to provide direct services, but instead contracted out services coordinator responsibilities. The need for some government agency grantees to contract services out created another administrative layer to the project.

Nonprofit organizations were nimble organizations with extensive experience providing direct services. AWEE and Spectrum Resources had been active service providers for ex-offenders in their respective communities for more than a decade. As direct service providers, they had a reputation for successfully helping ex-offenders get and keep jobs. They were not only well-connected with the population, but also understood the unique needs and circumstances of the participants. As grantees of the DOL Prisoner Re-entry Initiative (PRI), AWEE and Spectrum Resources were also well-prepared for the reporting and performance expectations created by DOL. Their ability to perform both the grantee and services coordinator roles eliminated the need for an additional "middle agency."

Despite these strengths, the nonprofit grantees faced several challenges compared to their governmental counterparts. Both AWEE and Spectrum Resources had limited financial resources, particularly when the economic recession decreased the funding supply to nonprofits and increased the demand for services. Also, although both of these agencies had extensive partnerships with SSPs in the community, the Beneficiary Choice grant put them in a different role in their respective communities, as prime contractors rather than peers. In addition, because they brought limited financial resources to the relationship, they had to make a compelling case to convince government organizations to partner with them.

B. Services Coordinators

The primary function of a services coordinator was to recruit ex-offenders, orient them to the program, and link them to SSPs. While three of the grantees handled these responsibilities in house, two grantees relied on contracted service providers to act as liaisons with the SSPs. This section describes the services coordinators primary tasks, contracting arrangements, and staffing changes since the first round of visits.

1. Responsibilities

Under Beneficiary Choice, services coordinators had six primary responsibilities. First, they recruited participants to the program through pre- and post-release methods. Second, as specified in the original SGA, they conducted an in-depth assessment of participants to identify their immediate service needs, education and work history, and career interests. Third, they assisted participants with choosing a provider. They also followed up with the participant and/or SSP to ensure that the

participant attended an initial intake appointment at the SSP. Fourth, in some sites they provided basic case management and work supports to address participants' immediate service needs. Fifth, in sites where the grantee and services coordinator were two separate agencies, the services coordinator acted as a liaison between the grantee and the SSP, often providing technical assistance and support to the SSPs. Sixth, services coordinators were responsible for entering data into the MIS to facilitate grantee reporting to DOL. The services coordinator in all five sites continued to be involved with participants directly or indirectly even after they were referred to an SSP; however, the extent and nature of that involvement varied substantially.

2. Contracting Out the Services Coordinator Role

Contracting out services coordinator responsibilities brought needed expertise and resources to the project when grantees were not positioned or chose not to provide direct services. As mentioned above, government organizations that did not have the capacity to provide services in house typically contracted out these responsibilities. DFSS in Chicago and IPIC in Indianapolis contracted with Career Advancement Network (CAN) and Job Works, respectively (see Table II.1). For more than a decade, CAN, a local nonprofit agency in Chicago, has used a therapeutic model called "Career Passport" for providing employment services to ex-offenders and other at-risk populations. Job Works, also a nonprofit agency, operates the local One-Stop Career Center in Indianapolis. As the services coordinator, Job Works improved the accessibility of One-Stop services to Beneficiary Choice participants and also ensured that participants were co-enrolled in Workforce Investment Act (WIA) services.

Table II.1. The Beneficiary Choice Services Coordinators

City, State	Grantee	Services Coordinator
Phoenix, AZ	Arizona Women's Education and Employment, Inc. (AWEE)	Same
Denver, CO	Colorado Department of Labor and Employment (DLE)	Same
Chicago, IL	Department of Family and Support Services (DFSS)	Career Advancement Network (CAN)
Indianapolis, IN	Indianapolis Private Industry Council	Job Works
Des Moines, IA	The Director's Council	Spectrum Resources

3. Grantee Acting as Services Coordinator

The grantees in the remaining three sites—Denver, Phoenix, and Des Moines—acted as the services coordinator. All three hired new staff to help with these responsibilities, but their strategies differed slightly. In particular, DLE hired full-time, temporary grant managers in Denver and in the Mesa site. While this strategy eliminated another administrative layer, finding temporary staff with the right skills to handle all services coordinator responsibilities was challenging. To manage the workload, DLE also contracted with strong SSPs that took on some of the services coordinator responsibilities such as recruitment, assessment, barrier removal, and employment planning. These organizations were mostly larger agencies with extensive experience providing case management and job readiness and placement services to ex-offenders. Small grassroots organizations might not have been as well equipped to handle these responsibilities.

Taking a slightly different approach than DLE, grantees in Phoenix and Des Moines both hired case management staff who stayed actively involved with participants throughout service delivery. Tapping into their agency expertise, both provided ongoing case management, work supports, and

job placement and advancement services to participants. They also followed up with participants who were difficult for the SSPs to track so their employment status could be documented in the MIS. In three other sites (Denver, Chicago and Indianapolis), services coordinator involvement typically ended after the participant was enrolled in the program and began working with an SSP. The Denver and Indianapolis grantees continued to provide work support and pay for vocational training, but had limited, if any, direct involvement.

Ongoing involvement with participants by the services coordinator had both advantages and disadvantages, based on local feedback during site visit interviews. On one hand, it often helped boost program outcomes as services coordinator staff were able to assist in accurately recording job placement and retention. This arrangement capitalized on the strengths of these nonprofit organizations. On the other hand, the ongoing involvement of services coordinator administrators and staff sometimes created confusion between the roles of services coordinator and SSP staffs and often overcompensated for low-performing SSPs. This structure also allowed some participants to "double dip" by requesting resources such as bus passes or clothing assistance from both the services coordinator and SSP staff.

4. Staff Turnover

Only two services coordinators, Job Works and Spectrum Resources, experienced staff turnover during the Beneficiary Choice project. In Indianapolis, the services coordinator program manager at Job Works resigned, but was replaced by one of her assistants such that a degree of continuity remained. In Des Moines, turnover at the services coordinator case manager level was relatively common. However, respondents at the site reported that the turnover had minimal affect on service delivery. The primary challenge was training new staff on the program activities and reporting requirements. New staff also had to cultivate relationships with participants whom they had not enrolled into the program themselves and track them over time.

While grantees and services coordinators experienced relatively low staff turnover, two of the services coordinators also added or planned to add staff after the first site visits to fill unmet needs. First, Job Works began using a job developer leveraged through a Lily Foundation grant to help SSPs identify job leads for participants. The grantee initially hoped the job developer would also provide technical assistance to SSPs to enhance their job placement services but this aspect of the position did not come to fruition. Second, DLE planned to add two new staff—a job developer and an MIS specialist—but had not yet done so at the time of the second site visit. Both positions were expected to be full time and to be paid for using a combination of grant and leveraged funds.

C. SSPs

The Beneficiary Choice model was intended to create new opportunities for FBCOs that might not have been available under a traditional federal government funding stream. Grantees quickly found that, although SSPs often brought additional resources and supports for participants, many of them were small, inexperienced organizations with limited employer relationships. Still, SSPs offered a variety of strengths, including experience with serving at-risk populations; ability to bring additional services and resources from the community; an intensive, hands-on service approach; and close connections with other community partners. In addition, these organizations were often located in neighborhoods where ex-offenders live, making services accessible to participants. This section describes grantees' experiences working with local SSPs.

1. Responsibilities

Based on the grant solicitation, SSPs were required to offer participants three core services—(1) work readiness, (2) career counseling, and (3) post-employment follow-up. They were also required to offer a unique combination of supplemental services to help meet the needs of their clientele. Although there was some variation across organizations during implementation, most SSPs performed five key functions:

1. **Career Counseling and Case Management.** Case management functions primarily included 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 included individualized or group job readiness workshops, help with developing a resumé, 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 were prepared for work, SSPs gave them suggestions for how to look for a job. Job search assistance was 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. SSPs rarely offered structured job search activities.

4. **Other Supplemental Services.** Beyond these basic services, SSPs offered a wide range of unique services. These included but were not limited to supportive services, mentoring, health services, substance abuse counseling, and housing assistance.

5. **Participant Tracking.** Each of the SSPs has responsibility for tracking the services that participants received and recording them in the MIS. In all of the sites, SSPs were also responsible for documenting participant outcomes, such as employment and recidivism, both during participation and for a short time after their involvement with Beneficiary Choice ended. We discuss efforts to record participant service use and outcomes in more detail in Chapters IV and V.

2. Staffing Arrangements

The combination of participant choice and performance-based contracting created unpredictability about how many and what types of participants would select each SSP, the number of participants who would be able to achieve key benchmarks, and the amount of benchmark payments that the SSPs would ultimately receive. In addition, the program model required SSPs to make an upfront investment in staff salaries before they saw the financial payoff from achieving the payment benchmarks.

As a result, SSPs had to take calculated risks when determining the number and types of employees to use and/or hire to serve Beneficiary Choice participants. The uncertainty resulted in two staffing approaches. Many SSPs split staff time across multiple programs to defray program costs. Others hired a full-time staff person to manage all Beneficiary Choice responsibilities.

- **Multiple Staff Members with Specialized Functions.** Some SSPs involved multiple staff in the Beneficiary Choice program who had specialized functions such as case management, job development, job placement and retention. These staff typically split

their time across multiple programs, working with both Beneficiary Choice and non-Beneficiary Choice participants. Specializing staff by function allowed SSPs to tap into other funding sources to help cover staff salaries. However, some SSP administrators and staff reported that this structure pulled staff in multiple directions and limited their availability for cultivating ongoing relationships with participants.

- **Single Staff Member with Overall Responsibility.** Other SSPs relied on one staff person to carry out the full range of tasks. When one staff person managed all responsibilities, he or she developed an ongoing working relationship with the participants, which reportedly helped with follow-up. In addition, staff could focus their work on one program where they understood the intricacies of core services, targeted performance outcomes, and MIS data entry. The challenge was finding someone with a broad skill set to handle all functions (for example, assessment, case management, job development, and job placement and retention). In addition, investing all the institutional knowledge about Beneficiary Choice in one staff member left SSPs particularly vulnerable if that person left the agency. Replacement staff had to be trained and work hard to build new relationships with employers, community partners, and participants.

3. Identifying and Selecting SSPs

A total of 44 SSPs were awarded contracts during program implementation across the grantees (Table II.2). In most sites, multiple rounds of procurements were required to maintain a pool of SSPs across the two-year grant period. The original grant application required that grantees include at least five SSPs that would serve as providers. However, after the grant award, grantees were required to hold a procurement to recruit and select their final set of SSPs. Given the tight time frame for implementing the projects, the extent of outreach for the initial procurement was limited in most of the sites. Interesting, eight organizations included in the original grant applications did not apply to the grantee solicitations and were never awarded contracts (not in table).

Table II.2. Number of FBCOs Serving as SSPs

	Across All Sites	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Number of SSPs in Round 1	30	5	7	9	5	4
Number of SSPs in Round 2	35	5	7	6	7	10[a]
Number of SSPs Serving in Both Rounds	21	3	6	5	3	4
Total Number Involved at Any Time	44	7	8	10	9	10

Source: Site visit interviews with grantee administrators.

[a]Includes addition of four SSPs in the Waterloo area (Des Moines, IA site) between rounds 1 and 2.

At the start of the demonstration, grantees mostly selected those SSPs that were familiar to them. In two of the sites, Chicago and Indianapolis, SSPs that were included in the original grant application were selected through the procurement process and served as round 1 providers. Two additional SSPs were added in Chicago as a result of procurement, none were added in Indianapolis. Spectrum Resources in Des Moines accepted all SSP applicants during the initial procurement, but had previous working relationships with nearly all of the agencies that applied. Denver had extensive outreach and created application requirements that reportedly resulted in a strong pool of

SSPs with experience serving the target population and providing employment services. Compared to the other grantees, AWEE in Phoenix had the most aggressive SSP recruitment efforts, going through three rounds of procurements, and attracting a broad pool of applicants of which roughly one quarter received awards. More details on the initial SSP procurement process can be found in the evaluation's first findings report (Bellotti et al. 2008).

With the exception of Spectrum Resources in Des Moines, grantees added few SSPs to their projects after the first round of evaluation site visits. Spectrum Resources added 6 of the 14 SSPs (four community-based organizations [CBOs] and two FBCOs) by opening up a new service area in Waterloo, Iowa. Through a second procurement, IPIC added four SSPs (three CBOs and one FBCO). Subsequent rounds of procurement were reportedly handled in the same way as the initial procurement; however, fewer local organizations applied. According to grantees, faith-based and community providers may have been reluctant to sign on to performance-based contracts in the midst of the economic recession. Grantees also reported that they were clearer with SSPs about the potential risks of participant choice and performance-based contracts in the second procurement process.

Despite the smaller pool of applicants, in most sites, grantees and services coordinators indicated that the newly added SSPs quickly met performance benchmarks. As the project progressed, they may have been more effective at identifying SSPs that were a good match for the project. In addition, new procurements coincided with changes to performance-based contracts that allowed SSPs to reach benchmarks more easily.

Although the program model allowed for their inclusion, very few faith-infused programs were involved in the demonstration. During the first round of evaluation site visits, two SSPs provided faith-infused services. Both of these agencies dropped out of the program as of the second round site visits. According to respondents, these SSPs decided not to continue with the program because they had difficulty obtaining referrals and/or were not meeting their program outcomes to recoup program costs. One small faith-infused provider was added as a result of subsequent procurements in Indianapolis. At the time of the second site visit, it had served only nine participants.

The interim report identified five potential explanations for the limited involvement of faith-infused providers (Bellotti et al. 2008). First, grantees were apparently not clear about whether and how explicitly religious activities could be a part of service provision. Although they received ongoing guidance about the rules under Beneficiary Choice, they seemed to default to what they knew about religious restrictions associated with the receipt of direct funding. Second, grantees conducted limited outreach to recruit faith-infused SSPs. By the time of the second round site visits, two grantees had made stronger efforts to target faith-infused providers, but had little or no success. Third, FBOs were likely accustomed to the religious restrictions associated with government funding. As a result, they continued to operate under the Charitable Choice rules.[7] Fourth, some SSPs may have feared that participants would not select faith-infused providers. This fear may have

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[7] Charitable Choice refers to several laws passed in the late 1990s that clarified the rights and responsibilities of FBOs receiving Federal funds. Basic Charitable Choice and Equal Treatment Policies state that faith-based groups receiving Federal funding may: (1) retain religious art or symbols; (2) retain religious standards for organizational governance and hiring (unless otherwise prohibited by statute); (3) not use funds for "inherently religious activities"; and (4) not discriminate against clients based on religion or require religious participation.

become a reality for the two faith-infused providers that dropped out of the program. Fifth, SSPs may not have been fully aware or believed that they were not allowed to provide faith-infused services. Many of the SSPs were hoping for long-term contracts with federal and/or state organizations. This may have increased their reluctance to provide only faith-infused services.

4. SSP Turnover

Sustaining SSPs once they were selected for involvement in the demonstration was more challenging than grantees envisioned. Nine SSPs left the project between the first and second round of site visits. FBOs appeared to be particularly vulnerable as 5 of 14 FBOs (35.7 percent) dropped out between the two rounds of site visits, compared to 4 of 16 CBOs (23.5 percent). In most cases, removing an SSP was a joint decision between the services coordinator and the SSP.

Limited earnings may have contributed to turnover (see Table II.3). SSPs that left earned substantially less between the beginning of the grant and the second round of site visits than those that remained involved. The evaluation did not collect enough data to closely examine the correlation between SSP earnings and SSP dropout. However, grantees and services coordinators reported four key factors that contributed to low earnings. First, some SSPs were selected by very few participants, limiting their earning potential. Second, grantees reported that some SSPs simply performed poorly and were not able to provide participants with the needed services. Third, SSPs that were inexperienced with reporting requirements were unable to accurately document outcomes. Fourth, there was a mismatch between the work-first Beneficiary Choice model and the organizational service approach of some SSPs. For example, some were social service agencies that were inexperienced with job placement services and had limited employer relationships.

Table II.3. Average Earnings of SSPs that Stayed or Dropped Out of the Demonstration

	Across All Sites	Phoenix, AZ[a]	Denver, CO[b]	Chicago, IL[a]	Indianapolis, IN[a]	Des Moines, IA[b]
Average Earnings of CBOs That Stayed	$105,414	$107,422	$162,775	$44,733	$110,400	$141,319
Average Earnings of CBOs That Dropped Out	$28,040	$60,624	n.a.	$5,600	$6,700	n.a.
Average Earnings of FBOs That Stayed	$127,348	$118,756	$155,833	$76,450	n.a.	$160,874
Average Earnings of FBOs That Dropped Out	$31,350	$39,237	$27,600	$45,500	$6,800	n.a.

Source: Site visit interviews with grantee administrators.

[a]Earnings from Beneficiary Choice contracts as of October 1, 2009.

[b]Earnings from Beneficiary Choice contracts as of November 30, 2009.

n.a. = not available.

By contrast, grantees reported three factors that may have contributed to the likelihood of an SSP staying with the project. First, SSPs that stayed with the project were often located near where participants lived or were accessible by public transportation. Second, these organizations had a strong reputation in the community. They had experience in serving ex-offenders, and also with helping hard-to-employ job seekers get and keep jobs. Third, they received funding from a range of sources, not just Beneficiary Choice. These organizations often co-enrolled participants in their other programs to recoup program costs for case management and supportive services. They also

shared services such as job readiness workshops and job development and placement resources across multiple programs.

Grantees implemented multiple strategies to reduce SSP turnover. Four key strategies emerged during interviews with grantee and SSP administrators (see Chapter VI for additional discussion of performance-based contracts). First, two grantees structured their initial contracts with SSPs to include payment benchmarks that heavily rewarded process activities such as assessment and job readiness activities. This was intended to help sustain SSPs that had limited cash flow. As SSPs matured, however, the contracts shifted. While continuing to reward service provision with smaller payments, the grantees adjusted their SSP contracts to include larger payments for job placement and retention outcomes.

Second, one grantee, DLE in Denver, streamlined the payment process to help SSPs quickly recoup program costs. Some of the smaller, grassroots organizations were particularly challenged by limited cash flow. To accommodate this, DLE allowed SSPs to submit invoices for payment at any time rather than on a designated day of the month. In addition, the grant manager streamlined the payment process to allow for reimbursements within a week of invoice submission.

Third, three of the grantees simplified the verification process over time so that grantees could quickly pay SSPs. While the verification process increased accountability, it often created payment delays and uncertainty about how much the SSP would be paid. For example, AWEE in Phoenix began the project with an extensive invoice verification process. In response to SSP feedback that the process was too time intensive and cumbersome, the grantee modified the process between the two rounds of site visits.

Fourth, two services coordinators increased SSP capacity-building activities. AWEE implemented two activities to strengthen the service capacity and improve the quality of SSP services. It provided monthly technical assistance visits to each SSP to improve the quality of services. It also created a monthly Community Partnership Council to discuss promising practices and opportunities to collaborate on future grants. To build a stronger relationship with SSPs, Job Works staff members in Indianapolis co-located in SSP offices one day per week. The services coordinator administrators said that this improved communication and coordination and expanded the reach of the One-Stop Career Center.

D. Community Partnerships

Grantees, services coordinators, and SSPs developed a range of community partnerships that brought additional resources 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 System agencies. They also had to demonstrate that they had existing relationships with employers who were willing to hire program participants. Other partners could include local community and technical colleges, FBCOs that were not SSPs, and specialized treatment providers (for example, mental health providers and substance abuse treatment centers). Local agencies were instrumental with recruiting participants, providing technical assistance to SSPs, and expanding the services available to participants.

1. Correctional Agencies

Across the study sites, correctional agencies were integral partners. Initially, grantees said that correctional agencies saw them as competitors vying for the same pool of reentry funds. However,

through outreach and education efforts by services coordinators, correctional agencies become a valuable resource for referrals in all five sites. In two sites, corrections staff provided technical assistance to SSPs on how to effectively work with the ex-offender population. And, in two sites, these partners helped to actively enforce participation in the Beneficiary Choice program. In Des Moines, Spectrum Resources, in particular, attributed much of their program success to their active working relationship with parole officials. These officials provided referrals, participated in orientation and case planning, monitored job placement and retention, and notified the services coordinator of any participant recidivism.

Partnerships with correctional agencies remained steady throughout the demonstration in all of the sites except Denver. The partnership between DLE and the John Inmann Work and Family Center (JIWFC) dissolved after the correctional agency relocated to an outlying community. In the early phases of the demonstration, JIWFC provided most of the referrals and ran criminal background checks on participants. DLE began cultivating a relationship with a federal correctional agency after the first round visits; however, that relationship was still relatively new by the second visit.

2. One-Stop Career Centers

While correctional agencies were strong partners, grantee involvement with One-Stop Career Centers was more limited. The extent of partnerships varied. However, in most sites, the involvement of the One-Stop system was limited to providing office space and general access to center services, rather than providing direct services.

Grantees in Indianapolis and Colorado reported that Beneficiary Choice participants were also participating in other workforce programs. In Indianapolis, participants were routinely receiving WIA core services in addition to Beneficiary Choice services. A few participants also received intensive and training services, although this was rare. The One-Stop Career Center also recommended that participants attend a two-hour "Hard Time to Full Time" workshop that was created using Wagner Peyser funds. In Colorado, the workforce system in Adams County had several grants, including a WIRED grant, that provided employment and training opportunities for ex-offenders. As discussed in Chapter VI, the grantee in Colorado also leveraged WIA resources to provide short-term, specialized training for Beneficiary Choice participants. WIA co-enrollment was also common in the Mesa County site as participants completed an extensive work readiness and interest inventory as part of their orientation. The One-Stop provider was also one of the local SSPs.

The remaining grantees reported that participation in WIA by Beneficiary Choice participants with other One-Stop Career Center programs was limited. In Des Moines, participation in WIA and Beneficiary Choice was not common, even though the services coordinator staff in Des Moines were co-located in the One-Stop Career Center. In Des Moines and Phoenix, grantee administrators reported that, rather than serving ex-offenders directly, the One-Stop Career Centers often referred individuals with criminal backgrounds to the grantee agency for assistance due to the agency's reputation for successfully placing ex-offenders in jobs. In Chicago, the services coordinator reported that, although it rarely happened, participants were referred to the workforce system if they wanted training and might be able to access an Individual Training Account to help pay for it.

3. Employers

Services coordinators relied primarily on SSPs to forge relationships with employers, although three also made special efforts to engage employers directly. Spectrum Resources in Des Moines had extensive relationships with employers in the community as a result of its PRI grant and other programs. Spectrum staff was able to directly place many participants in jobs, rather than relying exclusively on the SSPs for job placement. The Colorado DLE also worked with a few employers that provided vocational training and job placement. The grantee in Chicago cultivated a relationship with the Chicago Transit Authority that resulted in up to 40 placements of Beneficiary Choice participants.

4. Education and Training Providers

Reflecting the emphasis on quickly connecting participants with work, grantees reported few relationships with education and training providers. In four sites, education and training providers were not actively involved with Beneficiary Choice. In Indianapolis and Chicago, participants were encouraged by the services coordinator to apply for WIA-funded training but few, if any, participants followed through. In addition, several of the Indianapolis SSPs offered General Educational Development (GED) certificate preparation courses and one SSP offered a transitional jobs program that blended education and wage-paid work. However, neither the grantee nor the services coordinator in Indianapolis or Chicago had any formal partnerships with local educational institutions.

The one site in which the grantee did explicitly partner with an education and training provider was Colorado. Local administrators reported that three factors contributed to the success of their training component. First, DLE was able to leverage DOL training funds to pay for vocational training in skills such as asbestos abatement, hazardous materials handling, and fork lifting. The cost of training was about $1,500 per participant and included equipment and the cost of certification. Second, DLE was able to structure training activities to be completed within several weeks. This model fit well with the work-first approach adopted by the Beneficiary Choice model. Finally, DLE selected training providers who had strong connections with employers and could place participants in jobs immediately after training completion. One organization, Environmental Services Incorporated (ESI) had relationships with more than 200 employers that hired its graduates. In addition, ESI received a grant funded by the American Recovery and Reinvestment Act of 2009 that enabled the organization to hire participants for insulation and weatherization projects aimed at encouraging energy efficiency.

III. OUTREACH, ORIENTATION, AND PARTICIPANT SELECTION OF SSPs

In the SGA, DOL defined a structured model with clearly delineated upfront activities for recruiting, enrolling, and serving participants. The Beneficiary Choice model includes the unique participant choice feature, which enables individuals to select from a pool of SSPs during the orientation period. The aim of this process is to allow participants the flexibility to select the provider that best meets their unique needs. Services coordinators provide the majority of the upfront activities, educate participants about available service providers and facilitate the process for choosing one, and connect participants with SSPs for ongoing direct services. This chapter examines how sites implemented the upfront process for enrolling participants in Beneficiary Choice and how choice among service providers might influence participant behavior and program outcomes.

A. Eligibility and Recruitment

DOL required each grantee to serve a minimum of 225 participants per year for two years. As discussed in the first report from the evaluation (Bellotti et al. 2008), services coordinators used a variety of pre- and post-release strategies in the first year of the demonstration to recruit participants to the Beneficiary Choice program. Such strategies included distributing marketing materials to inmates, partnering with criminal justice agencies that could make referrals, and encouraging referrals from other community partners. Once individuals expressed interest in the program, each of the services coordinators implemented initial enrollment or engagement activities that required a time commitment from the potential participant. Local staff reported that these activities often weeded out those who were not motivated for or committed to the program.

Key Findings

- Correctional agencies were pivotal in meeting recruitment and enrollment goals. Other recruitment strategies included presentations to inmates, referrals from community partners, and reverse referrals from SSPs.

- Group orientation, used by three services coordinators, created an efficient and consistent process for sharing information. Though more time consuming, individual orientations offered an immediate connection with participants. Two sites combined these approaches.

- Three services coordinators used consistent orientation materials and scripts to present information on available SSPs and ensure that participants had an independent and informed choice. Two services coordinators gave more informal presentations and sometimes helped guide participants in their choice of SSPs.

- Based on interviews with participants and services coordinator staff, participants chose providers primarily based on their geographic location and agency reputation. In fewer cases, participants chose based on the services offered.

- Driven in part by DOL performance standards and the use of performance-based contracts, services coordinators and SSPs used pre-enrollment activities to identify and enroll the most motivated participants.

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1.   Eligibility Requirements

Grantees typically adopted the broader eligibility requirements set by DOL and outlined in the initial SGA without setting additional criteria. These criteria required participants to be: (1) young adults between the ages of 18 and 29, (2) within 60 days of release from prison, and (3) convicted of a federal or state offense. When several grantees experienced slow enrollment at the start of the demonstration, DOL revised these eligibility requirements to include individuals being released from county and local jails. Three grantees placed additional limitations on serving sex offenders: the Colorado grantee accepted sex offenders on a case-by-case basis; Des Moines capped the number of sex offenders it would serve; and Phoenix elected not to serve them.

2.   Recruitment

Correctional agencies were pivotal in meeting recruitment and enrollment goals. They provided the majority of the referrals in three sites—Chicago, Indianapolis, and Des Moines. In Chicago and Des Moines, local parole agencies were the primary source of referrals to the program. In Indianapolis, however, local probation offices, halfway houses, and work release programs served as the primary referral sources.

The Colorado DLE, a grantee that worked with a pool of SSPs that had strong connections to the ex-offender population, shifted primary recruitment responsibilities to SSPs in the middle of the demonstration. Its primary referral source during the first year of the grant was the John Inmann Work and Family Center (JIWFC), a correctional agency in the Denver Metro area. However, when JIWFC relocated outside of the target area for Beneficiary Choice, the grantee tapped the SSPs to recruit participants for the program. Most participants in the second half of the demonstration were enrolled as a result of these reverse referrals.

Other recruitment strategies used across the services coordinators included pre- and post-release activities such as presentations to inmates, media advertising to the general public, and referrals from community partners. Although the Phoenix grantee used multiple recruitment strategies, program administrators reported that their most successful strategy was mailing postcards to young ex-offenders scheduled for release or recently released, based on lists they obtained from corrections agencies.

3.   Use of Pre-Enrollment Activities

During the early months of the demonstration, several grantees were delayed in starting participant enrollment or experienced a slower pace of enrollment than expected. For example, in Denver, completing the state process for procuring agreements with SSPs took nearly six months, putting the grantee behind in the number of program enrollments for the first and second quarters. Indianapolis also received far fewer referrals from probation—its key criminal justice partner—than expected, resulting in a slow start-up.

In an effort to engage more participants, grantees reported quickly enrolling any eligible ex-offender who expressed interest in the program, showing little discretion in who they accepted. As a result, they may have included participants who were not fully invested and, therefore, potentially less likely to succeed. Later, they modified their approach to be more selective.

Driven in part by the DOL performance standards and the use of performance-based contracting, some services coordinators and SSPs began introducing new pre-enrollment activities

aimed at weeding out those participants who were less motivated. For example, the Colorado grantee initially enrolled participants as soon as they attended orientation at the grantee, but shifted its procedures to require participants to call a hotline, contact the SSP they selected, and complete an individual or group orientation meeting at the SSP before they were enrolled. According to local staff, the explicit goal of these activities was to test a participant's commitment to the program.

Although these strategies tried to ensure participant motivation, they may have had inadvertent consequences. Not all potential participants had the stamina, time, or motivation to complete extensive pre-enrollment requirements. For example, depending on the timing of their application after their release, some may have needed employment extremely quickly to meet supervision requirements. Extensive pre-enrollment activities may have inadvertently discouraged or prevented some of the hardest-to-serve or most needy individuals from enrolling.

B. Orientation

Orientation was typically the participant's first in-depth exposure to the program. It was used to inform participants about the program, begin the assessment process, introduce the SSPs, and facilitate the choice of SSPs. In some cases, the orientation was used to help participants begin to prepare for work. This section describes how services coordinators oriented participants to the program.

1. Orientation Format

Services coordinators took three different approaches to structuring the orientation: (1) group orientation, (2) individual orientation, and (3) a mix of group and individual activities (Table III.1). Group orientation, used by three services coordinators, created an efficient and consistent process for sharing information, ensuring that all participants received the same information. By contrast, though more time consuming, individual orientations offered an immediate connection with participants.

Table III.1. Orientation Structure, by Site

	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Orientation Format					
Group only			X		
Individual only		X			X
Both	X			X	
Length of Orientation	4 hours plus 30 minutes	30 minutes	2 days	3 hours plus 30 minutes	1 hour

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Holding group interviews ensured that all participants received the same level and types of information about the program and the SSPs for provider selection. In addition to providing a uniform message, the group format was an efficient way to educate and enroll large groups of participants in a short period of time and create a safe and supportive environment for the participant, a critical need for those recently released. One services coordinator used a group format exclusively. In Chicago, CAN implemented a unique orientation structure based on a therapeutic model. The orientation included a strengths-based skills assessment, time management goal sheet, tools to encourage active listening, and effective resume and networking strategies.

Individual orientation allowed for a more tailored approach and created an opportunity for services coordinators to immediately engage the participant. Two services coordinators relied on individual orientation meetings, using very different approaches. The Des Moines services coordinator held three-way meetings that included a case manager, the participant, and the participants' parole officer. These meetings were used not only to introduce the program and assess participants' needs, but also to develop a case plan with parole that included employment goals. The Colorado grantee streamlined its individual orientation process midway through implementation to reduce the program coordinator's workload. Originally, the program coordinator conducted an in-person interview with each participant prior to enrollment. As the caseload increased, the grantee developed a centralized hotline and conducted intake interviews primarily by telephone, though sometimes in person.

Using a combined method of group and individual activities, Phoenix and Indianapolis gave participants a supportive interaction with a case manager as well as consistent messages about the program. Indianapolis held a weekly three-hour group orientation that included both a presentation of provider options and a group assessment. It also invited inspirational figures to share their success with reentry. Applicants left the group meeting with a packet of materials describing each of the SSPs. Within a week of the group meeting, the applicants met individually with a case manager to discuss their provider selection and service needs. Like Indianapolis, Phoenix held a group orientation at least weekly; however, staff immediately met with each participant after the group meeting. The orientation was used to develop a service plan and build a relationship with the participant that continued throughout service delivery.

2. Length and Timing of Orientation

Orientations were generally short and were offered frequently to avoid participant drop off while waiting to complete an orientation. The length of orientation ranged from 30 minutes in Denver to two days in Chicago. In all but Chicago, orientation lasted no more than a day and, according to services coordinators, was held frequently to rapidly engage participants once they expressed interest. Phoenix and Indianapolis provided half-day orientation sessions at least weekly. The Des Moines three-way orientation and enrollment meetings reportedly lasted between 45 and 60 minutes, depending on the complexity of the participant's service needs. In Denver, the brief informal conversation with staff lasted no more than 30 minutes. Chicago implemented the longest orientation; it was initially three days, but was reduced to two in order to improve participant engagement.

C. Participant Choice

DOL chose to pursue a service model built on participant choice to include a broad range of provider types that could attract and engage program participants. In particular, the model served three functions. First, it allowed SSPs to provide faith-infused services. Under Charitable Choice, providers using direct Federal funding are restricted from incorporating religious activities, language, and symbols into service delivery. However, if providers are paid through an indirect funding mechanism and there is a choice of religious and nonreligious services, programs may offer a faith-infused service menu. Second, choice is believed to play a role in promoting participant buy-in by allowing individuals to make a decision about what is best for them. Recently released ex-offenders emerge from prison having been largely stripped of choices. Some may see participant choice as empowering. Third, because the choice option required grantees to create formal relationships with at least five SSPs, it created opportunities for smaller agencies to provide services that might not have had the opportunity otherwise. Smaller, less experienced SSPs had a chance to build their

capacity and to compete for future grants. In this section, we examine the implementation and role of participant choice in serving ex-offenders.

1. Structure and Information

According to the SGA, choice must be "free, independent, and informed." The services coordinators used different approaches to providing information about available SSPs. The consistency and standardization of information varied to some degree based on these approaches.

Three grantees—Chicago, Indianapolis, and Phoenix—implemented procedures to try to ensure a consistent and equitable delivery of information about SSPs. These procedures included the use of structured orientation materials, such as PowerPoint slides or a video, and formal scripts used by orientation staff. To ensure the accuracy of the information, all of these grantees allowed the SSPs to develop their own slides or participate directly in the video presentation. In the two sites that used PowerPoint slides, the order of the slides was rotated frequently to avoid participants selecting the first or last SSP described. In one site, all participants were required to select their SSP at the same time to avoid influencing one another's decisions. In another site, all participants were required to visit at least two SSPs in person before making a selection.

The remaining two services coordinators in Denver and Des Moines introduced the SSPs during a more informal, individualized orientation meeting where staff members gave an unscripted description of each of the providers. In these sites, the discussion involved more of a guided choice, where case managers provided recommendations based on factors such as location and the range of service offerings. In Denver, where the SSPs recruited participants and made reverse referrals, most participants had already made their decision prior to orientation. These grantees operated under the guided choice model, in which participants received more input from services coordinator staff in the decision-making process.

2. Altering the Pool of SSPs

SSPs were temporarily removed from provider lists for reasons associated with both over- and under-performance. First, services coordinators sometimes removed popular SSPs that had either reached the maximum earnings from their Beneficiary Choice contract, reached their service capacity, or both. This served a redistributive function, because removing high performers from the list may have given needed referrals to other agencies. Second, services coordinators occasionally removed poor performing SSPs because they were not meeting grantee expectations. This allowed struggling SSPs to focus on serving participants who were already enrolled. If their performance improved, some SSPs might be reinstated on the list of available providers.

3. Participants' Experiences with Choice

Based on interviews with services coordinator staff, participants chose providers primarily based on their geographic location and agency reputation. In focus groups with participants, the majority of participants in every site reported that agency reputation was their reason for selecting an SSP. Participants often said they heard about the SSP from a relative, friend, or another prisoner while incarcerated. In some cases, participants chose based on the services offered. For example, in Indianapolis, one of the SSPs operated a wage-paid transitional jobs program, which was reportedly appealing for youth who quickly needed employment. Few participants said they selected their SSP based on religious preference. While each services coordinator implemented a different participant

choice process, there is no evidence to suggest that participant selections were different than what staff would have recommended to them.

4. SSP Choice

Beyond participant choice, one grantee—Colorado DLE—also gave the SSPs a choice of whom they might serve. Applicants were not fully enrolled in the program until after they met with the SSP and both determined that the match was a good fit. Some of the SSPs immediately enrolled the participant after the first intake meeting. One SSP enrolled participants after completing a two-day job readiness course offered once a month. Although SSPs said they rarely did so, they liked having the ability to refuse to serve a given participant, particularly operating under a performance-based contract structure. SSPs reported that the primary reason for declining to serve someone was the participants' lack of motivation. If a participant was declined, the grantee offered him or her a choice of another SSP.

D. Services Coordinator Assessment and Employment Planning

Most services coordinators conducted structured assessments of applicants' job skills, interests, and employment barriers. The SGA required services coordinators to assess participants before referring them to an SSP. Although all grantees conducted at least some assessments, the level of structure and content of these assessments varied considerably. Assessments were typically completed as part of or immediately after orientation and served multiple purposes including: (1) collecting information on educational attainment and work history, skills, and interests; (2) identifying and addressing immediate service needs; (3) developing an employment plan; and (4) building a working relationship with the participant.

Of the five study grantees, three used standardized assessment tools such as the Test of Adult Basic Education (TABE), career interest inventories, and instruments to screen for barriers to employment. Two of these grantees pared back the amount and types of assessment tools between the two rounds of site visits because of the time required to complete them. For example, Phoenix eliminated the Career Occupational Preference System (COPS) Interest Inventory because of the length of time it took for participants to complete it. The other two grantees, Denver and Des Moines, did not use formal assessments but rather had informal conversations with participants to learn about their educational attainment, work histories and interests, and potential barriers to successful employment and reentry.

The benefit of services coordinator assessments was that the same assessment tool and/or process were used across all participants, whereas the quality and content of the SSP assessments varied widely. The services coordinator assessments helped to quickly identify and address the ex-offender's immediate service needs. Services coordinators that maintained ongoing contact with participants also used these assessments to target their services properly.

Still, services coordinators identified several drawbacks to their assessments. First, participants sometimes attached to their services coordinator staff member rather than their SSP case manager, particularly in sites where the services coordinator had implemented an extensive assessment process. This reportedly created some confusion about whom the participant should contact for service needs. Second, participants were required to tell their story first to the services coordinator then repeat it to the SSP. Many of the participants had complex histories that included substance abuse, mental health, domestic violence, homelessness, and limited support networks. Repeating their story multiple times reportedly took an emotional toll on the participant. Finally, it appeared

that the assessment information was not being used by the SSPs. SSP staff indicated that they often ignored the services coordinator assessments so they would not bias their perception of the participant. They preferred to rely on their own assessment results.

E. Referring Participants to SSPs

As a final step in the upfront process, participants moved from the services coordinator to the SSP for more in-depth services. While some services coordinators continued to stay involved, SSPs had primary responsibility for serving the participant. The handoff was critical since, in all of the sites, participants were not fully enrolled in the program until they met with SSP staff.

Each of the services coordinators developed a formal process for ensuring participants immediately met with staff from the SSP they selected. Three of the services coordinators—Chicago, Denver, and Indianapolis—e-mailed or faxed the SSP to inform it of the referral. Two coordinators, Phoenix and Des Moines, contacted the SSP case manager with the participant by telephone as part of the orientation process.

Three of the services coordinators—Phoenix, Denver, and Des Moines—had designated timelines, typically within the first three days after orientation, for SSPs to meet with new participants. Chicago and Indianapolis designated start days and times each week when participants were told to show up. In Mesa County, the outlying site in Colorado, one of the SSPs was co-located with the grantee, which created an immediate, in-person hand-off for the initiation of SSP services.

IV. PARTICIPANT CHARACTERISTICS AND SERVICES USE

With explicit goals of helping ex-offenders get and keep jobs and avoid criminal behavior, Beneficiary Choice offered a range of core and supplemental services to participants. All grantees aimed to strike a balance between the intense and varied service needs of participants, the needs and desires of participants for immediate employment, and the structure and limitations of program funding. The model of indirect funding allowed grantees considerable flexibility to include SSPs that used a wide range of service delivery strategies. In most instances, SSPs offered a combination of work readiness training and a package of supportive services that would allow participants to keep and find jobs. This chapter discusses the characteristics of participants, participant intake and service initiation, and service delivery.

A. Participant Characteristics

By June 2010, the five Beneficiary Choice grantees had enrolled 2,382 ex-offenders. All of the grantees met their enrollment target of 450 ex-offenders, but many of them had a slow start (see Figure IV.1). Indianapolis continued enrollment through June 2010, much later than the other grantees.

As specified by DOL, any ex-offender between 18 and 29 years of age who was released within the past 60 days was eligible to participate in the program. Originally, program participation was limited to ex-offenders released from a Federal or state institution, but DOL increased the pool of eligible participants by allowing sites to enroll ex-offenders released after significant spells in county and local jails. Beyond these few criteria, grantees had the autonomy to decide who they would serve. In addition, participants were not officially enrolled until they had attended orientation, selected an SSP, and arrived at the SSP for service. The pre-enrollment activities could have served

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Key Findings

- The majority of Beneficiary Choice participants have many barriers to employment including low educational attainment, poor work histories, unstable housing, and extensive criminal histories. In particular, the proportion of participants who faced observable barriers was greater in Chicago and Indianapolis than in other sites.

- About 96 percent of participants received at least one workforce development service, most often work readiness training (92 percent) followed by career counseling (47 percent). About 20 percent also received education or training services.

- Despite the potential for substantial variations in service delivery across SSPs, most service receipt was heavily focused on short-term employment-based activities. Local staff reported that DOL performance standards and the structure of their performance-based contracts heavily influenced the emphasis placed on these activities and decreased the potential for diversity in service offerings.

- Given the service needs of participants, Beneficiary Choice was a relatively light-touch program with 40 percent of participants served for one month or less and average length of receipt of services across grantees of 1.8 months.

Figure IV.1. Enrollment Patterns, by Site
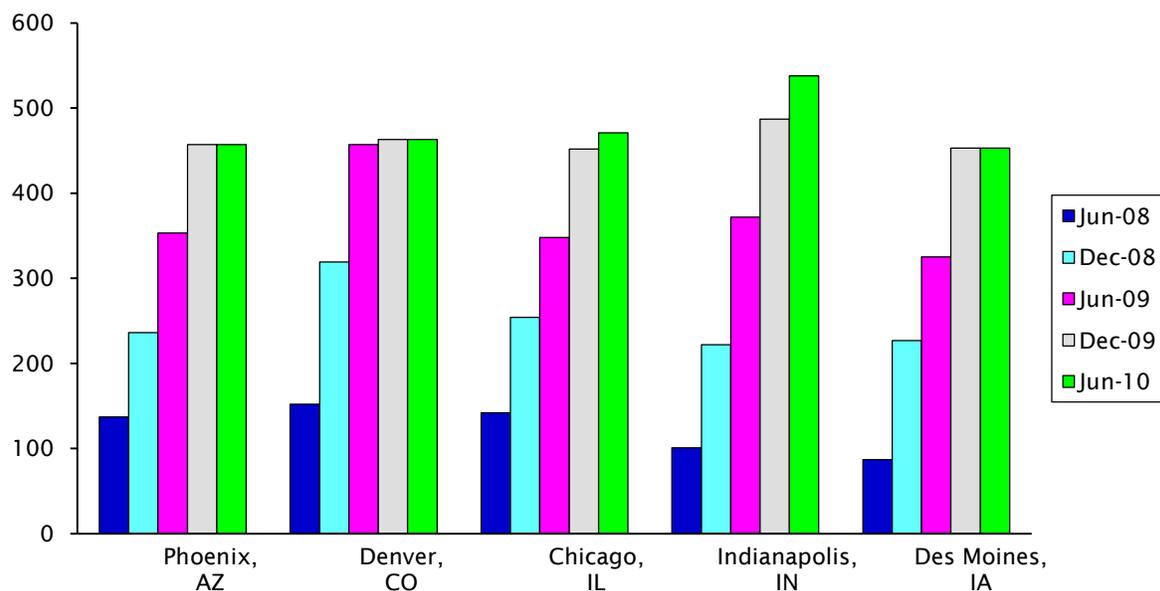
as hurdles that weeded out less motivated participants. As a result, it is important to understand the characteristics of those who enrolled in the program.

The Beneficiary Choice program served a diverse group of individuals. Overall, 88 percent of participants were male (Table IV.1). Phoenix had the largest proportion of female participants (24 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 were African American. In fact, Chicago and Indianapolis served mostly African Americans (87 and 76 percent, respectively). This is not surprising given that both Chicago and Indianapolis have much higher percentages of African Americans than the other three cities in this demonstration. Phoenix and Denver served a significant number of Hispanic participants, and Phoenix also served more American Indians than the other sites.

Table IV.1. Demographic Characteristics of Beneficiary Choice Participants (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Gender						
Male	88.3	76.4	92.2	93.6	92.0	86.5
Female	11.7	23.6	7.8	6.4	8.0	13.5
Age at Enrollment						
18 through 22	26.4	20.6	23.8	33.3	29.0	24.7
23 through 25	30.9	32.2	28.5	26.1	33.3	34.0
26 through 29	42.7	47.3	47.7	40.6	37.7	41.3
30	0.0	0.0	0.0	0.0	0.0	0.0
Average (in years)	25.1	25.5	25.6	24.7	24.8	25.1
Race						
White	34.7	58.9	51.9	2.9	22.2	53.8
Black	58.6	28.9	39.2	87.0	75.6	42.8
Asian	0.4	0.0	0.3	0.0	0.4	1.1

Table IV.1 *(continued)*

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
American Indian or Alaskan Native	4.2	10.4	5.3	6.2	0.9	1.4
Hawaiian Native or other Pacific Islander	0.9	0.4	0.3	3.5	0.9	
Multiracial	1.2	1.4	3.0	0.4	0.0	0.9
Ethnicity						
Hispanic or Latino origin	16.8	39.2	32.6	8.9	1.1	4.9
Non-Hispanic	73.3	58.2	64.4	73.5	81.0	88.1
Not specified	10.0	2.6	3.0	17.6	17.8	7.1
Eligible Veteran Status						
Served more than 180 days	1.6	0.7	4.2	1.5	0.8	1.1
Individuals with Disabilities	1.5	0.9	2.8	1.3	0.0	2.7
U.S. Citizen	99.2	97.6	99.3	99.5	99.6	99.8
Authorized to Work in the U.S.	99.4	98.2	99.7	99.8	99.6	99.8
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based on participants with nonmissing data. The prevalence of missing data is reported in Appendix Table A.1.1.

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 highlights some of the demographic characteristics and prior life experiences of program participants. A more complete analysis of background characteristics is available in Appendix B. Key characteristics are as follows:

- **Education.**   Forty-two percent of participants had not completed high school or received their GED (see Table IV.2). The educational backgrounds of participants varied substantially across grantees. While less than 30 percent of the participants in the Phoenix, Denver, and Des Moines programs were high school dropouts, the education levels of Chicago and Indianapolis participants were much lower. Only 25 percent of Chicago participants had graduated from high school or received a GED.

- **Work Experience.** Few participants had a strong attachment to the legal labor market. Only 43 percent reported that formal employment was their primary income source in the six months prior to incarceration. Less than 30 percent of participants reported being employed full-time at the time of their incarceration. By contrast, about half of participants relied on illegal income sources, family and friends, or informal employment to support themselves (data not shown).

- **Housing**. Many recently released ex-offenders struggle to secure stable housing, and these program participants faced similar challenges. About 45 percent of participants lacked stable housing at enrollment with 29 percent in a halfway house or transitional home and 16 percent in an unstable situation or homeless.

- **Mental Health and Substance Abuse**. Participants also had histories of mental health problems and substance abuse. Seven percent of participants had received mental health treatment prior to enrollment, and the majority of participants (53 percent) reported

Table IV.2. Factors Influencing Service Needs at Enrollment (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Highest Grade Completed						
Less than high school diploma	42.4	24.6	22.3	74.5	58.7	29.2
GED or high school diploma	51.2	72.8	68.3	20.2	33.1	63.5
Some college or vocational school	6.6	2.6	9.3	5.4	8.3	7.3
Formal Employment Was Primary Income Over 6 Months Prior to Incarceration	42.7	67.7	18.7	36.7	50.1	43.2
Employed Full-time at Incarceration	27.7	27.8	38.7	9.1	12.6	53.6
Housing Status at Enrollment						
Halfway house or transitional house	29.0	22.8	38.4	6.2	25.9	52.8
Unstable or homeless	16.3	1.1	16.4	58.6	4.8	0.9
Ever Received Mental Health Treatment Before Enrollment	7.1	4.2	12.1	2.6	5.0	12.1
Self-reported Alcohol Abuse or Drug Use						
In three months before enrollment	2.8	5.5	2.6	3.2	2.1	0.4
In three months before incarceration	52.5	80.7	57.9	24.2	36.7	66.2
Both	2.1	0.2	3.9	1.7	4.2	0.0
None	42.7	13.6	35.6	70.9	57.0	33.3
Has Child Support Obligation	24.6	27.3	29.3	16.3	22.6	23.5
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based on participants with nonmissing data. The prevalence of missing data is reported in Appendix Table A.1.1.

alcohol abuse or drug use in the three months prior to incarceration. These self-reported rates of mental health treatment and substance abuse likely understate the true incidence.

- **Child Support Obligations**. Having child support obligations increases the pressure to find employment, but can also serve as a disincentive to work since wages can be garnished for outstanding child support payments. Almost a quarter of the participants reported child support obligations.

- **Criminal Histories**. Although the participants in this demonstration were relatively young, they still had significant criminal histories. While most had never been convicted of a violent crime, one-third were violent offenders. About two-thirds of participants had more than one felony arrest, and almost three-quarters had been convicted more than once (Table IV.3). In fact, on average, participants had been arrested three times for felony offense and convicted three times. These convictions resulted in substantial time in prison. On average, total time incarcerated was 2.5 years.

Table IV.3. Criminal History Before Enrollment (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Violent Offender	32.6	32.4	36.1	45.4	21.0	29.8
Total Number of Felony Arrests						
0	3.1	1.6	2.7	0.7	7.9	4.0
1	30.5	25.3	25.9	26.3	34.8	41.0
2 or 3	45.9	48.2	50.8	47.9	43.1	39.0
4 or 5	12.5	14.7	13.9	15.6	8.6	8.7
6 or more	8.0	10.2	6.7	9.5	5.5	7.2
Average	2.6	2.9	2.7	2.8	2.3	2.4
Total Number of Convictions						
1	26.2	28.6	23.0	31.8	32.5	17.8
2 or 3	45.7	53.0	42.9	48.0	48.9	36.9
4 or 5	15.9	13.0	17.9	13.6	10.6	22.5
6 or more	12.2	5.4	16.2	6.6	8.0	22.9
Average	3.1	2.6	3.5	2.5	2.6	4.1
Total Time Incarcerated During Lifetime						
Fewer than 6 months	11.9	9.6	2.2	21.0	13.1	13.5
6 months to 1 year	16.4	16.0	9.7	22.3	14.8	19.2
1 to 2 years	24.2	22.1	19.7	22.1	27.1	29.6
2 to 3 years	16.9	22.8	18.0	13.0	13.5	17.7
3 to 5 years	16.6	16.9	28.1	12.3	14.0	11.9
5 or more years	14.1	12.7	22.3	9.2	17.5	8.2
Average (years)	2.5	2.5	3.4	1.9	2.4	2.0
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

B. Service Receipt

With explicit goals of helping ex-offenders get and keep jobs and avoid criminal behavior, Beneficiary Choice offered a range of core and supplemental services. DOL specified that all SSPs must provide three core services: (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. The original SGA also described a model where SSPs would offer different portfolios of supplemental services including counseling, transitional housing, substance abuse and alcohol prevention, child care services, mentoring, English proficiency, job placement, GED preparation, job retention services, and other supportive services. Participants would work with the grantee or services coordinator to select the SSP that offered the package of services that best matched their service needs.

In practice, the site visits suggested less diversity in the service offerings across SSPs than initially envisioned in the SGA. As documented in the first implementation report (Bellotti et al. 2008) and confirmed during the second round site visits, the SSPs appeared to focus their service delivery on the central work-first mission of the Beneficiary Choice program. The structure of the payment points may have contributed to the narrowing of the service model. As addressed in more detail in Chapter VI, service providers were compensated through performance-based contracts for providing work readiness training and placing participants in jobs, but very few grantees created payment points to award or incentivize other types of service delivery.

This section provides information on the services received by participants as recorded in the MIS. The MIS is the best source of information on participants' service receipt, with three important caveats. First, the definition of services appeared to vary across grantees as well as across SSPs within an area. For example, career counseling, a service whose definition was relatively vague, may have been defined very differently by different service providers. Some SSPs recorded delivering career counseling whenever a caseworker had a conversation with a participant about potential occupations. Other SSPs used a much more formal definition of career counseling. Second, site visits revealed that SSPs and grantees placed less emphasis on recording services that were not directly tied to payment points. If SSPs received a payment for providing a work readiness service, they were more diligent about recording that service than other supplementary services for which they were not compensated. Third, the grantees established different systems for entering and monitoring the MIS data and this may have led to variations in data quality. Phoenix, for example, had very strong oversight including hiring a full-time quality assurance specialist to monitor the accuracy and the completeness of the SSP's service reporting.

1. Timing and Total Number of Services

Once individuals were actually enrolled in the Beneficiary Choice program, service delivery started quickly and almost all program enrollees were served. Across all of the grantees, 97 percent of participants received at least one service (see Table IV.4). Almost half of participants (48 percent) received a service the day they enrolled in the program, and only 19 percent waited one week or more to receive their first service.

Table IV.4. Rates, Number, and Timing of Service Receipt (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Received Any Services After Enrollment	97.3	99.8	97.4	98.5	93.1	98.5
Days Between Enrollment and First Service[a]						
0	48.1	95.3	56.4	26.1	25.2	38.4
1 to 7	33.4	3.3	20.8	56.1	37.0	48.2
More than 7	18.5	1.5	22.8	17.8	37.8	13.3
Average (number of days)	6.2	0.8	8.6	4.8	11.8	4.1
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

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

There was substantial variation across the grantees in the timing of the initial service, and this time appeared to be correlated with the intensity of pre-enrollment activities. As discussed in Chapter III, participants were not officially enrolled until they attended orientation at a services coordinator, selected an SSP, and arrived at the SSP for services. In some sites, SSPs also required participants to attend some activities to gauge their motivation before officially enrolling them in the demonstration. In Phoenix, SSPs provided a service to 95 percent of their participants on the first day of enrollment. The grantee encouraged this immediate service provision by associating a payment in the structure of their performance-based contracts. The majority of participants in Denver also received an immediate service. In contrast, Chicago and Indianapolis only served a quarter of their participants on the first day of enrollment. Both of these sites had designated dates and times when new participants attended orientation at their selected SSP, resulting in a few days'

delay before participants began services. Depending on the site's MIS data entry practices and assignment of the enrollment date, this could explain some of this variation. Even in these sites, the average participant waited no more than two weeks to receive services.

Among the 97 percent of participants who received at least one service, participants received an average of eight services from the Beneficiary Choice program (Table IV.5). Almost 30 percent received 10 or more services. Variations in the number of services delivered may represent something distinct about service provision or could capture differences in service definitions or reporting. Some grantees did not establish clear guidelines for providing or recording workforce preparation. For example, an SSP could have recorded a weeklong workforce preparation class that included resume writing, soft skills, and basic computer training as a single service. By contrast, another SSP could have recorded a series of three day-long classes as separate services. As a result, differences across grantees in the number of services received must be interpreted with caution.

Table IV.5. Number of Program Services (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Received Any Services After Enrollment	97.3	99.8	97.4	98.5	93.1	98.5
Number of Services Received Before Exit[a]						
1 or 2	14.0	0.8	9.6	32.8	15.4	10.8
3 to 5	29.1	9.5	31.4	45.1	28.5	30.0
6 to 9	29.2	47.3	32.4	14.3	23.1	29.7
10 or more	27.7	42.5	26.7	7.8	32.9	29.5
Average (number of services)	7.8	10.4	7.2	4.2	9.2	7.7
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

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

2.   Types of Services Received

Consistent with the work-first focus of the program, all of the providers emphasized workforce preparation services. According to the MIS, 92 percent of ex-offenders who enrolled at the SSPs received work readiness training (Table IV.6). The work readiness training aimed to give

Table IV.6. Workforce Preparation Services (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Any Workforce Preparation Service	95.7	94.3	95.5	97.7	92.9	98.5
Work readiness training	92.1	92.6	90.7	94.1	87.7	96.2
Life/career counseling	47.1	3.7	32.0	39.1	79.4	76.6
Supplementary workforce preparation	41.9	58.9	31.5	20.4	59.7	36.6
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Data pertain only to those participants who received at least one service.

participants the tools and skills to get and keep jobs. Based on interviews with SSP staff and observation of activities, work readiness activities often included 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 conducted these activities on an individual basis, most of them appeared to address job readiness skills through group sessions.

Beyond work readiness training, the SSPs provided career counseling and other supplementary workforce preparation services to a subset of participants. Career counseling tended to be informal conversations between SSP case managers and participants about the types of occupations that both appealed to the participant and matched his or her skills. In many cases, the counselor needed to work with participants to temper unrealistic expectations about the first job placement, but also to discuss how this first placement might be the start of a career pathway. Although career counseling was a required core service, fewer than half of participants (47 percent) had career counseling as a reported service. Reported career counseling was particularly low in Phoenix. According to the MIS, only four percent of participants in Phoenix received career counseling. The very low rate of career counseling may result from the fact that such counseling was not linked to SSP payment benchmarks or reported by the grantee in the DOL performance measures. On the other hand, the grantee also placed a strong emphasis on immediate job placement, and this may not have left substantial room for intensive career counseling.

After receiving basic workforce services, most participants quickly began to search for jobs. While the MIS data does not capture job search assistance offered by the SSPs, site visit interviews and observations provide information on the strategies used in the 10 SSPs selected for in-depth interviews. Job search appears to be largely or entirely self-directed and self-initiated at five of the 10 SSPs. At these programs, participants were given some job listings or leads by SSP staff but conducted job search activities mostly on their own. One local staff member reported that he did not have time for job development with employers, and another reported "We don't go out and get the job for them." By contrast, the remaining five SSPs provided at least some staff-directed job search assistance. All of these providers had relationships with local employers, although the extent and number of these relationships varied based on the size and experience of the SSP. Staff members were able to place some participants in jobs at these local businesses through direct referrals. While participants were encouraged to job hunt on their own, staff members at these SSPs also offered job leads on an on-going basis and provided more intensive one-on-one assistance.

In addition to workforce preparation services, some SSPs also offered education or training services to participants either before or during their job search. Despite the facts that more than 40 percent 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 service (Table IV.7). In three sites, fewer than 15 percent received these services. Due to the focus on rapid employment, local staff members in these sites reported that they tended not to encourage participants to enter these activities. Additionally, the payment points for these sites were not generally structured to reward these activities. By contrast, 45 and 31 percent of participants in Denver and Indianapolis, respectively, received education and training services. To provide additional support to participants beyond those available using grant funds, Denver leveraged state workforce funds to provide vocational training in asbestos abatement, hazardous materials, and forklift operations. In Indianapolis, several SSPs offered GED courses, one offered a transitional employment program that included on-the-job training as an integral component, another offered an on-the-job training subsidy as a short-term strategy for participants who were having difficulty finding permanent employment, and several SSPs worked with participants to enroll them in local community colleges.

Table IV.7. **Education and Job Training Services (Percentages Unless Otherwise Indicated)**

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Any Education or Training	20.1	3.7	44.5	12.7	30.5	7.1
Vocational or occupational skills training	10.4	0.0	40.8	9.6	1.9	0.7
GED preparation	3.4	2.0	0.4	1.3	11.5	0.7
On-the-job training	2.0	1.1	1.1	0.0	6.7	0.2
Math or reading remediation	0.3	0.0	0.0	0.0	0.6	0.9
Other education or training	7.1	1.8	5.2	2.1	18.8	5.5
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Data pertain only to those participants who received at least one service.

As discussed in Chapter III, few grantees used their links to the One-Stop Career system to provide education and training opportunities for their participants. In Indianapolis, the service coordinator was the One-Stop Career Center and did encourage participants to co-enroll in the Workforce Investment Act (WIA) program, but few participants received services beyond the initial less-intense WIA core services. Participants may have lacked the educational credentials necessary to take advantage of the occupational training opportunities. An additional consideration is that the immediate need for income and a stable job to meet parole requirements may have discouraged participants from enrolling in a lengthy education or training program.

By allowing participants to select their own provider, the demonstration was intended to ensure a good match between service offerings and participants' specific needs. The vast majority of participants were receiving at least some supplemental services. However, despite the fact that SSPs offered a wide range of supplemental services to participants, the emphasis on and incentives to rapidly place participants in full-time employment appear to have limited the number of participants taking advantage of the diversity in service offerings. Table IV.8 shows the proportion of participants who received the following key types of supplemental services:

- **Supportive Services.** About 84 percent of participants across all sites received at least some supportive service (Table IV.8). Transportation assistance was the most common type with the majority of participants (55 percent) across sites receiving this assistance. More than a quarter received other supportive services, which commonly included clothing, tools and work supplies, and food assistance. Many of these were provided by tapping into other existing programs offered by the SSPs. The demonstration involved very few custodial parents, which explains the low take-up of child care services (less than 1 percent). Grantees and SSPs in three sites reported that SSPs used contract payments primarily to support staff salaries and were, therefore, unable to provide supportive services at the level needed by this population without a separate funding stream.

- **Health Services.** The use of health services ranged from no participation in Chicago to more than a third in Phoenix. In that site, the high rate reflected the distribution of "hygiene shoebox kits" to about a third of enrollees. In addition, many listed as receiving health services were tested for drug use through urinalysis. Denver also reported providing substance abuse treatment to nearly 20 percent of participants.

Table IV.8. Other Supplemental Services (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Any Supportive Service	83.9	98.9	92.2	77.7	72.5	80.1
Transportation services	55.1	94.7	55.1	72.8	28.8	28.0
Needs-related payments	3.7	0.4	8.2	0.2	5.8	3.5
Child care services	0.3	0.0	0.2	0.0	0.9	0.0
Other supportive services	28.5	54.3	30.2	4.7	25.7	28.9
Any Health Services	14.1	33.9	19.0	0.0	9.7	9.1
Any Community Involvement Activities	1.8	1.3	3.9	0.2	1.9	1.5
Any Mentoring	19.9	6.1	53.3	4.5	5.2	32.9
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Data pertain only to those participants who received at least one service.

- **Community Involvement.** Sites rarely involved participants in community involvement activities such as volunteer work. Fewer than four percent of participants across any site were engaged in community service.

- **Mentoring.** About 20 percent of participants attended at least one mentoring session. The rate was particularly high in Denver with 53 percent of participants involved in mentoring. The mentoring delivered under the Beneficiary Choice program was generally unstructured and often involved staff mentors rather than volunteer mentors from the community.

In addition to work readiness training and career counseling, all SSPs were required to provide six months of follow-up services. Follow-ups with participants after program exit allowed case managers to track outcomes as well as to provide additional support for clients. Overall, 57 percent of participants received a follow-up service (Figure IV.2). Grantees and SSPs used different strategies to increase participant retention. Phoenix was very actively involved in follow-up and encouraged its SSPs to use supportive services, primarily transportation vouchers, as an incentive for participants to remain connected. Perhaps as a result, the receipt of follow-up services was greatest in Phoenix. Chicago and Des Moines had lower rates of follow-up services.

Notably, while the indirect funding stream in the Beneficiary Choice model allowed for the possibility of faith-infused services, the site visits found little evidence that SSPs chose to provide faith-infused services. As discussed in Chapter II, most of the providers were CBOs, and even the FBOs tended to provide secular core services. Both faith-infused providers involved in the first round of site visits served few participants and had dropped out by the time of the second site visit. One new faith-infused provider was added in Indianapolis but had only enrolled nine participants by the time of the second site visit. Since the MIS did not allow for tracking of these services, site visit observations and interviews provided the only information on faith-infused services.

Figure IV.2. Receipt of Any Follow-Up Services, by Site
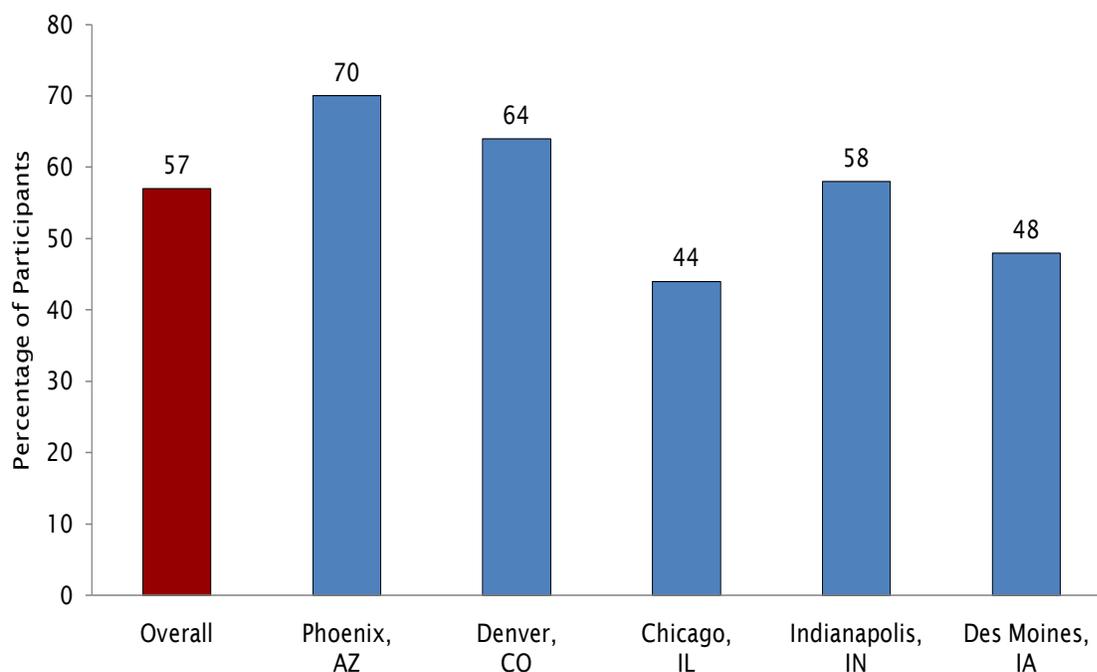
Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

There were some subgroup differences in service receipt, but many of them stemmed from the different approaches of the grantees. Findings on service delivery by demographic subgroup are reported in Appendix Table C.

C. Overall Picture of Service Receipt

Given the extensive service needs of ex-offenders, the Beneficiary Choice model was a relatively light-touch program. Ex-offenders return to the community with a myriad of issues—low levels of education, problems with substance abuse, limited work histories, unstable housing, and the mark of a criminal record. The Beneficiary Choice model aimed to provide these ex-offenders with the services they needed to get into the labor force quickly. More than 40 percent participated for less than 1 month (Table IV.9). For those who participated for at least a day, the average length of participation was 1.8 months.

Table IV.9. Length of Receipt of Program Services in Months (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Length of Program Services in Months						
Fewer than 1	43.0	61.0	29.9	48.2	24.4	50.6
1 to 2	23.8	19.0	24.3	22.3	21.9	30.9
2 to 3	13.1	9.3	17.2	13.5	14.1	11.5
3 or more	20.1	1.8	28.7	15.9	39.6	7.0
Average (number of months)	1.8	1.2	2.4	1.5	2.8	1.2
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Data pertain only to those participants who received at least one service.

There was some variation across the grantees in the length of the service delivery and this differential reflected the program models pursued by various grantees. In the sites that emphasized job placement over education or training (Phoenix, Chicago, and Des Moines), participants spent 1.5 months or less enrolled in the program on average. The two grantees that invested in education and training had longer average program enrollments—2.4 months for Denver and 2.8 months for Indianapolis. MIS data confirmed that the average length of program enrollment was almost twice as long for participants who received education or job training services.

The optimal service model and program duration is an unanswered question, but the MIS data on service delivery do provide important framing for considering the employment and criminal justice outcomes discussed in the next chapter. In the case of Indianapolis, the grantee recognized that educational deficiencies might prevent participants from achieving labor market success, so the SSPs placed a stronger emphasis on GED preparation. In Denver, the grantee recognized that the jobs available for ex-offenders with limited skills were not the types of jobs that lead to economic self-sufficiency. As a result, the SSPs worked to provide relatively short, but intensive occupational training programs with clear links to employers.

V. EMPLOYMENT AND CRIMINAL JUSTICE OUTCOMES

Upon release from incarceration, ex-offenders often face a range of challenges, including significant barriers to employment. To address these concerns, Federal policymakers began in the late 1990s to shift their focus and resources to initiatives aimed at helping ex-offenders successfully reintegrate into society. The Beneficiary Choice model followed this tradition by seeking to address the specific workforce challenges of ex-offenders. By facilitating reentry into the labor market, Beneficiary Choice aimed to improve employment outcomes and reduce recidivism in the long run.

This chapter examines the employment and criminal justice outcomes of program participants. Although the primary source of outcome data is the demonstration MIS, the analysis also reported findings from the collection of state-level criminal justice administrative records.

A. Employment Outcomes

Both the participants and the service providers had incentives to focus on quick placements in unsubsidized employment. For the participants, the desire for job placement was usually what brought them to the program. Although ex-offenders may recognize that they have a myriad of service needs, their most immediate need is for income. Additionally, parole conditions usually require stable employment. The service providers also had reasons to focus on immediate job placement. As discussed in Chapter VI, DOL performance measures provided incentives for the grantees to structure their performance-based contracts with SSPs to emphasize immediate job placement instead of lengthy investments in education and training. In Phoenix, the initial performance-based contract structure associated the most lucrative payment point with placement in

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Key Findings

- Overall, 65 percent of participants received a placement in unsubsidized employment. Placements were made an average of nine weeks after employment. Among those participants placed in jobs, 72 percent worked a full-time schedule during their first week at work and earned an average of $9.23 per hour.

- Within the average job placement rate of 65 percent, there was fairly substantial variation across the grantees. The placement rates in Phoenix, Denver, and Des Moines exceeded 75 percent; Chicago and Indianapolis had placement rates of 48 and 44 percent, respectively.

- Differences in placement rates across grantees might be partially attributable to familiarity with the MIS and differences in participant characteristics and local economic conditions. Chicago and Indianapolis had substantially more participants who faced significant barriers to employment, and Chicago also had the highest unemployment rate.

- Participants continued to have significant rates of criminal justice involvement, with 34 percent rearrested for a new crime within one year of release. Research suggests that these levels, however, are lower than the national re-arrest rate for the types of offenders served by the Beneficiary Choice program.

- Despite grantees' efforts to validate their outcomes data, the MIS data severely underreported arrests for new crimes.

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unsubsidized employment within 21 days of enrollment. In other sites, the emphasis on the timing of the job placement was not as central, but service providers generally received a large payment after the initial job placement.

1.　Overall Job Placement Rates

Overall, 65 percent of participants received a placement in unsubsidized employment (Table V.1). This overall placement rate of 65 percent occurred during a period of high unemployment and with a population of ex-offenders who faced significant barriers to employment. There was some variation in the job placement rate for different demographic groups. Female ex-offenders were more likely to have a job placement than males. The job placement rate also increased with age. Although only 53 percent of the youngest participants were placed, the placement rate for participants 25 and older was 68 percent. The placement rate also differed by the race and ethnicity of participants. White participants had a 78 percent placement rate, compared with 55 percent for Blacks and 63 percent for American Indians. Hispanic participants had higher placement rates than non-Hispanic participants.[8] Job placement rates also increased with the education level of the participants.

Table V.1. **Job Placement Rate, by Demographic Characteristics**

	Placed in Unsubsidized Employment
All Participants	64.5
Gender	
Male	63.6
Female	71.2
Age at Enrollment	
Younger than 22	53.0
22-24	64.2
25 or older	68.2
Race	
White	76.7
Black	54.1
American Indian or Alaskan Native	62.8
Other	62.7
Ethnicity	
Hispanic or Latino Origin	72.5
Non-Hispanic	63.7
Education	
High school dropout	53.8
GED	76.0
High school graduate	80.1
Sample Size	**2,382**

Source:　Beneficiary Choice Management Information System extract dated June 8, 2010.

Note:　Percentages based on participants with nonmissing data.

GED = general educational development.

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[8] As discussed in a following section, there were significant differences in the demographic composition of participants across sites, which could confound the interpretation of these subgroup differences.

For those participants who received a job placement, the placement occurred relatively quickly. Although this demonstration was implemented during a recession, the average placement was made nine weeks after enrollment. More than 20 percent of individuals with job placements were placed within their first two weeks of program participation (Figure V.1).

Figure V.1. Weeks to Job Placement
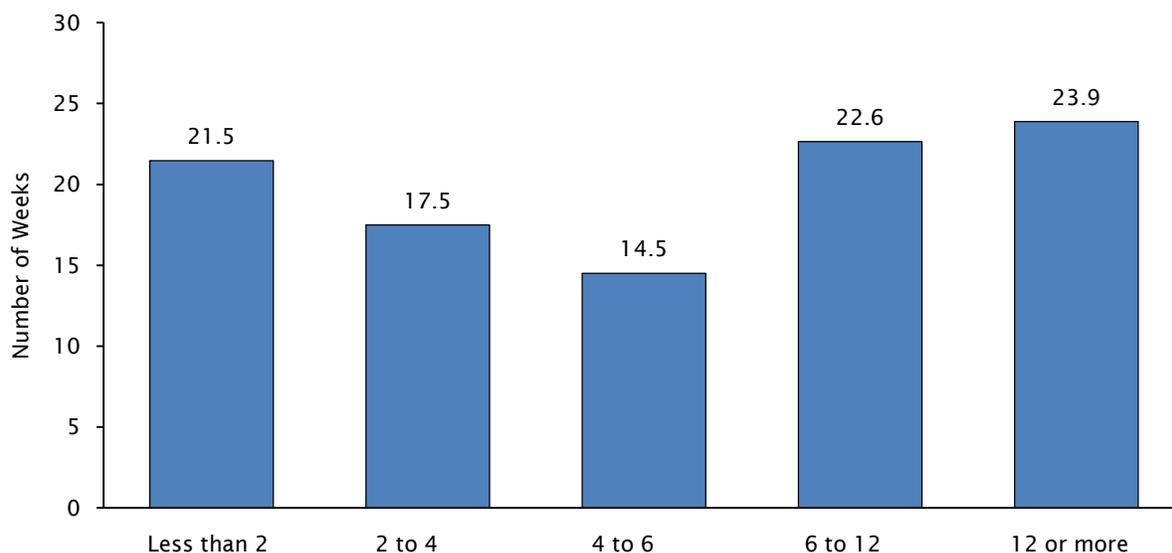
Although initial job placement is one important indicator of participant success, DOL also required grantees to assess employment patterns after participants exited the program. A participant is defined as an exiter when he or she has not received any services (excluding supportive services) for 90 consecutive calendar days. The date of exit was applied retroactively to the last date of service. Post-exit measures begin to reveal how participants fared after they are no longer receiving services. One challenge in interpreting these measures is that many grantees had difficulty tracking participants over time. In particular, grantees were able to record outcome data on only 68 percent of participants during the first quarter after their exit.

Almost 60 percent of Beneficiary Choice participants who had exited the program and been out of the program for one full quarter were employed for at least one day during that first post-exit quarter (Table V.2). This represents the most conservative estimate—or lower bound—because it assumes that all participants without a follow-up record were unemployed. Among those who had a follow-up record, grantees reported that 85 percent were employed in the first quarter. This likely represents an upper bound, as it assumes that those with missing data have rates of employment that are comparable to those without missing data.

The employment rate among exiters reaching the second- and third-quarter benchmarks dropped to 50 and 45 percent, respectively, assuming that participants with missing records were unemployed. This lower proportion could be largely due to grantees' difficulty tracking participants over time, as the employment percentage among those with a record remained high at 86 and 84 percent in those respective quarters. When restricting the sample to only those participants who were employed in the first quarter after exit and were successfully tracked in the second and third quarters, 66 percent retained employment for at least one day in all three quarters after exit.

Table V.2. Follow-Up Employment Outcomes

	Percentage of Participants	Sample Size
Employed in First Quarter After Exit		
Among all those who completed the first quarter after exit[a]	**58.3**	2,156
Among those with a first quarter followup		
Employed in first quarter after exit[b]	**85.3**	1,474
Employed in Second Quarter After Exit		
Among all those who completed the second quarter after exit[a]	**50.3**	1,966
Among those with a second quarter followup		
Employed in second quarter after exit[b]	**86.4**	1,145
Hourly wage second quarter after exit[b]	**$9.78**	937
Employed in Third Quarter After Exit		
Among all those who completed the third quarter after exit[a]	**45.1**	1,639
Among those with a third quarter followup		
Employed in third quarter after exit[b]	**84.3**	878
Hourly wage third quarter after exit[b]	**$9.99**	709
Employed in All Three Quarters After Exit Among Those Who Were Employed in the First Quarter After Exit[b]	**66.4**	992

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Notes: Data pertain only to those individuals who exited from Beneficiary Choice as a result of not having services for 90 days. Employment is defined as holding a job for at least one day during a specified quarter.

[a]Includes all exiters and assumes that those without a follow-up record were not employed.

[b]Includes only those who had a follow-up record for the appropriate benchmark.

Grantees were required to record information on the wages that participants received during the second and third quarters after exit. Those with jobs in the second and third quarters after exit earned an average of $9.78 and $9.99 per hour, respectively.

2. Variation in Outcomes Across Grantees

Behind the average job placement rate of 65 percent, there was fairly substantial variation across the grantees. The placement rates in Phoenix, Denver, and Des Moines exceeded 75 percent; Chicago and Indianapolis had placement rates of 48 and 44 percent, respectively (Figure V.2). There was also variation in the timing of the initial placement. Phoenix and Des Moines were particularly quick to find job placements for participants, with both sites averaging fewer than 7 weeks to placement (Table V.3). In Chicago and Indianapolis, the placements took almost twice as long, even though they were placing a smaller share of their participants. Although many of the Denver participants received intensive occupational training, the average time from program enrollment to job placement was 8.6 weeks and less than a quarter of placed participants took longer than 12 weeks to find a job. On the other hand, Denver participants who received training did take almost twice as long to receive a job placement.

Although rapid job placement might have satisfied the immediate needs of the clients, the implications of immediate job placement for longer-term employment outcomes are unknown. Grantees were not required to enter data in the MIS on the date that a job ended, resulting in poor data on job tenure. In addition, SSPs might not have been motivated to enter data on additional jobs beyond the first placement if they were not financially rewarded for those replacements. Despite these limitations, there was some evidence that initial job placements might have been

Figure V.2. Placements in Unsubsidized Employment, by Site
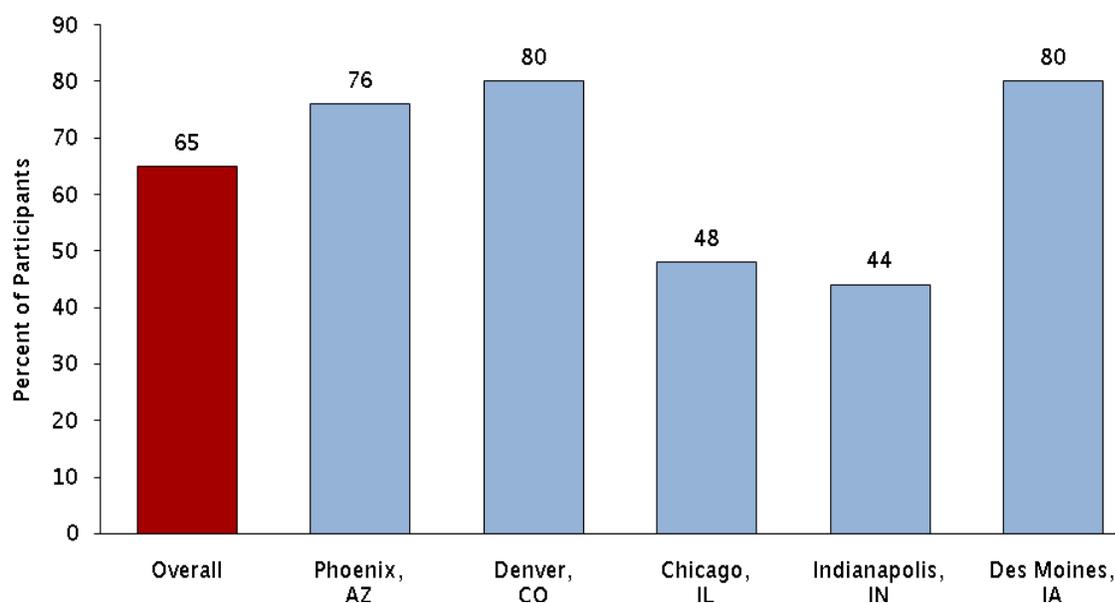
Table V.3. Timing and Number of Placements in Unsubsidized Employment, by Site (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Weeks from Enrollment to Initial Placement						
Fewer than 2	21.5	26.3	27.2	9.4	14.2	23.3
2–4	17.5	22.0	12.2	16.1	10.9	23.9
4–6	14.5	17.1	15.0	12.5	12.6	14.2
6–12	22.6	18.8	22.3	24.6	23.9	24.7
12 or more	23.9	15.9	23.4	37.5	38.5	13.9
Average	9.0	6.7	8.6	13.6	12.8	6.4
Number of Placements						
1	70.3	54.9	66.6	80.8	71.1	81.9
2	22.0	28.6	25.3	17.4	21.8	15.3
3 or more	7.7	16.5	8.2	1.8	7.1	2.8
Average	1.38	1.64	1.47	1.22	1.42	1.22
Sample Size	**1,537**	**346**	**368**	**224**	**239**	**360**

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

relatively short term. Compared with other sites, Phoenix, which had the quickest placements, experienced higher rates of re-placements as participants cycled in and out of jobs. More than 40 percent of Phoenix participants who were successfully placed in jobs had more than one placement (Table V.3). Grantee staff reported that many participants were young and not ready to settle into a job. There might also have been an inherent trade-off between quick placement and good job matches. Staff members feared that high job turnover rates not only had negative consequences for

participants (for example, loss of income and decreased self-esteem), but also might have deterred employers from hiring participants from the program in the future.

Placement in high quality jobs was also a leading priority of the demonstration. Based on performance standards set by DOL, grantees aimed to place participants in full-time positions (at least 35 hours per week) with average earnings of $9.22 per hour or more. Among those participants placed in jobs, 72 percent worked a full-time schedule during their first week at work and earned an average of $9.23 per hour (Table V.4). At these wages and an average of 35.4 hours per week, the average potential weekly earnings were estimated at $327 per week (or $17,004 per year). Although the average wage met the DOL performance standard, this overall statistic was driven up by the wages of Denver participants, who received an average of $10.96 an hour, at least $2.00 more per hour than the average wage in the remaining four sites. This higher wage level is striking and highlights the potential importance of the specialized training opportunities offered by Denver. With occupational training, the ex-offenders were able to obtain higher-paying positions in fields such as asbestos abatement, hazardous materials handling, and forklift operating (all included in the construction and extraction category).

Table V.4. **Job Characteristics of Initial Placement, by Site (Percentages Unless Otherwise Indicated)**

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Hourly Wage in Initial Placement						
Less than $7.25	5.6	9.3	3.0	0.5	17.6	0.3
$7.25	11.3	12.1	1.1	0.5	10.5	28.3
$7.26–$8.49	29.2	31.8	16.9	48.7	36.8	22.2
$8.50-$9.99	22.6	19.1	21.5	39.7	11.7	23.9
$10.00	14.3	14.7	20.4	7.6	13.0	12.8
$10.01-$14.99	12.6	11.6	22.6	3.1	10.0	10.8
$15.00 or more	4.3	1.5	14.7	0.0	0.4	1.7
Average	$9.23	$8.72	$10.96	$8.74	$8.41	$8.79
Hours Worked in First Week in Initial Placement						
Fewer than 35	27.9	29.8	16.3	38.4	52.3	15.3
35 or more	72.1	70.2	83.7	61.6	47.7	84.7
Average	35.4	35.6	37.0	35.3	29.9	37.4
Occupation of Initial Placement						
Food preparation and serving related	22.1	13.9	15.2	13.4	28.9	38.1
Construction and extraction	16.9	12.1	41.3	2.2	7.5	11.7
Production	15.7	12.7	5.2	32.1	18.0	17.8
Installation, maintenance, and repair	13.7	27.8	15.8	4.9	8.8	6.9
Sales and related	9.0	6.4	5.7	25.5	5.4	7.2
Building and grounds cleaning and maintenance	8.1	10.1	3.8	8.9	10.9	8.3
Transportation and material moving	4.9	6.1	4.6	0	11.3	2.8
Office and administrative support	2.9	2.9	3.8	3.6	1.3	2.5
Personal care and service	2.2	3.2	1.9	1.8	2.1	1.7
Other	4.5	4.9	2.7	7.6	5.8	3.1
Sample Size	1,537	346	368	224	239	360

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

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

The average hourly wage was remarkably constant across the four remaining sites, but there were important differences in the distribution of wages. Many of the Phoenix, Indianapolis, and Des Moines participants received a wage at or below the Federal minimum wage of $7.25. The Chicago participants benefited from the higher Illinois state minimum wage.[9] Although Chicago participants did not receive the lowest wages, their overall distribution of wages was compressed and few received an hourly wage of $10.00 or more.

Placements most often occurred in jobs in the food preparation and service-related occupations (22 percent), followed closely by jobs in construction and extraction (17 percent) and production (16 percent). As discussed previously, most of the construction and extraction jobs were in Denver. Phoenix placed nearly 30 percent of its participants in installation, maintenance, and repair occupations, whereas Chicago placed almost a quarter of its participants in sales occupations.

The variation across grantees in post-exit employment outcomes was consistent with patterns in the initial employment outcomes. Under the more conservative calculation, which assumed that those individuals without a follow-up record were not employed, the employment rate in the first post-exit quarter ranged from a low of 32 percent among Indianapolis participants to a high of 77 percent among Des Moines participants (Table V.5). One potential reason for Indianapolis's low post-exit employment rate was that Indianapolis had the most difficulty tracking participants over time. Only 41 percent of Indianapolis participants had recorded post-exit outcome data. Tracking participants beyond the first quarter after exit was even more difficult for grantees. Although the amount of valid reporting data declined, the patterns remained consistent with earlier quarters. The employment outcomes were more positive for Phoenix, Denver, and Des Moines participants than for those in other cities.

3. Understanding Variations in Outcomes

The performance of grantees on employment outcomes varied widely, but it would be inappropriate to attribute all of this variation to differences in the implementation of the Beneficiary Choice program model across the sites. In addition to differences in service delivery across the grantees, there are three observable factors that provide context for understanding the variations in employment outcomes: (1) experience with the MIS and DOL performance measures, (2) differences in participant populations, and (3) differences in local economic conditions.

The first factor that might have resulted in variations in employment outcomes was the grantee's experience with the MIS and its focus on ensuring complete reporting. In particular, both Phoenix and Des Moines had been operating Prisoner Reentry Initiative (PRI) grants since 2005. As PRI grantees, both were familiar with the MIS and had established formal processes for monitoring and tracking employment outcomes before the Beneficiary Choice demonstration. This experience might have enabled them to report more job placements. In addition, services coordinators in both sites hired staff devoted to ensuring the accuracy of the MIS data. In Phoenix, a quality assurance specialist was responsible for monitoring and tracking outcomes. In Des Moines, the program manager reportedly spent most of her time reviewing and updating the service use and outcomes data. Indianapolis, by contrast, was unfamiliar with the MIS. In the early stages of the

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[9] The Illinois minimum wage increased from $7.75 in the initial months of the program to $8.00 and increased again to $8.25 on July 1, 2010. (See http://www.state.il.us/agency/idol/News/pdfs/mw.pdf accessed October 25, 2010.)

Table V.5. Follow–Up Employment Outcomes, by Site

	All Participants		Phoenix, AZ		Denver, CO		Chicago, IL		Indianapolis, IN		Des Moines, IA	
	Percent	Sample Size	Percent	Sample Size	Percent	Sample Size	Percent	Sample Size	Percent	Sample Size	Percent	Sample Size
Employed in First Quarter After Exit												
Among all those who completed the first quarter after exit[a]	58.3	2,156	65.5	438	73.1	449	39.8	415	31.8	403	77.4	451
Among those with a first quarter followup												
Employed in first quarter after exit[b]	85.3	1,474	95.0	302	97.3	337	71.7	230	76.7	167	79.7	438
Employed in Second Quarter After Exit												
Among all those who completed the second quarter after exit[a]	50.3	1,966	57.1	410	62.7	440	33.4	401	23.5	341	70.9	374
Among those with a second quarter followup												
Employed in second quarter after exit[b]	86.4	1,145	96.3	243	93.9	294	83.8	160	77.7	103	76.8	345
Hourly wage second quarter after exit[b]	$9.78	937	$9.55	217	$11.21	268	$8.97	132	$8.69	63	$9.16	257
Employed in Third Quarter After Exit												
Among all those who completed the third quarter after exit[a]	45.1	1,639	48.9	331	56.1	399	30.9	330	15	274	69.2	305
Among those with a third quarter followup												
Employed in third quarter after exit[b]	84.3	878	94.2	172	89.6	250	92.7	110	56.9	72	77	274
Hourly wage third quarter after exit[b]	$9.99	709	$9.91	148	$11.22	221	$9.36	96	$8.40	34	$9.30	210
Employed in All Three Quarters After Exit Among Those Who Were Employed in the First Quarter After Exit[b]	66.4	992	67.3	226	67.9	290	62.4	141	36.8	87	76.6	248

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Notes: Data pertain only to those individuals who exited from Beneficiary Choice as a result of not having services for 90 days. Employment is defined as holding a job for at least one day during a specified quarter.

[a]Includes all exiters and assumes that those without a follow-up record were not employed.

[b]Includes only those who had a follow-up record for the appropriate benchmark.

demonstration, Indianapolis struggled to document placements and post-exit employment. As of the first round of site visits, Indianapolis reported job placements for only 25 percent of participants (Bellotti et al. 2008). Although Indianapolis' final placement rate of 45 percent was one of the lower placement rates, it was a significant improvement from the grantee's early performance. Improvements in service delivery might have affected placements, but Indianapolis staff also emphasized during site visit interviews that they made significant efforts to improve documentation and reporting.

A second factor that might have contributed to the observed variations in performance was the differences in the participant populations served by each of the grantees. Although all of the participants were relatively young ex-offenders, some ex-offenders faced greater barriers to employment. A recent survey showed that employers reported that their hesitancy to hire ex-offenders varied with the characteristics of the ex-offender (Holzer et al. 2003). Employers were strongly averse to hiring ex-offenders charged with violent offenses and somewhat averse to those who were recently released from prison and those without work experience. Employer resistance has likely been magnified since the Holzer et al. (2003) survey because the current economic conditions have increased the number of individuals without a criminal record who were willing to accept low-skilled, entry-level positions. Job applicants with low levels of education are at a further disadvantage. Racial discrimination can also limit the employment options of ex-offenders. Findings from a labor market audit study in Milwaukee suggest that race and criminal records interact to severely disadvantage black ex-offender applicants (Pager 2003). The influence of a criminal record on the probability of receiving a job offer was 40 percent larger for Blacks than for Whites.

Following the literature on some of the additional barriers that ex-offenders face in the labor market, we constructed a simple measure of employment barriers defined by age, education, race, and offense type. The four barriers to employment were being young (participants younger than 25 at enrollment), a high school dropout, Black, or a violent offender. Being young serves as a proxy for limited work experience. Ideally this measure would include other labor market barriers, such as mental health status and substance abuse, but the MIS data on these measures were self-reported and missing for many participants.

This measure of employment barriers highlights the strong challenges facing the Beneficiary Choice participants. More than a quarter of participants had three or more employment barriers (Table V.6). The participants served by Chicago and Indianapolis were particularly disadvantaged. One-third of Indianapolis' participants had three or more barriers. In Chicago, the site with the most disadvantaged population, nearly 60 percent of participants faced three or more barriers to employment, all compounding the initial barrier of being a recently released ex-offender.

Consistent with expectations, the observed job placement rates declined as the barriers to employment increased. Although the overall job placement rate was 65 percent, the placement rate was 81 percent for participants with no additional barriers and 49 percent for participants with three or more barriers (Table V.7). The sites with the lowest placement rates had fewer easier-to-place clients (no more than 6 percent without additional barriers). For participants without additional barriers, Chicago had a placement rate of 71 percent and Indianapolis had a placement rate of 50 percent.

Table V.6. Employment Barriers of Beneficiary Choice Participants, by Site (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Young (< 25)	45.0	40.3	39.7	49.7	48.1	46.4
High School Dropout	49.4	26.3	34.1	83.2	56.9	44.4
Black	50.2	17.7	28.5	83.4	74.7	41.5
Violent Offender	32.6	32.4	36.1	45.4	21.0	29.8
Number of Barriers						
0	12.8	25.2	18.4	1.5	5.9	14.3
1	29.6	42.0	39.3	9.3	24.7	34.0
2	30.7	25.4	29.2	32.1	36.4	29.6
3 or more	26.9	7.4	13.2	57.1	32.9	22.1
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Table V.7. Job Placement Rates, by Employment Barriers and Site

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Overall	64.5	75.7	79.5	47.6	44.4	79.5
Number of Barriers						
0	80.9	80.9	82.4	71.4	50.0	95.4
1	73.0	75.5	81.3	59.1	50.4	83.8
2	63.1	72.4	80.7	52.3	47.4	72.4
3 or more	49.0	70.6	67.2	42.4	35.6	72.0
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Differences in the participant population across sites also contributed to the observed differences in the average time elapsed between program enrollment and job placement (Table V.8). In most sites, participants with no additional barriers found jobs more quickly than participants with greater barriers, but the differences were not dramatic.[10]

Table V.8. Weeks from Program Enrollment to Initial Placement, by Employment Barriers and Site

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Overall	9.0	6.7	8.6	13.6	12.8	6.4
Number of Barriers						
0	5.8	4.8	6.5	4.8	10.8	5.4
1	8.8	7.5	9.9	14.4	10.8	6.7
2	9.7	6.9	8.2	12.2	15.1	6.5
3 or more	11.1	8.3	8.7	14.7	12.1	6.8
Sample Size	1,537	346	368	224	239	360

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

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

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[10] Although the difference in Chicago appears dramatic, with participants with no barriers placed in five weeks and other participants placed in 12 or more weeks, only 1.5 percent of Chicago participants had no barriers to employment.

This analysis highlights some of the challenges faced by ex-offenders in Chicago and Indianapolis, but differences in observed barriers to employment do not fully explain differences in the overall placement rates. Although Phoenix, Denver, and Des Moines had fewer participants with employment barriers, their placement rates for hard-to-place participants exceeded the placement rates that Chicago and Indianapolis achieved with their easier-to-place participants. It is difficult to know the reasons for this. It could be that having a participant population that consisted primarily of the hardest-to-serve participants created additional challenges by stretching staff resources or making it more difficult to form relationships with employers.

A third factor that might have contributed to the observed variations in grantee performance was the local economic conditions. All of the metropolitan areas served by Beneficiary Choice had sharp increases in unemployment during the demonstration (Figure V.3). In January 2008, the metropolitan unemployment rates ranged from 4.4 percent in Des Moines to 5.9 percent in Chicago. Unemployment rose throughout 2008 and for the first half of 2009. In some of the cities, unemployment has continued to increase. At its peak, unemployment reached 7.1 percent in Des Moines and 11.7 percent in Chicago. The unemployment rate for less-skilled ex-offenders was likely substantially higher.

Figure V.3. Unemployment Rate in Metropolitan Areas
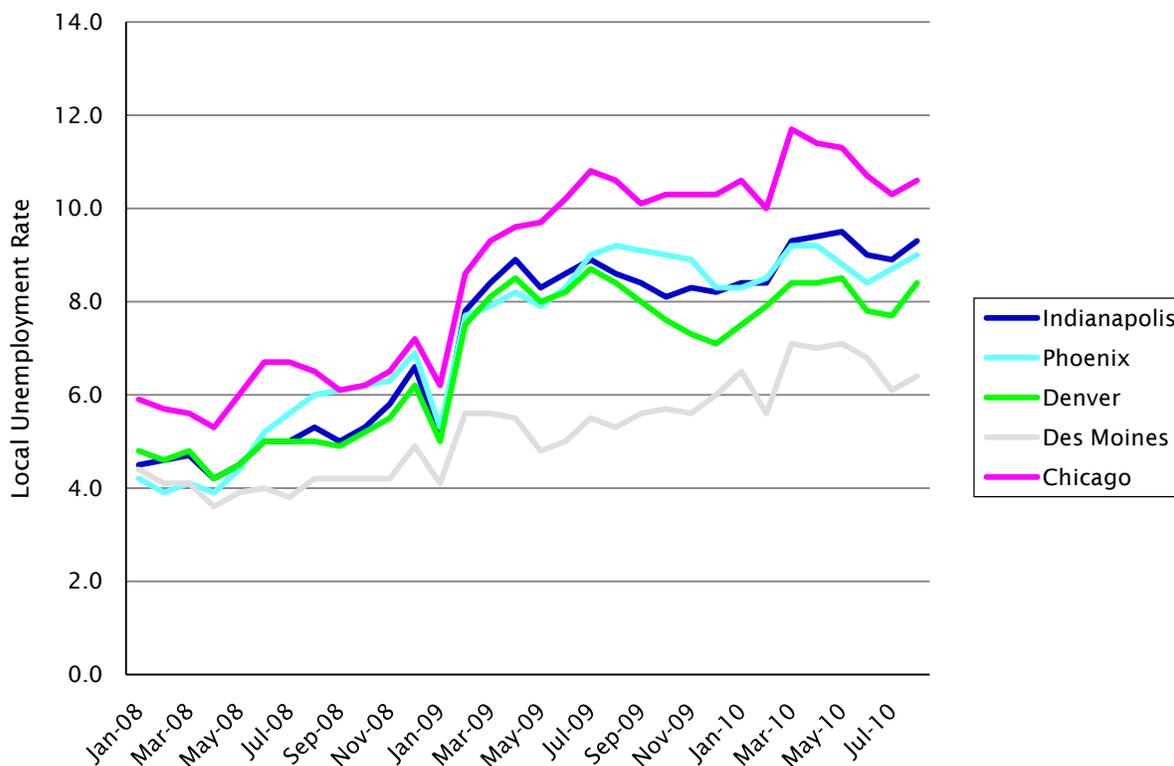
As the recession deepened and unemployment rates increased, sites reported that it was harder to arrange job placements for program participants. In particular, staff reported that it was taking

longer to find placements. Certain grantees had restricted employment placement options. In the early phase of Beneficiary Choice, the Chicago Transit Authority (CTA) had been a significant employer of program participants. As CTA faced job cuts, these positions were no longer available. The actual employment outcomes did not reflect the challenges of the recession, with no clear trend of worsening employment outcomes. One possible reason that the impact of the recession was not evident was the confounding of changes in economic conditions with other programmatic changes in Beneficiary Choice. As the SSPs matured and weaker SSPs withdrew from the demonstration, the outcomes of participants might have been improving over time holding economic conditions constant.

B. Criminal Justice Outcomes

Reducing recidivism was one of the primary goals of the Beneficiary Choice program. DOL expected sites to track the criminal justice involvement of participants for the first year after their release from incarceration. Although the grantees were required to verify the data recorded in the MIS, there were concerns about the completeness and accuracy of the reported information. As a result, the evaluation team also collected administrative criminal justice data directly from the states. The team was able to collect data for all of the Beneficiary Choice states except Arizona.[11]

The two data sources have different strengths and weaknesses. The MIS might be more comparable across the grantees because they all followed DOL reporting instructions. However the quality of MIS criminal justice data was affected by variations in data monitoring and the completeness of reporting, as well as differences in access to administrative data sources for verification. The state-level administrative data have a more complete record of arrests, but there are important differences in the policies and procedures in the state reporting systems that make it difficult to obtain comparable estimates. For more information on the administrative data sources, see Appendix A.2.

Because all of the Beneficiary Choice participants were recently released ex-offenders, we would expect almost all would be matched in the administrative data. Overall, more than 90 percent of participants were matched to state administrative data (Table V.9). The participants least likely to have a state record match were those released from Federal prisons.

1. Overall Arrest and Re-Incarceration Rates

The primary outcome measure was arrests for a new crime, subsequent to program enrollment, within 12 months of release. One advantage of using arrests as the primary outcome measure is that arrests are more consistently reported in the state administrative data than court dispositions, and the reporting is immediate. An arrest that occurs within the first 12 months might not have a disposition for another 12 months. We also discuss re-incarcerations within 12 months. Although

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[11] Arizona restricts access to the state criminal justice data repository and accessing these records requires approval from a series of individuals, including the state attorney general. Given the time line of data collection, we were unable to use criminal justice data from Arizona.

Table V.9. Match Rate Between MIS and State Administrative Criminal Justice Records

	All Participants	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Overall	93	94	98	88	92
Federal prison	83	82	100	0	80
State prison	95	95	98	91	93
County or city jail	85	100	100	83	NA
Sample Size	1,477	439	341	373	324

Sources: Beneficiary Choice Management Information System extract dated June 8, 2010 and state administrative data.

Note: Only includes participants enrolled by June 30, 2009.

NA = not applicable.

these re-incarcerations could result from a new crime, they were frequently the result of technical violations of probation or parole that occurred within the same period.

According to the MIS, only eight percent of participants were re-arrested for a new crime in the year after release (Table V.10). The arrest rate recorded by each of the grantees is reported in Appendix Table D.1. Because grantees entered a criminal justice outcome for almost all participants, this percentage was not sensitive to assumptions about the recidivism outcomes of those with missing data. A re-arrest rate of eight percent would be a very promising policy outcome, but some of the recorded re-arrest rates seemed implausibly low. In the most recent comprehensive study of recidivism nationwide, 30 percent of released offenders were re-arrested with the first six months and 44 percent were rearrested within 12 months (Langan and Levin 2002). Because of uncertainty about the completeness of the MIS data, the remainder of the analysis uses the state administrative criminal justice data. Possible reasons for differences between the MIS and state data are discussed later in this chapter.

Among states with administrative data, 34 percent of participants were re-arrested for a new crime within 12 months of release (Table V.10). [12] The arrest rates found in the administrative data were more consistent with national recidivism numbers but could be substantially lower than the national re-arrest rates for the types of offenders served by the Beneficiary Choice program. Because the program had an age restriction, the participants were younger than the full population of ex-offenders described in Langan and Levin (2002). That study, in fact, showed a strong relationship between an offender's age and the probability of recidivating. Although Langan and Levin (2002) did not report re-arrest rates by age for arrests within one year of release, they did report the rate by age subgroup for re-arrests within three years of release. They found that among ex-offenders who were ages 18 to 24 at release 75 percent were re-arrested within three years compared with 45 percent of ex-offenders 45 and older at release.

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[12] In our measure of arrests for a new crime, we excluded arrests for escape from parole. While escape can be treated as a new crime, this varies across states and individual circumstances. We also excluded arrests for public nuisance crimes including public intoxication and violations of local ordinances. If the measure were calculated with these charges included as new crimes, the rearrest rate within 12 months of release would be 43 percent across all sites.

Table V.10. Re-Arrests for New Crimes, by Demographic Characteristics (Percentage)

	Re-Arrested for New Crime in Year Following Release		Re-Incarcerated in Year Following Release
	MIS	State Administrative Data	State Administrative Data
All Participants	8.1	34.2	19.4
Gender			
Male	8.1	34.9	19.9
Female	8.2	26.3	14.0
Age at Enrollment			
Younger than 22	9.1	39.1	21.3
22-24	10.7	34.6	19.7
25 or older	6.7	32.5	18.7
Race			
White	9.1	27.1	20.4
Black	7.7	40.7	19.2
American Indian or Alaskan Native	8.1	19.6	7.8
Other	2.4	27.8	8.3
Ethnicity			
Hispanic or Latino Origin	7.6	27.9	18.6
Non-Hispanic	8.3	34.0	19.7
Sample Size	**1,831**	**1,374**	**1,374**

Sources:　Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note:　Percentages based on participants with non-missing data. The administrative data only includes participants enrolled by June 30, 2009, and percentages are based on participants who had a valid match in the administrative data.

Subgroup patterns in the state administrative data also mirrored those found nationally. The re-arrest rates were higher for male participants than female participants. The re-arrest rates also declined as the age of the participant increased. Black participants had higher re-arrest rates than white participants. The re-arrests rates of Hispanics were lower than the re-arrest rates of non-Hispanics.

In addition to arrests, it is important to consider the rates of re-incarceration. Re-incarceration has significant social costs, and a program that has the potential to reduce the rate of re-incarceration might also produce savings for society. Within 12 months of prison release, 19 percent of Beneficiary Choice participants had been re-incarcerated. As a point of comparison, Langan and Levin (2002) found that 10 percent of released offenders returned to prison with a new sentence within 12 months of release. Including technical violations would have substantially increased this recidivism rate.

Because the correctional facilities reported the incarcerations directly to the administrative data repositories, it was not always possible to link the incarceration with the cause and ascertain if the

incarceration was for a new crime or for a technical violation.[13] Technical violations of probation or parole frequently lead to immediate incarceration after the parolee or probationer is cited for the violation.

Subgroup patterns in the rate of re-incarceration were generally similar to the subgroup patterns in the re-arrest rates, with one notable difference. Although Black participants were substantially more likely than whites to be re-arrested for a new crime, the rates of re-incarceration were very similar for white and Black participants.

2.   Variations in Outcomes Across Grantees

Based on the administrative data at 12 months after release, the rate of new arrests ranged from a high of 50 percent for Indianapolis participants to 27 percent for Des Moines participants (Figure V.4). Although the majority of participants were not arrested for a new crime in the 12 months following release, more than 11 percent were arrested two or more times (Table V.11). Among Chicago participants, 9 percent had three or more arrests for new crimes. On average, the first arrest occurred 20.6 weeks after enrollment. As a point of comparison, participants were enrolled

Figure V.4. Arrests for a New Crime, by Site
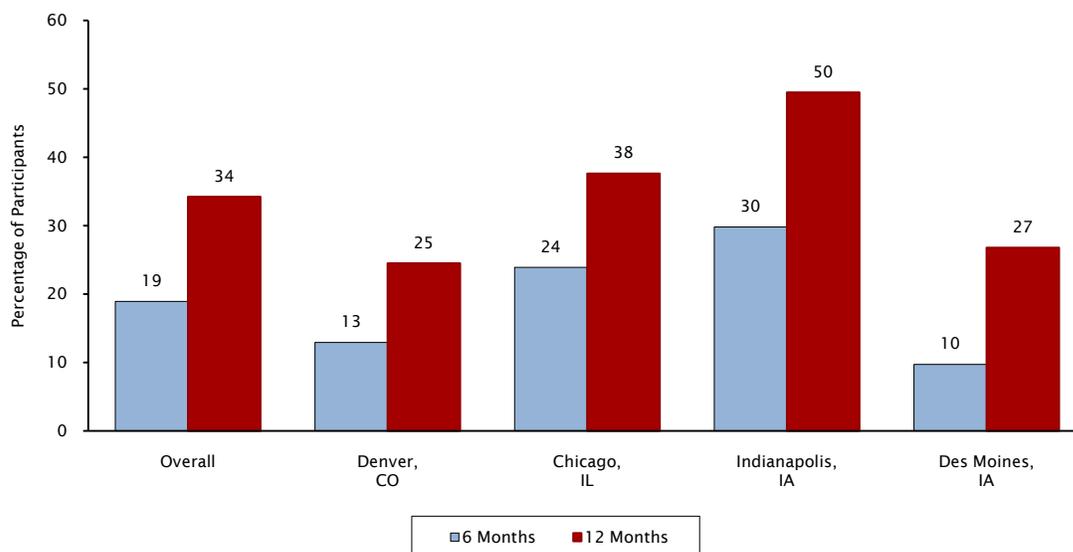
Source: State criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data.

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[13] The incarceration measure includes all incarcerations subsequent to program enrollment within 12 months of release. Since we cannot link all of the incarceration spells to the arrest, it is possible that our reported incarceration rate includes incarcerations for crimes that occurred prior to program enrollment.

Table V.11. New Arrests During the 12 Month Follow-Up Period (Percentages Unless Otherwise Indicated)

	All Participants	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Arrested for a New Crime	34.2	24.5	37.6	49.5	26.8
Number of Times Arrested					
0	65.8	75.5	62.4	50.5	73.2
1	22.9	20.2	20.3	30.7	21.1
2	7.4	3.9	8.1	13.7	4.4
3 or more	3.9	0.5	9.3	5.2	1.3
Average Weeks from Enrollment Until First Arrest for New Crime[a]	20.6	18.8	19.0	19.8	26.7
First Arrest Occurred While Enrolled[a]	18.5	18.8	28.6	17.2	5.0
Arrested at Least Once for the Following:[a]					
Murder	2.1	3.0	1.6	3.0	0.0
Assault or battery	24.7	20.8	29.4	23.9	23.8
Robbery	4.9	5.0	4.0	8.0	0.0
Theft	19.8	20.8	12.7	23.9	21.3
Drugs	34.7	25.7	47.6	30.7	33.8
Other property crimes	11.7	14.9	23.8	3.7	5.0
Other personal crimes	41.5	63.4	17.5	42.9	48.8
Miscellaneous crimes	4.3	3.0	11.1	0.0	3.8

Source: State criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data.

[a] Data reflect patterns among only those participants who had at least one arrest for a new crime in the year following release.

in the demonstration for an average of 1.8 months (or approximately eight weeks). The timing of the first arrest was similar for Denver, Chicago, and Indianapolis participants, whereas the first arrest occurred later for Des Moines participants. Among participants who were eventually arrested within the first year, fewer than 20 percent had the first arrest occur while enrolled in the Beneficiary Choice program, and in Des Moines, only five percent were arrested while still enrolled in the program. In the other sites, the share with an arrest during enrollment was 17 percent or higher.

The sites also had variation in the level and type of participants' criminal justice involvement. Overall, the most common reason for arrest was the category of "other personal crimes," which included disorderly conduct or driving under the influence. This category was the most common in three of the four sites. In Chicago, the most common type of arrest was for drug use or possession. Chicago also had nearly 30 percent of participants who were re-arrested on an assault or battery charge.

We have attempted to create comparable criminal justice outcomes, but the comparability of the data is limited by variations in the policies and procedures of the criminal justice system agencies in each state.[14] Thus, cross-site comparisons should be interpreted cautiously. The arrest rates were

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[14] In particular, differences in re-arrest rates across the sites were sensitive to the treatment of the escape from parole charges. For example, in Denver, the site with the largest number of arrests for escape, the 12 month re-arrest rate would have been 39 percent instead of the 25 percent reported in Table V.11 if escape charges were treated as arrests for new crimes.

very similar for Denver and Des Moines participants, whereas Chicago and Indianapolis participants had higher arrest rates. By contrast, in the MIS data, Des Moines participants had higher arrest rates than Denver and Chicago participants, potentially reflecting the importance of their MIS monitoring efforts and a strong relationship with local parole offices.

In addition to variations in the rate of arrests for new crimes, the rate of re-incarceration ranged from 14 percent for Chicago participants to 23 percent for Denver participants (Figure V.5). Perhaps more than the re-arrest rate, the incarceration rate reflects state-level criminal justice policies. The treatment of technical violations varies significantly across states and likely plays an important role in the incarceration rates of program participants. For example, although Chicago participants had the highest rate of arrests for new crimes, the incarceration rate was the lowest. This difference might be due to less active enforcement and penalizing of technical violations.

Figure V.5. **Re-Incarceration Within 12 Months, by Site**
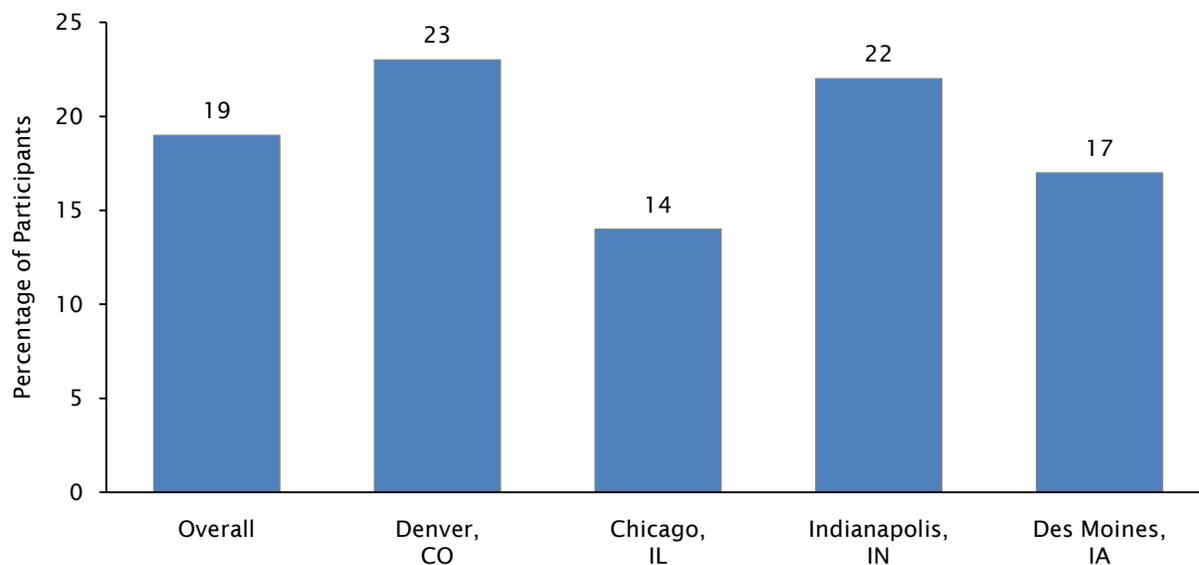
As mentioned earlier, another possible source of variation in recidivism outcomes across grantees was the difference in the participant populations. In national statistics, men have higher recidivism rates than women, Blacks higher than Whites, non-Hispanics higher than Hispanics, young ex-offenders higher than older ex-offenders, and ex-offenders with longer records higher than ex-offenders with shorter records (Langan and Levin 2002). There are also differences in recidivism rates by offense type, with the highest re-arrest rates for drug and public-order offenders.

3.   Comparing MIS and Administrative Data

The discrepancies between the relatively low levels of criminal justice involvement reported in the MIS and more substantial criminal justice involvement observed in the state administrative data highlight the value of using administrative data as an outside validation of outcome measures. If one considered all reported new arrests, either those recorded in the MIS or those observed in the

administrative data, only 13 percent of arrests were reported in both data sources (Table V.12). More than 82 percent of the arrests were reported only in the administrative data, and the remaining 4 percent were reported only in the MIS. Arrests reported only in the MIS might highlight incomplete state administrative files, but in most cases these were classified in the administrative records as technical violations, not new arrests.

Table V.12. Comparison of MIS and Administrative Criminal Justice Data for Participants with a New Arrest Reported in Either Source (Percentages)

	All Participants	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Reported in MIS and Administrative Data	13.4	14.0	2.4	19.5	17.0
Reported in Administrative Data Only	82.3	80.4	96.9	76.9	73.9
Reported in MIS Only	4.3	5.6	0.8	3.6	9.1
Sample Size	**491**	**107**	**127**	**169**	**88**

Sources: Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data. Data reflect patterns among only those participants who had at least one arrest for a new crime in the year following release reported in the MIS or the administrative data.

It appears that the MIS suffered from severe underreporting of criminal justice involvement. This is consistent with previous DOL research studies, including the Youth Offender Demonstration Project Evaluation (Jenks et al. 2006). Although DOL required grantees to verify and document that participants were not re-arrested, some grantee staff might have used a "no news is good news" approach by recording that participants had not recidivated if they were not able to verify the outcome. Grantees also reported challenges with accessing state administrative records to verify recidivism numbers. In Chicago, the grantee reported that all arrests appeared as technical violations because an arrest for a new crime was inherently a violation of release requirements. This problem could have accounted for Chicago's unrealistically low MIS recidivism numbers.

C. Connections Between Service Receipt and Outcomes

The Beneficiary Choice study was not designed to measure the impacts of services on employment and criminal justice outcomes. Because the study does not include a control or comparison group, we cannot observe what would have happened to participants in the absence of the program. Although the analysis is not causal, it is still informative to examine the associations among service receipt, employment outcomes, and criminal justice outcomes. If certain services were associated with more positive outcomes, they might be important services to test in future causal impact evaluations.

1. Relationship Between Service Receipt and Outcomes

To assess the relationship between the receipt of Beneficiary Choice services and the participants' key outcomes, we conducted subgroup analyses to test differences in employment and criminal justice outcomes by service receipt. We also estimated multivariate regression models that looked at associations between outcomes and service receipt while controlling for a participant's location and employment barriers. Relationships identified through these analyses do not imply causal relationships. Individuals who chose to participate in various program services were likely to

be systematically different from the participants who did not participate in the service. With these caveats in mind, the analyses showed positive relationships between some types of service receipt and employment and recidivism outcome measures.

For employment, we examined service receipt subgroups differences in four labor market outcomes: job placement, weeks until placement, starting wage, and hours worked (Table V.13). Participants receiving workforce preparation services were more likely to have a job placement than those who did not receive services, but there is reason to be cautious about this association. Because almost all participants received workforce preparation services, individuals who were not served likely had low levels of commitment to the program. There were also significant differences between participants who received education and training services and those participants who did not. Here the findings mirror the expectations for a human capital investment based on prior literature. Participants in training took longer to start their initial job placements, but they received higher starting wages. Participants receiving mentoring had significantly higher rates of job placement, a shorter time to placement, and higher starting wages.

Table V.13. **Job Placements and Characteristics of Initial Placements, by Service Receipt**

	Overall	Any Workforce Preparation Service		Any Education or Job Training		Any Mentoring	
		No	Yes	No	Yes	No	Yes
Job Placement Rate	64.5	40.8	65.6*	64.1	66.4	60.6	80.5*
Weeks Until Job Placement[a]	9.0	7.5	9.1	8.2	12.4*	9.5	7.7*
Hourly Wage at Initial Placement[a]	$9.23	$9.33	$9.23	$9.02	$10.04*	$9.03	$9.82*
Hours Worked in First Week[a]	35.4	36.0	35.4	35.7	34.6*	35.4	35.4
Sample Size	2,382	103	2,279	1,903	479	1,909	473

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

[a]Data reflect patterns among only those participants who were placed in at least one job.

*Subgroup difference is statistically different from zero at the .05 level, using a two-tailed test.

For criminal justice outcomes, we examined service receipt subgroup differences in three recidivism measures: arrests for new crimes within six months, arrests for new crimes within 12 months, and re-incarceration within 12 months. There were few significant differences in outcomes by service receipt subgroups (Table V.14). The only significant subgroup differences were for education and training services. Participants who received these services were less likely to be arrested for a new crime or re-incarcerated within 12 months of release.

In addition to the general concerns about unobservable differences in the motivation of participants who receive services and those who do not, these subgroup differences have other important caveats. Grantees in different cities might have pursued different service strategies, so these subgroup differences could be capturing underlying differences in the labor market conditions of the different metropolitan areas. Additionally, service receipt could have been associated with the demographic characteristics of participants. For example, participants without a high school degree might have needed or sought more education services. If participants with more barriers to successful reentry received a particular service, this would confound the observed differences in outcomes by service receipt subgroups. Although we could not address unobservable differences in

Table V. 14. Arrests for New Crimes and Re-Incarcerations, by Service Receipt (Percentages)

	Overall	Any Workforce Preparation Service		Any Education or Job Training		Any Mentoring	
		No	Yes	No	Yes	No	Yes
Arrested for a New Crime Within 6 Months	18.9	25.5	18.7	19.7	16.8	21.2	11.4*
Arrested for a New Crime Within 12 Months	34.2	38.3	34.1	36.1	29.2*	37.0	25.3*
Re-Incarcerated Within 12 Months	19.4	25.5	19.2	20.5	16.5	19.2	20.1
Sample Size	1,374	47	1,327	1,004	370	1,050	324

Sources: Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data.

*Subgroup difference is statistically different from zero at the .05 level, using a two-tailed test.

motivation, we estimated multivariate regression models examining the associations between service receipt and outcomes while controlling for the grantee and for a participant's barriers to employment (see Appendix C).[15]

After controlling for the grantee at which the participant enrolled and the barriers to employment that the participant faced, workforce preparation and mentoring still had significant associations with job placement (Appendix Table C.2). Adding control variables did not change the relationship between education and training services and employment outcomes. Receiving education or job training services was associated with a longer elapsed time until the initial placement and higher wages in the initial job placement. Participants who received mentoring had higher wages than participants who did not receive these services, but this difference was not significant after controlling for the grantee and barriers to employment.

With the criminal justice outcomes, the only significant association between service receipt and recidivism probabilities was for education and job training services (Appendix Table C.3). Participants receiving these services had a lower likelihood of recidivating than those who did not receive such services.

The associations between service receipt and outcomes suggest the value of education and job training services. Although this association is promising, it is not causal. Participants who were willing to commit to training programs could be more patient or more committed to successful reentry than those unwilling to commit to training programs.

2.   Relationship Between Job Placement and Recidivism Outcomes

The Beneficiary Choice program model aimed to reduce recidivism by facilitating the labor market reintegration of ex-offenders. Although the relationship is not causal, the participant outcomes were consistent with the logic of the program model: Participants successfully placed in

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[15] The barriers to employment included indicators for being younger than 25, being a high school dropout, being Black, and being a violent offender.

unsubsidized employment had lower recidivism rates (Figure V.6). Among the participants successfully placed, 29 percent had an arrest for a new crime within 12 months of release. For participants without a job placement, 44 percent had a new arrest. This difference was statistically significant and remained significant after controlling for grantee and employment barriers in a multivariate regression (Appendix Table C.4). Job placement appeared to have a weaker association with the probability of being incarcerated. Because many of the incarcerations were due to technical violations, it might be important to consider if employment is less of a protective barrier from committing a technical violation than from committing a new crime.

Figure V.6. Criminal Justice Outcomes, by Job Placement
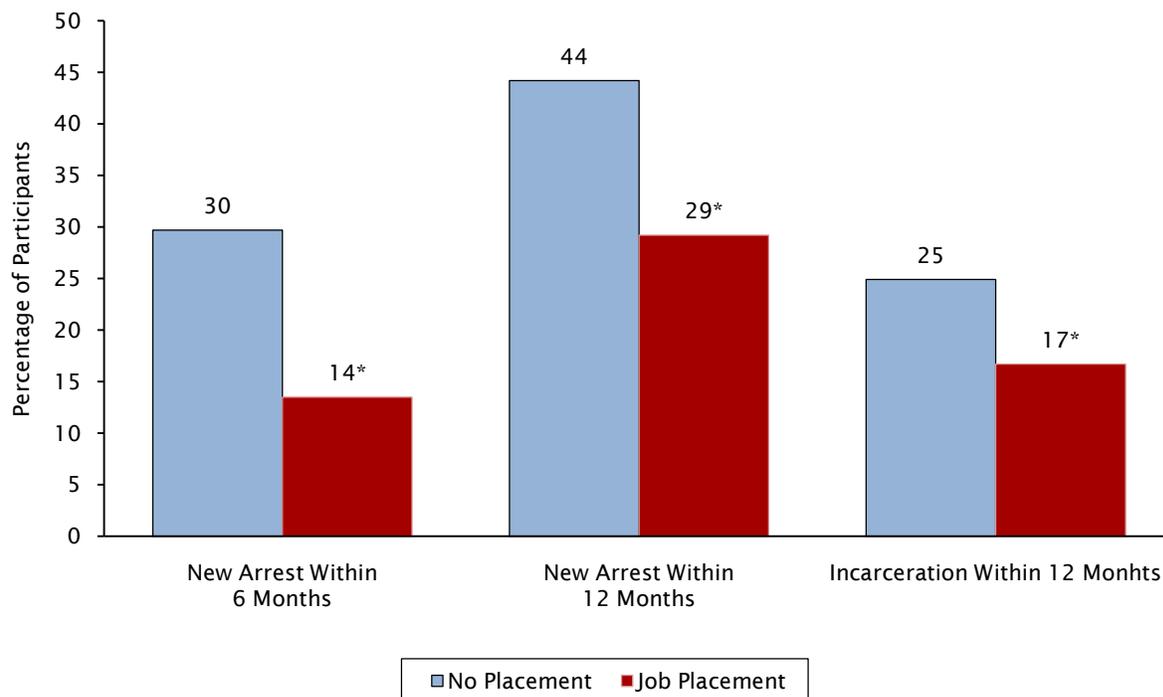
Sources: Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data.

*Subgroup difference is statistically different from zero at the .05 level, using a two-tailed test.

VI. PERFORMANCE-BASED CONTRACTING AND PROGRAM COSTS

The Beneficiary Choice program represents a $10 million investment toward helping ex-offenders find employment, avoid recidivism, and reintegrate into society. This substantial investment was spread across two years and five grantees with the goal of serving a total of 2,250 young ex-offenders. With the use of performance-based contracts, the Beneficiary Choice program represents an innovative approach to contracting with and paying local providers for high quality services. The intent behind this contracting approach was to enhance specialized service provider (SSP) accountability and performance as well as participant outcomes. Although performance-based contracts had the potential to motivate staff and possibly improve participant outcomes, these contracts presented a great deal of uncertainty and risk for SSPs.

Given the sheer size of the investment and the innovative performance-based contract structure, an in-depth cost analysis was a critical piece of the overall evaluation. Using both quantitative and qualitative data, this chapter examines how grantees structured the performance-based contracts, including the structure and emphasis of payment points. It then estimates the total cost of operating the Beneficiary Choice program and examines the distribution of spending across participating organizations, including SSPs' relative success at meeting payment points and covering the costs of operating their programs. Appendix A.3 provides more details on the cost study data sources and analysis methods.

A. Performance-Based Contracts

The program model required that grantees enter into performance-based contracts with all participating SSPs. Performance-based contracts were designed to pay service providers only when they achieved agreed-upon benchmarks, referred to as payment points. DOL allowed grantees a great deal of flexibility in structuring their payment points, including choosing the number, timing,

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Key Findings

- As of September 30, 2009, grantees were in operation for two years and three months. Total expenditures across all five sites exceeded $5.5 million, which was slightly more than half of the total grant amount.

- Both grantees and SSPs experienced a steep learning curve in the use of performance-based contracts. Over time, most of the grantees chose to simplify the benchmark payments and documentation process to allow SSPs to more easily recoup their costs.

- SSPs were paid an average of $1,455 per participant, although this varied across sites. This was substantially lower than the grant budget of $2,667 per participant.

- SSPs received the majority of payments for providing initial services, such as enrollment and assessment and completion of work readiness training. Payments for job placement and retention were a small proportion of overall payments due to difficulty helping participants achieve these benchmarks and documenting participant outcomes.

- Only one grantee—Denver—was able to leverage substantial resources to help support the program. These funds were used for occupational skills training in designated fields in which jobs were immediately available.

and dollar amount of each payment point.   Encouraging innovation, DOL was interested in understanding the range of possibilities that grantees created and, through the evaluation's cost analysis, exploring how well these approaches unfolded.

Grantees and SSPs had varying levels of experience with performance-based contracts prior to Beneficiary Choice, and it proved to be a learning process for all involved. All of the grantees had at least some experience with performance-based contracts, but few staff members involved in the demonstration had ever determined the number, timing, and amount of payment points. Most SSPs, on the other hand, had little or no experience with these types of contracts. This section explores the choices grantees made related to contract structure and payment points and how they changed over time.

1.   Structure of Payment Points

DOL required that grantees pass through 60 percent of total grant funds to SSPs for the provision of direct services to participants. This represents $1.2 million for SSPs within each site to serve 450 participants over two years. Divided evenly across participants, this amounts to $2,667 in total payments per participant.

In practice, however, developing an algorithm to calculate potential payments per participant is often more complicated than simple division because it is generally understood that not every participant will achieve each benchmark. Grantees tried to find a balance between setting attainable benchmarks to allow SSPs to cover costs and rewarding them for good performance related to the main program objectives. Performance-based contracts generally assume that only a portion of participants will meet each payment point benchmark. Therefore, when setting dollar values for payment points, contracts estimate the percentage of participants who are likely to meet the specific benchmark. For example, assume that an SSP is expected to serve 50 participants. If the grantee estimates that the SSP will place 65 percent of participants in jobs and awards $500 per job placement, the expected total payments for job placement would be $16,250. These estimates are very important. If a grantee underestimates the proportion of participants who will achieve the benchmark, it may end up over-committing funds for payments to the SSPs. Conversely, if the grantee overestimates how many participants will meet the benchmark, it could result in unexpended grant funds and a potentially inadequate flow of resources to SSPs to provide services.

At the beginning of the program, the total maximum payment per participant built into SSP performance-based contracts ranged from $2,667 to $4,500 across grantees, with an average of $3,478 (Table VI.1). Four of the grantees set their total maximum payment higher than $2,667 assuming that not all participants would meet each benchmark. Only the Des Moines grantee divided the total dollar amount equally across three payment points and assumed that all of the 450 participants would meet each benchmark.

Over the course of the grant period, nearly all grantees made changes to their performance-based contracts. Most notably, as shown in Table VI.1, there was a clear shift by grantees toward standardized payment points across SSPs. During the first site visit, only three of the five grantees had contracts with standardized payment points for SSPs within their site. The other two grantees had customized payment points to account for the unique service components of individual SSPs. For example, initial payment points in Denver included four standard payment points and up to two payment points that the SSPs created for their organizations. However, by the time of the second site visit, all grantees had adopted standardized payment points.

Table VI.1. Number and Structure of Payment Points

	Standardized Payment Points		Number of Payment Points		Total Possible Reimbursement per Participant	
	Round 1	Round 2	Round 1	Round 2	Round 1	Round 2
Phoenix, AZ	Yes	Yes	8	7	$4,500	$4,000
Denver, CO	No	Yes	4 or 6	6	$3,000	$3,000
Chicago, IL[a]	Yes	Yes	3 or 4	3 or 4	$3,100 - $4,100	$4,700 - $6,200
Indianapolis, IN	No	Yes	7 to 12	8	$2,950 - $4,450	$3,250
Des Moines, IA	Yes	Yes	3	3	$2,667	$2,667

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

[a]In Chicago, SSPs that offered training had five standard payment points and SSPs that did not offer training had four.

Site visits revealed two reasons for the contract changes. First, grantees wanted to make it easier for SSPs to recoup their costs. For example, in Phoenix, SSPs were struggling to meet the numerous payment points, strict definitions, and documentation requirements. As a result, the grantee reduced the number of payment points, changed the definition of a placement,[16] and reduced the documentation burden on SSPs. In Chicago, the grantee doubled the amount of the enrollment benchmark payment to get money to SSPs since they were struggling to meet the later benchmarks and cover their program costs. Second, some changes were implemented to make it easier for the grantee to administer and track costs. The Indianapolis grantee, for example, changed the number of payment points from a maximum of 12 to 8, reducing the burden on grantee staff to verify invoices.

2.   Emphasis of Payment Points

When structuring their contracts, grantees chose to emphasize job placement and job retention by linking a combined 55 percent of total potential payments to those benchmarks (Table VI.2). This represents a significant shift from the original contracts, in which these two benchmarks accounted for only 32 percent of total potential payments. However, this emphasis varied widely across grantees. The Chicago grantee allocated the highest percentage of the total payments (78 percent) to job placement and retention. By contrast, Des Moines did not link any payment points directly with job placement and retention. However, it linked one of the largest payment points to follow-up, which can only occur after a participant has been placed in a job.

Enrollment and assessments as well as work readiness training were also common payment points. However, the dollar amount associated with these benchmarks was usually much lower than the amount associated with job placement and retention. The grantees reported that early payment points were generally easier to achieve and therefore they were structured to get money flowing to

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[16] Originally, in order to meet the job placement payment point, SSPs had to place participants in a job within 21 days of enrollment with a wage of at least $8.00 per hour and at least 35 hours per week. However, in July 2009, Phoenix adopted the DOL definition of job placement, which only requires a participant to work one day in the quarter. Phoenix no longer imposed a time limit, a minimum number of hours, or a minimum wage.

Table VI.2. Emphasis of Performance-Based Contract Payment Points, Year 2

	Enrollment and Assessments	Work Readiness Training	Occupational Skills Training or Certification Attainment	Other Nontraining Services[a]	Job Placement	Job Retention	Follow Up or Other Outcomes	Total
Average Across All Sites								
Amount	$500	$452	$200	$200	$900	$1,100	$272	$3,623
Percentage	14	12	6	6	25	30	7	100
Phoenix, AZ								
Amount	$0	$400	$0	$500	$1,000	$2,100	$0	$4,000
Percentage	0	10	0	13	25	53	0	100
Denver, CO								
Amount	$300	$400	$500	$0	$900	$900	$0	$3,000
Percentage	10	13	17	0	30	30	0	100
Chicago, IL[b]								
Amount	$1,200	$0	$500	$0	$2,000	$1,500	$0	$5,200
Percentage	23	0	10	0	38	29	0	100
Indianapolis, IN								
Amount	$250	$500	$0	$500	$600	$1,000	$400	$3,250
Percentage	8	15	0	15	18	31	12	100
Des Moines, IA								
Amount	$750	$958	$0	$0	$0	$0	$958	$2,667
Percentage	28	36	0	0	0	0	36	100

Sources: Site visit interviews with grantee administrators and SSP directors, as well as cost data and contract documents collected from sites.

[a]Nontraining services includes services such as job counseling, monthly contacts with participants, and GED preparation.

[b]Chicago is the only site that had any variation in payments across SSPs. Three of the nine SSPs in Year 2 were training SSPs and had an additional benchmark payment for occupational training. The $1,500 benchmark payment was multiplied by one-third to reflect the percentage of SSPs eligible to receive this payment.

SSPs to help offset costs. Notably, unlike the other four grantees, Des Moines allocated 64 percent of the total payment per participant to these two early payment points.

B. Total Costs of Providing Beneficiary Choice Services

Although participant enrollments were largely on pace with the original grant timeline, grantees and most SSPs were slow to draw down funds. Two and a half years into the demonstration, just over half (56 percent) of the total grant money had been spent. By comparison, 2,168 participants, or 96 percent of the total target, had enrolled in the program by September 30, 2009. This section discusses the factors influencing both the pace and the distribution of grant expenditures across participating organizations.

1.   Grantee and Services Coordinator Expenditures

Grantees and services coordinators had spent a total of $2,459,943 by September 30, 2009 (Table VI.3). At 44 percent of all expenditures through that date, this is a slightly higher than the 40 percent outlined in the DOL grant requirements. This pattern is not surprising, however, given that grantee and services coordinator expenditures were front-loaded due to their responsibility for recruitment and orientation. The percentage will likely come down as new enrollments end and SSPs continue to serve clients and receive payments for their services.

There was little variation in the total value of grantee and services coordinator expenditures across four of the five sites. Denver's expenditures were much lower than those of the other four sites due to its extensive leveraged resources (discussed in detail later in this chapter). Notably, the two grantees with the highest expenditures—Phoenix and Des Moines—also provided the most ongoing support to participants after they were referred to their selected SSP. As discussed in Chapter II, the grantees at these two sites provided ongoing case management and follow-up to most participants. Although this approach ultimately cost more, local staff members believed that it helped keep participants engaged in the program and ensure job placements. Interestingly, given that Indianapolis and Chicago passed grant resources and responsibilities onto a separate services coordinator, the non-SSP costs at these sites were three to nine percent higher than those of the Phoenix and Des Moines grantees that served as both grantee and services coordinator.

To provide a better understanding of how these organizations chose to spend their portion of the grant funds, the evaluation collected a breakdown of total expenditures across labor categories, other direct costs (ODCs), and indirect costs. Across all sites, total labor costs as a percentage of total costs ranged from 20 percent in Denver to 42 percent in Chicago (Table VI.4). Again, Denver's ability to leverage resources can be seen in this table. Denver's labor costs were substantially lower than those of the other four sites because the project director's time was fully leveraged with other grant funds. Phoenix, Denver, and Des Moines spent less than one-third of total grant expenditures on labor costs. Chicago and Indianapolis labor costs were higher at 34 and 42 percent, respectively.

Several factors may explain variation in labor costs across the sites. In Chicago, higher grantee and services coordinator labor costs are likely due to a lengthy orientation and SSP selection process. Given that SSPs in Chicago and Indianapolis consistently struggled to meet DOL performance measures, the grantees and services coordinators spent more time on coordination and SSP training. For example, in Chicago, the director of the Career Advancement Network reported hosting routine meetings with SSPs to provide technical assistance related to DOL performance measures and the

Table VI.3. Grant Expenditures in Thousands, July 2007–September 2009

	All Participants		Phoenix, AZ		Denver, CO		Chicago, IL		Indianapolis, IN		Des Moines, IA	
	Amount	Percent[a]	Amount	Percent[a]	Amount	Percent[a]	Amount	Percent[a]	Amount	Percent[a]	Amount	Percent[a]
Total Expenditures	$5,563	100%	$1,071	100%	$1,031	100%	$1,059	100%	$1,013	100%	$1,389	100%
Grantee and Services Coordinator	$2,460	44%	$523	49%	$283	27%	$567	54%	$551	54%	$536	39%
Grantee	$1,740	31%	$523	49%	$283	27%	$109	10%	$289	29%	$536	39%
Services Coordinator	$720	13%	n.a.	n.a.	n.a.	n.a.	$458	43%	$261	26%	n.a.	n.a.
SSPs	$3,103	56%	$549	51%	$748	73%	$492	46%	$462	46%	$852	61%

Source: Cost data collected from grantee administrators during site visits.

[a]Percent of expenditures to date.

n.a. = not applicable.

Table V1.4.   Breakdown of Total Grantee and Services Coordinator Expenditures, July 2007– September 2009 (Percentage of Expenditures)

	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Labor Costs					
Administrators	0.7	0.0	13.5	2.2	3.6
Project managers	4.7	19.8	11.1	25.8	6.0
Case managers	16.4	0.0	2.4	0.0	19.0
Retention specialists, job coaches, job developers	0.0	0.0	1.1	8.1	0.0
Accounting staff	0.0	0.0	2.7	2.9	0.0
Other staff	8.8	0.0	3.3	2.6	0.0
Subtotal Labor Costs	**30.6**	**19.8**	**34.1**	**41.6**	**28.6**
Other Direct Costs					
SSP payments	51.2	72.7	46.4	45.6	61.4
Rent and facilities upgrades	0.0	0.0	7.1	0.0	3.4
Supplies and equipment	2.9	1.6	2.5	1.0	2.6
Staff training and travel	1.4	3.5	0.0	1.4	0.4
Payments or incentives paid to participants	2.9	0.0	0.0	0.0	0.0
Other	5.1	2.4	6.0	0.0	0.0
Subtotal Other Direct Costs	**63.5**	**80.2**	**62.0**	**48.0**	**67.8**
Indirect Costs	**6.0**	**0.0**	**4.0**	**10.0**	**3.6**

Source: Cost data collected from grantee administrators during site visits.

MIS. Likewise, in Indianapolis, the grantee and services coordinator spent a significant amount of time conducting audits, providing technical assistance to SSPs, and helping SSPs improve their outcomes.

Excluding SSP payments, ODCs did not represent a large percentage of grantee or services coordinator expenditures. Of the remaining categories, rent was the most costly ODC for two of the five sites. Notably, only Phoenix chose to use grant funds for direct payments to participants. These included bus passes and gift cards used as incentives for participants to bring their pay stubs to local staff as documentation of employment.

2.   Payments Made to SSPs

SSPs across all grantees were paid slightly more than $3 million, or about 56 percent of all grant expenditures during the cost study period. As reflected above, this is slightly lower than the 60 percent required by DOL. Although this percentage may increase as SSPs continue to serve participants, it reflects the difficulty that many SSPs faced in meeting payment points.

SSPs were paid an average of $1,455 per participant, although this varied drastically across sites (Table VI.5). In Indianapolis, SSPs on average earned $1,060 per participant, while in Des Moines, SSPs earned more than double that amount or $2,136 per participant.

Providers in only one site—Des Moines—were able to meet the majority of payment benchmarks in their contracts. Given the SSP contract structure with a small number of attainable benchmarks, SSPs in Des Moines received an average of 80 percent of total possible payments. By contrast, SSPs in Phoenix, Chicago, and Indianapolis received one-third or less of the total possible payment for each participant.

Table VI.5. Average Payments per Participant, July 2007–September 2009

	Number of Participants	Average Amount Paid per Participant	Total Potential Payment	Percentage of Total Potential Payments
All 5 Grantees	2,138	$1,455	$3,523	41%
Phoenix, AZ	441	$1,244	$4,000	31%
Denver, CO	440	$1,700	$3,000	57%
Chicago, IL	422	$1,165	$5,200[a]	22%
Indianapolis, IN	436	$1,060	$3,250	33%
Des Moines, IA	399	$2,136	$2,667	80%

Sources: Cost data collected from grantee administrators during site visits as well as Beneficiary Choice Management Information System extract dated June 8, 2010.

[a]Chicago is the only site that had any variation in payments across SSPs. Three of the 9 SSPs in Year 2 were training SSPs and had an additional benchmark payment for occupational training. The $1,500 benchmark payment was multiplied by one-third to reflect the percentage of SSPs eligible to receive this payment.

Two separate issues contributed to this pattern. First, some of the original benchmarks set by these grantees were relatively strict and narrowly defined. For example, the initial SSP contracts in Phoenix awarded a job placement payment only if the participant got a job within 21 days of enrollment and kept it for 60 days. Indianapolis required grantees to document that a participant had worked for 30 days at a minimum of 30 hours per week to receive any payment for job placement. Although these requirements were meant to spur on performance, many SSPs reported that they were unrealistic and tended to reduce payments. Second, inexperienced SSPs struggled to get participants to achieve key benchmarks and to provide all required documentation for payment. As shown in Chapter V, SSPs in Chicago and Indianapolis struggled to place participants in jobs and therefore did not receive some of the largest payments defined in their performance-based contracts.

Despite the emphasis that grantees placed on job placement and retention through higher payment points, a majority of payments to SSPs came from enrollment and work readiness training (Table VI.6). These were the two earliest benchmarks and the services most often provided to

Table VI.6. Percentage of Payments to SSPs, by Benchmark

	All Sites	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Enrollment and Assessments	28	18	25	46	19	33
Work Readiness Training	26	18	26	8	39	38
Occupational Skills Training or Certification Attainment	1	0	6	0	0	0
Other Nontraining Services	9	17	5	0	24	0
Job Placement	15	10	23	33	9	0
Job Retention	7	4	14	13	5	0
Follow Up or Other Outcomes	13	32	0	0	4	29
Total	**100**	**100**	**100**	**100**	**100**	**100**

Source: Cost data collected from grantee administrators during site visits.

Notes: The detailed breakdowns of SSP payments provided by the grantees did not always match the total reported payments. All of the detailed breakdowns were within four percent of total reported payments, except for Chicago. The detailed breakdown of payments for one SSP in Chicago was almost double the total reported payment. The higher of the two numbers was used for this analysis.

The reported percentages for Colorado do not include the two SSPs in Mesa because the data was not provided by the grantee.

participants. By contrast, job placement and job retention payment points were often cited as the most difficult to meet. As discussed in Chapter V, poor economic conditions and the significant barriers faced by participants made it challenging for participants to find employment. Although grantees reported that 92 percent of participants received work readiness training services, only 64 percent were placed in employment and even fewer (57 percent) received follow-up services.

Once a payment point was met, SSPs had to submit an invoice along with documentation to the grantee for payment. During the first round of site visits, SSPs and grantees reported that invoices for SSP payments were often denied due to lack of documentation. For example, SSPs reported having difficulty tracking participants over time and getting them to provide copies of pay stubs. For several reasons, this issue appeared to be largely resolved by the time of the second visit. First, it was clear that SSPs that were inexperienced with performance-based contracts had adjusted to the system. They became more familiar with the expectations of the grantee and the documentation process. Second, grantees made changes over time to simplify payment points. These changes, discussed earlier, were often in response to feedback from the SSPs. Third, some grantees eased documentation requirements and definitions. For example, by the time of the second visit, Phoenix had changed its documentation requirements for employment so that SSPs only had to obtain one pay stub rather than two. Finally, a few grantees used incentives to get participants to show up to document and/or complete benchmarks. These included hard incentives such as bus passes as well as soft incentives such as displaying participants' photos and success stories on a "Wall of Honor." Although the invoice and payment process had improved markedly, a small proportion of invoices were still denied due to inadequate documentation.

During the first round of evaluation site visits, many SSPs reported difficulty covering the costs of serving Beneficiary Choice participants and were concerned they would not break even in the long run. However, by the time of the second visit, most SSPs were optimistic that they would break even. Changes to the payment points contributed to this shift. For example, Phoenix reported that more SSPs were able to cover costs once it simplified the contracts in July 2009. Also, according to SSP project directors, the ability to co-enroll participants in other programs helped cover costs. For example, four larger, more established SSPs reported during the focus group that they were all able to co-enroll many participants in other programs within their organization.

3. Total Cost per Participant

When averaged across grantees, total program costs per participant were $2,602 (Table VI.7). This includes expenditures at all three levels of service – grantee, service coordinator and SSPs. These costs appear to fall in the middle range compared to other programs providing similar services to ex-offenders. For example, an evaluation of the Prisoner Reentry Initiative (PRI) demonstration, which served non-violent ex-offenders across 30 grantees, reported average total costs of slightly less than Beneficiary Choice at $2,495 per participant (Holl et al. 2009). By contrast, an evaluation of the Center for Employment Opportunities (CEO) Prisoner Reentry Program, a transitional jobs program for ex-offenders in New York City, estimated higher costs of about $4,200 per participant, although this included subsidized wages paid directly to participants (Redcross 2009).

When considering workforce programs that serve a wider population, the average cost per participant under the Beneficiary Choice program appears to be slightly lower. While estimates are not available for the cost of providing services under the Workforce Investment Act, a study of JTPA programs in the 1990s estimated average total costs of about $3,000 per participant (LaLonde 2003).

Table VI.7. Average Total Cost per Job Placement, July 2007–September 2009

	Total Expenditures	Number of Participants	Total Cost per Participant	Job Placement Rates	Average Cost per Placement
All 5 Grantees	$5,562,820	2,138	$2,602	64.5	$4,034
Phoenix, AZ	$1,071,381	441	$2,429	75.7	$3,209
Denver, CO	$1,030,849	440	$2,343	79.5	$2,947
Chicago, IL	$1,058,927	422	$2,509	47.6	$5,271
Indianapolis, IN	$1,012,784	436	$2,323	44.4	$5,232
Des Moines, IA	$1,388,879	399	$3,481	79.5	$4,379

Sources: Cost data collected from grantee administrators during site visits as well as Beneficiary Choice Management Information System extract dated June 8, 2010.

Another important step in the cost analysis is to analyze how program costs relate to the program's desired outcomes, such as placement in unsubsidized employment. In particular, across all five grantees, the average cost per job placement was $4,034. The cost ranged from $2,947 in Denver to $5,271 in Chicago. While Des Moines had the highest total costs per participant served, when job placement rates are taken into account their costs are just above the average. Conversely, due to lower job placement rates, Chicago and Indianapolis have the highest costs per job placement. By comparison, the average cost per job placement was slightly lower for the PRI program (Holl 2009).

4. Use of Leveraged Resources

Upon release, ex-offenders typically face many barriers to successful reentry and require a wide array of potentially costly services. Although the SSPs were permitted to use funds for a full range of services, SSP directors reported that the payments they received generally covered only basic labor costs and some minor supportive services. As a result, the extent to which grantees could provide participants with critical supportive services depended on their ability to leverage additional resources beyond the grant funds.

Based on the qualitative site visit data, the amount of leveraged resources varied across grantees and appeared directly related to the size of the organization. The two larger government organizations in Denver and Chicago leveraged the most resources. Both of these grantees secured funds under the American Recovery and Reinvestment Act (ARRA) (Table VI.8). Denver was the only grantee that reported leveraging funds through the Workforce Investment Act and Wagner Peyser. Specifically, Denver used funds from a performance incentive awarded by DOL to support customized training for Beneficiary Choice participants. It designated $170,000 for participants in Denver and $50,000 for participants in Mesa County. The grantee also designated $74,000 for training in 2010 and 2011 from its DOL employment services funds. In Chicago, in addition to the ARRA funds that were used to support transitional jobs for participants, the grantee contributed $200,000 in city funds 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.

Table VI.8. Types of In-Kind Resources Garnered by Grantees, Services Coordinators and SSPs

	Number of Grantees or Services Coordinators	Number of SSPs
Grant Funds		
ARRA funds	2	0
WIA funds	1	0
Wagner Peyser	1	0
Other grants from foundations and community agencies	1	2
Unpaid Staff Overtime	5	1
Donations		
Clothing donation	3	2
Office space or rent assistance	3	1
Medical services	0	3
Educational services	0	2
Computer labs	0	2
Transportation assistance	0	1
Gift cards	1	0
Volunteers and Mentors	1	2
Sample Size	**5**	**10**

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

Note: Includes only SSPs that were visited in person during second site visit.

Other in-kind donations were also relatively common. All five grantees and their services coordinators reported that key Beneficiary Choice staff worked uncompensated hours to support the project. Additional in-kind donations included office space, clothing, and medical services. Grantees and SSPs rarely used volunteers and mentors.

VII. SUCCESSES, CHALLENGES, AND LESSONS LEARNED DURING THE IMPLEMENTATION OF BENEFICIARY CHOICE

The Beneficiary Choice demonstration tested a new model for administering reentry services to ex-offenders. Combining participant choice with performance-based contracting created a challenge for participating organizations as well as a level of risk and uncertainty. With the ultimate goal of helping this hard-to-serve population successfully reintegrate into society, the demonstration hoped to engage the unique skills of FBCOs to provide individualized support to meet participants' needs. The initial philosophy of the program was that placement in a stable job along with supplemental services would help participants remain free from criminal involvement. The evaluation explored how the demonstration unfolded over time and drew a number of lessons about the program model and the success of those who participated.

A. Community Capacity and Collaboration

All grantees reported that Beneficiary Choice created opportunities for ex-offenders to receive workforce services that may otherwise have been unavailable. Each of the communities involved in the demonstration reported an unmet need for services to ex-offenders who were recently released from incarceration. These individuals face a myriad of needs as they attempt to enter the labor market and reintegrate into society. In the face of a severe economic recession, local staff and participants reported that ex-offenders were even further displaced as more skilled workers vied for the low-paying jobs that many ex-offenders would typically take. Beneficiary Choice presented a new opportunity for participating communities to offer workforce services to this needy population.

Grantees engaged a wide range of SSPs, but sustaining their involvement was more challenging than expected. Grantees were able to successfully engage FBCOs they had partnered with before as well as some new FBCOs with whom they had not partnered previously. They provided a range of capacity-building activities and made significant efforts to retain those SSPs in the demonstration. Despite those efforts, grantees reported a number of factors that resulted in about one-third of FBCOs dropping out of the demonstration over time. Factors contributing to this turnover among some SSPs included: few participants selecting the SSP's services, poor SSP job placement performance, a lack of experience with reporting requirements and outcome documentation, and mismatches between the SSP's mission and the work-first model. Those SSPs that remained with the program were often located in neighborhoods where ex-offenders lived, had strong agency reputations, relied on other funding sources to co-enroll participants, and had experience helping hard-to-employ individuals find and keep jobs.

Grantees felt that strong communication and collaboration were essential for the project and laid the groundwork for ongoing relationships between participating organizations. When asked about lessons learned, administrators at all five grantees stressed that communication was a key component of their success with this demonstration. They felt that routine meetings between participating organizations, open and frank discussions, and accessibility of key staff enabled them to work through numerous challenges during implementation. Grantees and many SSPs felt that this created a foundation for future relationships and partnering opportunities.

Although the indirect funding mechanism created by participant choice allowed for the inclusion of faith-infused SSPs, very few chose to participate. Only three faith-infused providers were involved in the demonstration and two dropped out partway through it. Two of these were small one-person shops that served a limited number of participants. The third was a

larger, more established organization. An administrator at this larger SSP felt that few participants selected the program because they were deterred by the faith component. Several factors, including limited outreach by some grantees and a lack of understanding about which services were allowable under the program model, may have contributed to limiting the number of faith-infused providers involved in the demonstration. In the end, the model did not provide an opportunity to learn about whether and how faith-infused services could engage ex-offenders and help them overcome their barriers to employment and successful reentry.

B. The Role of Participant Choice

Most grantees made formal efforts to ensure that participants were fully informed about the available SSPs so they could make independent choices; others used less-structured methods to facilitate customer choice. Three sites used structured and consistent orientation materials to describe the SSPs available for participants to chose from and allow participants to make an independent and fully informed selection. Two grantees, on the other hand, used a more "guided choice" approach that involved informal, unscripted meetings in which participants received input from services coordinator staff on the decision-making process. In these cases, some participants may not have had full information about all available providers and may have been encouraged to make selections quickly. For example, a participant who was "reverse-referred" to the program and requested to receive services from the referring SSP may not have been provided with full information about the other SSP options before finalizing the selection. Although it rarely happened, one site also allowed SSPs to reject participants who selected their program if they felt the participant was not motivated or was not a good fit for the program. For the choice to be truly meaningful, future efforts may need to ensure that participants receive a comprehensive presentation about all of the available SSPs.

Despite the inclusion of diverse SSPs, participants' choices appeared largely driven by agency location and reputation. The indirect funding mechanism implemented through the Beneficiary Choice demonstration allowed for the inclusion of SSPs that might not otherwise have been able to compete for federal funds, such as those that were smaller and less experienced or offered faith-infused services. However, site visit data suggest that the choices participants made were largely driven by the SSPs' location and reputation within the community. Local staff and focus groups revealed that few participants made selections based on the unique combination of services offered by an SSP.

C. Providing Services to Beneficiary Choice Participants

Initial activities required by services coordinators and some SSPs were intended to identify the most motivated participants. Sites enrolled participants more freely at the start of the demonstration but tried to narrow the pool of participants over time to include only highly motivated individuals. Services coordinators reported that orientation and assessment services offered before participants were formally enrolled in the demonstration not only facilitated participant choice and helped prepare participants for the program, but also created some hurdles that would result in less-motivated individuals dropping out of the application process. Some SSPs also introduced their own activities before enrollment to weed out less-motivated participants. This structure appears largely driven by performance requirements and the use of performance-based contracts. Grantees and services coordinators wanted to ensure that participants were highly motivated and likely to achieve success. At the same time, SSPs wanted to enroll only those participants who were likely to achieve key benchmarks, result in contract payments, and allow them

to recoup the cost of services. The potential negative effect of this approach is that some of the hardest-to-serve participants who were most in need of services may not have been enrolled.

Many factors drove the need for participants to get immediate employment and created a strong work-first approach to service delivery. Upon reentry, ex-offenders not only need immediate income, but also often face parole or probation requirements to find employment. DOL performance measures and the structure of performance-based contracts also emphasized job placement and retention as key outcomes for participants. Although the Beneficiary Choice model was initially designed to tap the unique sets of services available at FBCOs, the program evolved over time to focus largely on rapid attachment to the labor force. This ultimately reduced the diversity of services offered across the SSPs. Participants typically received work readiness training and a small number of other supportive services before being placed in a job. Few participants received the full range of supplemental services that SSPs felt they needed for successful reentry and long-term avoidance of criminal involvement. Two grantees explicitly stated that a dedicated funding stream for supportive services would have helped to better support participants as they sought employment.

After receiving work readiness training, many participants appeared to have conducted their own job searches with limited assistance from the SSPs. Some SSPs provided participants with job leads or conducted formal outreach to employer networks on behalf of individual participants, but others were less experienced with workforce development and had limited relationships with local employers. Site visit interviews and observations revealed that many participants conducted their own job searches independently after participating in work readiness training classes. Administrators at one grantee stated that, in hindsight, they would have selected only those organizations to serve as SSPs that could demonstrate, not just state, that they were actively working with employers in the community prior to the demonstration. Although it is unclear, this lack of structured job search assistance may have contributed to the low proportion of participants who obtained employment in some sites.

D. Participants' Ability to Find Employment and Avoid Criminal Involvement

Driven by the work-first model, sites placed 65 percent of participants in unsubsidized jobs. Participants who found employment earned an average of $9.23 per hour and were placed within an average of nine weeks after enrollment. Although there was variation across sites, the most common industries in which participants found jobs included food preparation and servicing, construction and extraction, and production. Participants who received education and training services earned about $2 more per hour on average.

Participant characteristics, local economic conditions, and sites' experience with Federal reporting appeared to affect job placement rates across sites. Phoenix, Denver, and Des Moines placed between 78 and 80 percent of their participants in unsubsidized employment. However, Chicago and Indianapolis struggled more to place participants in jobs (although their rates increased over time); by summer 2010, they had job placement rates of 48 and 44 percent, respectively. Both Chicago and Indianapolis served more participants with multiple barriers to employment. All five local areas experienced increased unemployment during the demonstration period, but Chicago's economy appeared to suffer more significantly over time. Lastly, two of the three high-performing sites—Phoenix and Des Moines—were more familiar with DOL reporting requirements as a result of their MIS experience in the Prisoner Reentry Initiative.

Based on state-level criminal justice records, approximately 34 percent of participants were rearrested for a new crime within 12 months after release from incarceration. This rate is lower than national statistics across ex-offenders of all ages, but subgroup statistics by Langan and Levin (2004) suggest this level may be substantially lower than the national rearrest rates for the types of offenders served by Beneficiary Choice. Among those who were rearrested for a new crime, about 21 percent were arrested for the first time while participating in the Beneficiary Choice program.

Despite grantees' efforts to validate their outcomes data, MIS data severely underreported arrests for new crimes. Compared to the 34 percent reflected in administrative data, only eight percent of participants were reported by grantees in the MIS as rearrested for a new crime within 12 months after release. Some grantees may have taken a "no news is good news" approach to data reporting, while others reported challenges in accessing state police records to verify their knowledge of participants' circumstances. This analysis underscores the importance of using alternative data collection methods to validate grantee data on key outcomes.

E. Use of Performance-Based Contracts

All participating organizations experienced a learning curve in the use of performance-based contracts. Most grantees and services coordinators had engaged in performance-based contracts in the past, but few key staff involved in the demonstration at these organizations had been responsible for establishing benchmarks and validating provider performance. Moreover, very few of the SSPs had worked under performance-based contracts and were experienced with documenting participant outcomes.

Most grantees and SSPs felt that performance-based contracts helped improve accountability and motivate providers, but some said that contract benchmarks should be more reasonable and attainable. Generally, grantees felt the performance-based contracts made SSPs accountable for their work with participants and served to motivate their staff to quickly place participants in employment. However, site visit interviews suggest that initial goals were not always realistic or attainable for many SSPs. As a result, some SSPs experienced significant cash flow problems as well as sanctions by grantees for poor performance. Administrators at two grantees felt, in hindsight, that they should have verified the financial status of organizations that applied to be SSPs to ensure their ability to cover initial program costs given that payments might be delayed. Grantees and SSPs also felt that expectations surrounding performance and contracts should have been more clear and reasonable at the start of the demonstration.

Over time, grantees standardized contracts, redefined benchmarks, and eased documentation requirements to facilitate payments to SSPs. At the time of the first site visit, many SSPs reported that they were unlikely to cover their operating costs for serving Beneficiary Choice participants given the limited payments made under their contracts. By the time of the second site visit, this had changed, and most believed they would break even. This resulted from both contract changes initiated by grantees after receiving feedback from SSPs and the increased level of experience that occurred naturally as the demonstration progressed.

The total amounts paid to SSPs were lower than expected due to challenges in meeting key job placement and retention benchmarks. By fall 2009, SSPs were paid an average of $1,455 per participant, compared to the $2,667 initially designated in the grants. Most SSP payments were made for initial services such as enrollment, assessment, and work readiness training. Fewer payments were made for meeting key benchmarks such as job placement that had higher payment

levels. Grantees made efforts throughout the demonstration to help SSPs build their capacity for job placement services as well as data reporting. However, many SSPs still struggled. Although SSP payments per participant may have continued to increase over time as enrolled participants met additional benchmarks, the average is unlikely to have reached the level expected at the start of the demonstration. Although the low levels of payments may adversely affect SSPs' finances as they continue to work with this hard-to-serve population, they enabled the demonstration to serve a larger pool of ex-offenders than envisioned.

F. Policy Considerations and Next Steps for Research

The evaluation of Beneficiary Choice provided a detailed picture of how this unique program model was implemented in the field and how participants fared shortly after program participation. Overall, the program offered relatively light-touch services over a short duration. Emphasizing job placement as a key component of successful reentry, it provided workforce services to about 2,400 ex-offenders who grantees reported would have gone largely unserved in the absence of the program.

The combination of participant choice and performance-based contracting created some challenges and resulted in conflicting influences as local organizations implemented the model. The participants' needs for income combined with the performance-based contracting structure provided incentives for SSPs to emphasize rapid employment and, inadvertently, discouraged diversity of services. In the end, this may have limited participants' options for services, decreasing the meaningfulness of SSP choice. In addition, SSPs found it difficult to manage their budgets given the uncertainty about the number of participants who would select their program and achieve contract benchmarks that would allow them to receive payment for services.

Some programs were more successful than others in placing participants in employment. The descriptive analysis suggests that service receipt may have contributed to higher rates of job placement, although the unobservable characteristics of participants could have influenced these results. It is unclear what kind of influence a program of this nature could have on participants' long-term outcomes and reentry success. Nonetheless, policymakers and practitioners can use the lessons learned from this descriptive study to shape future programs aimed at improving the employment and earnings outcomes of ex-offenders.

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APPENDIX A

DATA SOURCES AND ANALYSIS METHODS

A.1.   Management Information System Data

The evaluation used data collected by grantees and entered into the demonstration management information system (MIS) to examine participant characteristics, patterns of service use, and both employment and criminal justice outcomes. This section describes the data that grantees entered into the MIS and discusses possible limitations of the data.

1.   Sources of MIS Data

Grantees were required to collect data on participants at the time of enrollment, throughout service provision, and during the follow-up period. These data were then entered into a web-based MIS designed by the U.S. Department of Labor (DOL). The system contains three categories of data: baseline data, service receipt, and short-term outcomes.

- *Baseline data.* The Beneficiary Choice MIS data offers a wealth of information on the characteristics of participants. The baseline characteristics data were collected either at the time of enrollment or shortly thereafter and contained information about the participants' demographic characteristics, housing status, substance abuse status and history, criminal and employment histories, and educational background. Most grantees and specialized service providers (SSPs) collected these data through participants' self-reports, although some used data from referring parole or probation agencies.

- *Service receipt.* Grantees and SSPs were also required to record information about participants' service receipt in the MIS. As mentioned in Chapter II, SSPs were required to offer participants three core services: (1) work readiness, (2) career counseling, and (3) post-employment follow-up. In addition, the MIS allowed each SSP to enter data on the unique combination of supplemental services it provides to help meet the needs of its clientele.

- *Short-term outcomes.* SSPs and grantees were also asked to collect data on participants' employment and earnings, recidivism, educational attainment, substance abuse and illegal drug use, and housing.

2.   Analysis Methods and Limitations

The heart of the MIS analysis was descriptive, including frequencies and means. It described the characteristics of participants and the services they used. It also analyzed average outcomes among the entire Beneficiary Choice population as well as differences in average outcomes across grantees and participant subgroups. When feasible, the analysis also included t-tests and regressions that provide insights into the relationships among characteristics of participants, their services use, and their outcomes.

Although the MIS provides a wide range of data, some issues limit the conclusions that can be drawn from the data. For the following four reasons, any conclusions on participant characteristics, as well as the receipt of services and outcomes, should be interpreted with caution.

1. *Many baseline data elements were self-reported.* In some cases, data could be obtained only through self-report because the faith-based and community organizations (FBCOs) did not have authority to request official documentation for a number of data elements. Local staff reported that participants sometimes had difficulty remembering

information or were not honest about their backgrounds. This was especially true for substance abuse.

2. ***Grantees were not required to record service intensity.*** The MIS included the start and end dates of each service, but not the hours of service received.

3. ***Service receipt was recorded differently across and within sites.*** In many instances, grantees and even staff members within grantees recorded the same service in different ways. For example, a one-week work readiness class that consisted of five three-hour workshops, or a total of 15 hours of service, could be entered as a single service or five separate services.

4. ***Some data elements were missing for large proportions of clients.*** DOL designed the system to include data elements that grantees were required to collect, as well as optional data elements that grantees could choose to collect if they were relevant and useful for program management. Although reporting provided fairly complete data for most of the required elements, grantees varied in how often they reported the optional elements. Tables A.1.1 and A.1.2 provide information on required and optional MIS data elements as well as the proportion of missing data for each element, based on the final MIS extract on June 8, 2010.

Table A.1.1. Prevalence of Missing Data Across Baseline Characteristics

	Required or Optional	Proportion of Participants with Missing Data
Enrollment		
Date of enrollment	Required	0
Date of exit	Required	6
Demographics		
Birth date	Required	0
Gender	Required	0
Race—any category marked	Required	14
Ethnicity Hispanic/Latino	Required	0
Highest school grade completed	Required	4
Limited English proficiency	Required	4
Marital status	Required	2
Number of children	Required	8
Number of children living with participant	Required	13
Veteran status	Required	1
Disability status	Required	0
Citizenship	Optional	5
Significant health issues at enrollment	Required	4
Ever admitted for mental health treatment or prescribed psychiatric medication	Optional	93
Child support obligations at enrollment: number of children	Optional	40
Child support obligations at enrollment: amount[a]	Optional	4
Work History		
Employment status at incarceration	Required	21
Most recent job before incarceration—job code	Optional	35
Most recent job before incarceration—hours worked	Optional	8
Most recent job before incarceration—number of weeks worked	Optional	6
Most recent job before incarceration—hourly wage	Optional	5
Longest-held full-time job before incarceration—job code	Optional	39
Longest-held full-time job before incarceration—hourly wage	Optional	4
Longest-held full-time job before incarceration—number of weeks worked	Optional	1

Table A.1.1 *(continued)*

	Required or Optional	Proportion of Participants with Missing Data
Employment status at enrollment	Required	0
Job at enrollment—job code[a]	Required	14
Job at enrollment—number of hours worked per week[a]	Required	12
Job at enrollment—hourly wage[a]	Required	8
Job at enrollment—start date[a]	Required	12
Primary income source before incarceration[b]	Optional	15
Housing Status		
Housing status at enrollment	Required	1
Alcohol Abuse and Drug Use		
Alcohol abuse and drug use at enrollment	Required	1
Criminal History and Related Elements		
Probation/parole status at enrollment	Required	1
Participation in BC mandated by criminal justice agency	Required	10
Date of most recent incarceration	Required	8
Date of release from most recent incarceration	Required	0
Type of institution where incarcerated	Required	9
Type of crime for which most recently incarcerated	Required	1
Total time incarcerated in lifetime	Required	1
Number of arrests in lifetime—total and felony (optional)	Optional	16
Number of convictions in lifetime—total and felony (optional)	Optional	16
Services received while incarcerated—types	Optional	1
Services received while incarcerated—GED receipt	Optional	16

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

[a]Includes only those for whom the data element is applicable according to skip logic.

[b]Includes participants who are missing data and participants for whom this element is not applicable.

BC = Beneficiary Choice; GED = general equivalency diploma.

Table A.1.2. Prevalence of Missing Data Across Outcome Data Elements

	Required or Optional	Proportion of Participants with Missing Data
Employment Outcomes Throughout Beneficiary Choice Participation		
Date of initial placement	Required	Unknown
Hourly wage[a]	Required	0
Number of hours worked in first full week[a]	Required	0
Occupation code[a]	Optional	0
Education Outcomes Throughout Beneficiary Choice Participation		
Attained diploma, GED, postsecondary degree, or certificate	Required	Unknown
Date attained[a]	Required	0
Type of diploma, GED, postsecondary degree, or certificate[a]	Required	6
Assessment At 6 Months After Enrollment		
Housing status at 6 months after enrollment[b]	Required	25
Alcohol abuse/drug use at 6 months after enrollment[b]	Required	25
Arrest Outcomes In First Year After Release		
Re-arrested/re-incarcerated[b]	Required	1
Date re-arrested/re-incarcerated[a]	Required	0
Most serious charge for new crime[a]	Optional	32
Convicted of new crime[a]	Optional	27
Incarcerated for a new crime[a]	Optional	40

Table A.1.2 *(continued)*

	Required or Optional	Proportion of Participants with Missing Data
Follow-Up For Three Quarters After Beneficiary Choice Program Exit		
Employed in first quarter after exit[b]	Required	32
Employed in second quarter after exit[b]	Required	42
Hours worked during first week in second quarter after exit[a]	Required	5
Hourly wages in second quarter after exit[a]	Required	5
Employed in third quarter after exit[b]	Required	46
Hours worked during first week in third quarter after exit[a]	Required	4
Hourly wages in second quarter after exit[a]	Required	4

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Unknown refers to those variables for which grantees were asked to enter data for those participants who achieved an outcome. It is not possible to distinguish between those who did not achieve these outcomes and those for whom the grantee simply did not enter data.

[a]Includes only those for whom the data element is applicable according to skip logic.

[b]Includes the proportion of participants for whom a record is missing as well as the proportion for whom a record exists but a value for the data element is missing.

GED = general educational development.

A.2. State Criminal Justice Data

1. Sources of State Criminal Justice Data

The analysis of criminal justice data began with a feasibility assessment of collecting data from all five Beneficiary Choice grantee states. The states varied on the accessibility of their data, the completeness of the reporting, and the cost of retrieving the information. Based on this information, we requested records from Colorado, Illinois, Indiana, and Iowa. Within these four sites, we attempted to match all Beneficiary Choice participants who had enrolled by June 30, 2009. A description of the data collection process and available data for each state follows.

- *Arizona.* Given the time line of data collection, we were unable to use criminal justice data from Arizona. Arizona restricts access to the state criminal justice data repository and accessing these records requires approval from a series of individuals, including the state attorney general. Even if access was granted, any data received would be stripped of identifiers before it was delivered. With the de-identified data, the analysis could report the percentage of the sample that was re-arrested, but not examine associations between re-arrests and participants' characteristics, service receipt, and employment outcomes. All publications including analysis of state data also must be reviewed and approved by the Arizona Department of Public Safety before publication. As a result, the evaluation did not collect data on Arizona participants.

- *Colorado.* The Colorado records were obtained from the Colorado Bureau of Investigation. Individual records are publicly available and included background and demographic information, any aliases, arrest dates, arrest charges, the arresting agency, dispositions, and sentencing information (including probation requirements and length of probation, incarceration, community service, if/when paroled, and so on). Colorado criminal justice records included all state arrests supported by fingerprint evidence and provided information about subsequent dispositions. Warrant information, sealed records, and juvenile records were not included. Although arrests were usually entered into the system within 24 to 48 hours of the arrest, the disposition data was not updated regularly and was less complete.

- *Illinois.* The Illinois records were requested from the Illinois Criminal Justice Information Authority, which is responsible for research-related requests and requires documentation of approval from an institutional review board. In Illinois, an individual's record results contained background and demographic information, any aliases, arrest charge and category, arrest dates, the agency submitting the arrest information, and the state statute contravened by the accused. Individuals were matched by fingerprint data and assigned a unique state ID. Each arrest, regardless of the number and category of charges, was allocated a unique document control number to enable tracking of a specific arrest.

  The repository included information on all arrests for felonies, Class A and B misdemeanors, violations of the Illinois vehicle code regarding auto theft, aggravated fleeing or eluding a police officer, and driving under the influence. The extract for this analysis did not include technical violations of parole or probation. Arrests for Class C misdemeanors and local ordinance offenses might also have been reported to the repository. In our analysis of new arrests, violations of the Illinois traffic code and local ordinances were excluded. Common local ordinance violations included smoking in a public place. These ordinance violations were punishable by a fine.

- *Indiana.*   The Indiana records were requested from Open Portal Solutions after receiving permission from the Indiana State Police to access these records for research purposes.   The database included charges for any felony arrests and Class A misdemeanors.   The reporting of arrests was complete, and jurisdictions such as Indianapolis reported arrests on a daily basis. In addition to arrests and dispositions, the repository included records of all incarcerations.

- *Iowa.*   Iowa criminal justice records were obtained from the Iowa Department of Investigation.   Individual records were publicly available and included background and demographic information, any aliases, arrest dates, arrest charges, the arresting agency, dispositions, and sentencing information (including probation requirements and length of probation, incarceration, community service, if/when paroled, and so on).   Arrests listed in the Iowa reports included arrests with dispositions and arrests with outstanding dispositions. If a disposition form was not provided to the state within four years, the arrest information was purged from the system. Also, if an arrest charge was dismissed in court, the record was purged from the system. If the individual did not provide consent through a signed waiver, the record was purged of arrest information that was more than 18 months old if there was no disposition for the charge.

2.   Analysis Methods and Limitations

To conduct this analysis, the criminal justice data received from the four states first had to be matched to the appropriate participant in the MIS. Because the amount and type of information in these reports varied by state, we made decisions about what information to keep from individual records.

- *Matching Records.*   Criminal justice records, or "rap sheets," were matched based on participants' personally identifiable information, as provided by grantees.   Records were initially matched using first name, last name, birth date, and gender. Next, we used other details in the MIS system to find corroborating information, including a criminal justice ID, the date of the most recent release before program enrollment, and the name or type of the most recent prison facility.

- *Information Recorded.*   When a participant was confirmed to have a matched record, any arrest information that occurred after program enrollment was incorporated into the analysis file.   Relevant arrest information included arrest date for a new arrest, arrest charge, technical violation information, disposition information (whether the participant had a disposition for that particular arrest and the date it was issued), and sentencing information for that arrest.   An arrest for an attempted offense was coded the same as the offense; for example, attempted robbery was coded as robbery.   Technical violations were coded for explicit indications of technical violations, other violations (for example, parole violations), and instances of re-incarcerations without new dispositions (Table A.2.1).

Table A.2.1. Categories for Arrest and Conviction Charges

Arrest/Conviction Categories	Description
Murder/Assault	Murder, manslaughter, (involuntary) homicide, simple/aggravated assault, domestic violence, willful injury
Robbery	Armed or simple
Theft/Burglary/Fraud	Shoplifting, pick-pocketing, trespassing with intent to burglarize, larceny, embezzlement, forgery, false identity
Drugs	Use, possession, sale, unspecified
Property	Arson, stolen property, vandalism, contraband, pawn broking-related
Personal	Disorderly conduct, family-related, liquor-related, prostitution, sex-related, traffic-related, weapons, harassment, kidnapping, rioting, terrorist threats
Miscellaneous	Court-related, probation/parole violation, immigration law violation, criminal assistance, other/unspecified

Despite the wide range of information available from criminal justice records, there were four notable limitations to the analysis of criminal justice data.

1. ***Data were not collected for participants in Arizona.*** As discussed earlier, we were unable to conduct any analysis for participants in Arizona because we were unable to obtain data. As a result, we could not compare recidivism rates in that site with others, and totals across grantees are not representative of all participants in the demonstration.

2. ***Data does not include arrests for Federal crimes or arrests in other states.*** The state administrative data likely understates the full extent of criminal involvement because it does not include Federal offenses or arrests in other states.

3. ***States vary on which arrests are recorded in a repository.*** As discussed earlier, Illinois required localities to report felonies and Class A and B misdemeanors, but some localities could choose to report Class C misdemeanors, traffic violations, and local ordinance violations. We aimed to create consistency across the states, but variations might remain.

4. ***States vary on their enforcement and punishment of technical violations.*** Observed differences across grantees in the rate of re-incarcerations might be more reflective of state criminal justice policy than the behavior of program participants.

A.3. Cost Data

To study program costs, we first had to gather the best available data across the different organizations and determine the best methods to analyze that data. This section examines the different sources of cost data and the methods used for analysis. Finally, although we are confident this analysis provides meaningful information about program costs, this section also includes a discussion about the limitations of this analysis.

1. Sources of Cost Data

Three different sources of data were used for the cost analysis. Combined, these data sources obtained from the grantees, service coordinators, and specialized service providers (SSPs) provide a detailed account of total program costs. Specifically, the data sources for this analysis, which cover the period between July 1, 2007, and September 30, 2009, include the following:

- **In-depth expenditure data.** Each grantee provided in-depth expenditure data that included a detailed breakdown of all expenditures for the grantee and service coordinator as well as total SSP payments during the cost period. Within these reports, expenditures for grantees and service coordinators were broken down into labor, fringe, and direct and indirect costs.

- **SSP payments by benchmark.** In addition to total SSP payments, grantees provided a breakdown of payments made to each SSP by benchmark or payment point.

- **In-person interviews.** During the fall of 2009, Mathematica conducted in-person interviews with each grantee and service coordinator and selected SSPs at each site. These interviews were conducted with key staff within the grantee, service coordinator, and SSP, including project directors, managers, case managers and other front-line staff, and participants. Cost data were collected during these on-site interviews as well as qualitative information about leveraged and donated resources and other information about the program that helped to provide context to the analysis.

2. Analysis Methods and Limitations

The cost analysis included three steps. First, each grantee and SSP provided cost data in different formats that had to be standardized across all organizations. This included total costs for grantees and service coordinators as well as SSP payments by consistent benchmarks. Second, the analysis included basic descriptive statistics on the total amount spent by organizational type and subcategory of expense. Third, participation numbers were extracted from the MIS for the period covered by the cost analysis and used to calculate the average cost per participant.

Although the analysis aimed to use the most complete data to answer the key research questions thoroughly, there are four notable limitations.

1. *This analysis did not include direct expenditure data from the SSPs.* We were able to collect payments made by grantees to SSPs but did not gather expenditure data from the SSPs themselves. Without direct expenditures, the estimated cost based on payments made to SSPs as they reached payment points likely underestimates the true total costs to the SSPs for serving participants.

2. *Qualitative data on costs was collected from only a subset of SSPs.* Ten SSPs were chosen for in-depth interviews during the second site visits. This represents only about one-fifth of all SSPs that participated in the Beneficiary Choice program. Although the SSPs were chosen to provide a reasonable subset of programs, they are not representative of all SSPs.

3. *There could be a significant time lag between program enrollment and final payments for participants.* Based on the performance-based contract structure, it could take six months or more for SSPs to receive full payments for a participant. Due to this significant lag, some payments associated with participants who enrolled toward the end of the data collection period might not be reflected in the analysis. The evaluation's estimated cost per participant might therefore understate the actual costs per participant.

4. *Grantees, service coordinators, and SSPs did not always maintain and provide the same amount or level of data.* Due to variations in cost reporting, some detailed analyses were not possible across all sites.

APPENDIX B

COMPLETE PARTICIPANT CHARACTERISTICS

Table B.1. Demographic Characteristics (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Gender						
Male	88.3	76.4	92.2	93.6	92.0	86.5
Female	11.7	23.6	7.8	6.4	8.0	13.5
Age at Enrollment						
18 through 22	26.4	20.6	23.8	33.3	29.0	24.7
23 through 25	30.9	32.2	28.5	26.1	33.3	34.0
26 through 29	42.7	47.3	47.7	40.6	37.7	41.3
30	0.0	0.0	0.0	0.0	0.0	0.0
Average (in years)	25.1	25.5	25.6	24.7	24.8	25.1
Race						
White	34.7	58.9	51.9	2.9	22.2	53.8
Black	58.6	28.9	39.2	87.0	75.6	42.8
Asian	0.4	0.0	0.3	0.0	0.4	1.1
American Indian or Alaskan native	4.2	10.4	5.3	6.2	0.9	1.4
Hawaiian native or other Pacific Islander	0.9	0.4	0.3	3.5	0.9	
Multiracial	1.2	1.4	3.0	0.4	0.0	0.9
Ethnicity						
Hispanic or Latino origin	16.8	39.2	32.6	8.9	1.1	4.9
Non-Hispanic	73.3	58.2	64.4	73.5	81.0	88.1
Not specified	10.0	2.6	3.0	17.6	17.8	7.1
Eligible Veteran Status						
Served more than 180 days	1.6	0.7	4.2	1.5	0.8	1.1
Other eligible person	0.0	0.0	0.0	0.0	0.0	0.0
Individuals with a Disability	1.5	0.9	2.8	1.3	0.0	2.7
U.S. Citizen	99.2	97.6	99.3	99.5	99.6	99.8
Authorized to Work in the U.S.	99.4	98.2	99.7	99.8	99.6	99.8
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.2. Family Characteristics and Child Support Obligations at Enrollment (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Number of Children						
None	75.5	72.7	70.7	83.7	77.4	77.1
One	12.8	11.4	17.7	10.2	15.2	9.9
Two	6.6	8.3	8.2	3.6	6.1	4.8
Three or more	5.1	7.6	3.5	2.4	1.4	8.2
Average	0.5	0.6	0.5	0.3	0.3	0.5
Number of Children Living with Participant						
None	83.5	86.4	85.2	67.8	82.5	94.5
One	7.7	4.6	8.1	17.3	7.6	1.8
Two	5.2	5.0	4.7	8.9	6.0	1.6
Three or more	3.6	4.0	2.0	6.1	3.9	2.1
Average	0.3	0.3	0.2	0.6	0.3	0.1
Marital Status						
Married	5.8	2.9	13.4	4.5	4.4	3.8
Single	90.1	93.9	77.0	94.0	91.6	94.0
Divorced or widowed	2.4	2.6	4.2	0.7	3.0	1.3
Separated	1.8	0.7	5.5	0.9	1.0	0.9
Has Child Support Obligation	24.6	27.3	29.3	16.3	22.6	23.5
Sample Size	2,382	457	463	471	538	453

Source:　　Beneficiary Choice Management Information System extract dated June 8, 2010.

Note:　　Percentages based participants with non-missing data.

Table B.3. Housing, Substance Abuse, and Health Status at Enrollment (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Housing Status at Enrollment						
Own or rent apartment, room or house	7.4	1.3	10.2	15.7	6.3	3.1
Stable living situation staying at someone's apartment, room, or house	46.8	74.4	34.8	19.1	62.3	42.4
Halfway house or transitional house	29.0	22.8	38.4	6.2	25.9	52.8
Unstable living situation staying at someone's apartment, room, or house	13.4	0.7	4.5	57.1	4.0	0.9
Residential treatment	0.6	0.4	0.2	0.4	0.8	0.9
Homeless	2.9	0.4	11.9	1.5	0.8	0.0
Self Reported Alcohol Abuse or Drug Use						
In three months prior to enrollment	2.8	5.5	2.6	3.2	2.1	0.4
In three months prior to incarceration	52.5	80.7	57.9	24.2	36.7	66.2
Both	2.1	0.2	3.9	1.7	4.2	0.0
None	42.7	13.6	35.6	70.9	57.0	33.3
Significant Health Issues at Enrollment	3.9	3.3	5.9	1.1	6.6	2.2
Ever Received Mental Health Treatment Prior to Enrollment	7.1	4.2	12.1	2.6	5.0	12.1
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.4. Educational Attainment at Enrollment (Percentages)

High School Grade Completed	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Less than high school diploma	42.4	24.6	22.3	74.5	58.7	29.2
GED or high school diploma	51.2	72.8	68.3	20.2	33.1	63.5
Some college or vocational school	6.6	2.6	9.3	5.4	8.3	7.3
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.5. Employment Prior to Incarceration (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Primary Income Over 6 Months Prior to Incarceration						
Formal employment	43.2	42.7	67.7	18.7	36.7	50.1
Informal employment	5.6	5.6	3.0	8.1	5.3	6.0
Public benefits	1.9	1.8	0.8	3.5	1.2	2.3
Illegal activities	32.1	32.4	10.4	36.0	43.5	36.1
Friends and family	13.8	14.6	14.0	27.6	11.2	3.7
Other	3.4	2.9	4.1	6.2	2.2	1.8
Employment Status at Incarceration						
Employed full-time	27.7	27.8	38.7	9.1	12.6	53.6
Employed part-time	5.7	8.5	8.2	2.3	4.3	5.3
Not employed	45.4	59.5	24.6	64.1	47.2	30.7
Missing	21.2	4.2	28.5	24.4	35.9	10.4
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.6. Employee Status at Enrollment (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Employment Status at Enrollment						
Employed	4	6	8	0	2	3
Not employed	96	94	92	100	98	97
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.7. Characteristics of Prior Jobs (Percentages Unless Otherwise Indicated)

	Longest Held Full-Time Job				
	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Months Worked						
Fewer than 6 months	31.8	33.2	26.5	14.5	28.7	37.3
6 to 11 months	20.2	12.9	29.3	14.5	22.4	21.4
12 months	13.0	14.1	9.1	17.3	12.6	13.3
More than 12 months	35.0	39.9	35.1	14.1	36.2	27.9
Average (months)	16.4	17.2	14.7	18.9	17.9	14.7
Occupation						
Food preparation and serving related	24.1	21.7	22.3	24.6	30.2	23.4
Sales and Related	14.9	24.1	14.6	9.4	11.9	9.4
Construction and Extraction	16.7	10.3	29.6	6.5	16.0	18.7
Production	15.1	10.8	4.6	29.7	14.9	21.6
Transportation and material moving	6.2	8.1	6.5	5.8	8.2	2.6
Building and grounds cleaning and maintenance	6.1	7.6	6.9	1.5	4.1	7.0
Installation, maintenance, and repair	7.6	6.9	6.2	9.4	7.1	8.8
Other	9.3	10.5	9.3	13.1	7.6	8.5
Hourly Wage						
Less than $7.50	24.0	29.6	14.5	26.3	26.2	22.7
$7.50 to $8.49	16.8	16.5	14.5	33.3	18.0	15.5
$8.50 to $9.99	19.4	18.0	17.3	14.0	22.7	20.7
$10.00	11.2	9.6	14.1	5.3	9.8	12.7
$10.01 to $14.99	19.7	16.8	27.7	14.0	16.8	20.2
$15.00 or more	8.9	9.4	12.1	7.0	6.6	8.3
Average (in dollars)	$10.04	$9.73	$10.95	$9.54	$9.43	$10.25
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.8. Criminal History Prior to Enrollment (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Total Number of Arrests						
1	12.5	8.5	10.4	13.9	13.0	16.9
2 to 3	28.2	22.9	22.3	33.4	27.8	34.3
4 to 5	19.2	17.4	23.9	17.1	15.6	21.2
6 to 10	25.0	33.4	25.6	21.5	24.8	19.2
11 or more	15.1	17.8	17.8	14.1	18.9	8.5
Average	6.7	8.0	7.6	6.6	6.8	4.7
Total Number of Felony Arrests						
0	3.1	1.6	2.7	0.7	7.9	4.0
1	30.5	25.3	25.9	26.3	34.8	41.0
2 to 3	45.9	48.2	50.8	47.9	43.1	39.0
4 to 5	12.5	14.7	13.9	15.6	8.6	8.7
6 or more	8.0	10.2	6.7	9.5	5.5	7.2
Average	2.6	2.9	2.7	2.8	2.3	2.4
Total Number of Convictions						
1	26.2	28.6	23.0	31.8	32.5	17.8
2 to 3	45.7	53.0	42.9	48.0	48.9	36.9
4 to 5	15.9	13.0	17.9	13.6	10.6	22.5
6 or more	12.2	5.4	16.2	6.6	8.0	22.9
Average	3.1	2.6	3.5	2.5	2.6	4.1
Total Time Incarcerated During Lifetime						
Less than 6 months	11.9	9.6	2.2	21.1	13.1	13.5
6 months to 1 year	16.4	16.0	9.7	22.3	14.8	19.2
1 to 2 years	24.2	22.1	19.7	22.1	27.1	29.6
2 to 3 years	16.9	22.8	18.0	13.0	13.5	17.7
3 to 5 years	16.6	16.9	28.1	12.3	14.0	11.9
5 or more years	14.1	12.7	22.3	9.2	17.5	8.2
Average (years)	2.5	2.5	3.4	1.9	2.4	2.0
Sample Size	2,382	457	463	471	538	453

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.9. Characteristics of Most Recent Incarceration (Percentages Unless Otherwise Indicated)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Non-violent Offender	67.4	67.6	63.9	54.6	79.0	70.2
Length of Most Recent Incarceration						
Less than 1 year	39.10	33.55	28.88	49.46	50.25	33.33
1 up to 2 years	26.05	26.10	28.64	21.26	24.75	29.75
2 up to 3 years	14.56	17.11	16.50	10.85	10.78	17.45
3 or more years	20.28	23.25	25.97	18.44	14.22	19.46
Average (years)	1.9	2.1	2.2	1.7	1.5	2.0
Types of Offenses						
Drug crimes	37.5	30.4	34.2	46.0	36.1	41.6
Property crimes	33.6	53.1	38.3	15.0	31.0	30.7
Violent crimes	24.6	27.1	22.4	33.6	25.6	14.2
Public order offenses	6.4	7.3	7.6	3.8	5.1	8.2
Other offenses	9.8	8.2	19.6	5.3	10.1	5.6
If Had a Property Crime Arrest, Type:						
Burglary	40.5	25.3	38.1	56.7	50.6	50.0
Motor vehicle theft	13.5	15.8	20.5	20.9	9.6	1.5
Receiving stolen property	7.5	5.0	8.5	1.5	18.1	0.7
Larceny	19.8	26.1	11.9	17.9	9.6	31.9
Forgery	9.5	16.2	3.4	3.0	6.0	13.0
Trespassing	4.4	5.4	10.8	0.0	1.8	0.0
Other property crime	4.8	6.2	6.8	0.0	4.2	2.9
If Had a Drug Crime Arrest, Type:						
Possession of a controlled substance	57.6	27.5	67.5	74.9	51.8	58.3
Criminal sale of a controlled substance	14.0	43.5	13.4	12.6	8.3	0.0
Possession of drug paraphernalia	5.6	21.7	3.8	0.0	4.7	2.1
Trafficking a controlled substance	10.3	7.3	5.1	1.5	5.7	31.6
Other drug crime	12.6	0.0	10.2	11.1	29.53	8.0
If Had a Violent Crime Arrest, Type:						
Assault and battery	32.9	49.6	35.0	15.2	29.9	45.3
Weapons charges	27.0	25.2	24.3	35.8	19.7	29.7
Armed or aggravated robbery	15.4	17.1	5.8	25.2	17.5	0.0
Robbery	11.6	5.7	13.6	9.3	14.6	18.8
Sexual offenses	7.6	0.0	14.6	0.7	17.5	0.0
Murder and Manslaughter	5.5	2.4	6.8	13.9	0.7	0.0
If Had a Public Order Offense Arrest, Type:						
Driving while intoxicated	73.2	63.6	68.57	70.6	59.3	97.3
Commercial vice	2.0	3.0	2.9	0.0	0.0	2.7
Gambling	2.0	0.0	2.9	5.9	3.7	0.0
Animal cruelty	0.0	0.0	0.0	0.0	0.0	0.0
Other public order offense	22.8	33.3	25.7	23.5	37.0	0.0
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table B.10. Type of Institution During Most Recent Incarceration (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Federal Prison	3.4	1.8	5.1	3.5	1.6	4.9
State Prison	91.4	98.0	93.2	95.4	75.1	95.1
County or City Jail	5.3	0.2	1.8	1.1	23.4	0.0
Sample Size	**2,382**	**457**	**463**	**471**	**538**	**453**

Source:　　　Beneficiary Choice Management Information System extract dated June 8, 2010.

Note:　　　Percentages based participants with non-missing data.

APPENDIX C

ADDITIONAL ANALYSES

To supplement the core analysis presented in the report, the evaluation team conducted three sets of additional analyses. First, Table C.1 presents differences in service receipt between key participant subgroups. This subgroup analysis provides a useful indication of the patterns that are likely to emerge if the program continues serving these types of ex-offenders. Participant subgroups included gender, age, race, ethnicity and education level.

Second, Tables C.2 and C.3 presents regression results that explore the relationship between the receipt of BC services and employment outcomes and recidivism outcomes, respectively. Importantly, relationships identified through these analyses do not imply causal relationships. For example, individuals who chose to participate in various services were likely to be systematically different from the participants who did not participate in the service.

Third, Table C.4 presents regressions that explore the relationship between job placement and recidivism. Again, these relationships are not causal and must also be interpreted with caution. It may be that those who chose to participate in BC were more likely to find a job or less likely to recidivate, regardless of their participation. Likewise, individuals who found employment may have been systematically more motivated than other participants.

The fact that participants have complex needs and many factors influence their eventual success suggests that these simple analyses have only minimal predictive power of participant outcomes. In addition, grantees had much greater success tracking and recording outcomes for those participants who continued to be involved in the program than those who dropped out. Only an experimental design can disentangle these relationships.

Table C.1. Service Receipt by Demographic Subgroup

	Work Prep	Education/ Training	Supportive	Health	Community Service	Mentoring
All Participants	95.7	20.1	83.9	14.1	1.8	19.9
Gender						
Male	96.1	20.9	83.9	12.8	1.9	20.5
Female	92.8	14.4	83.5	23.7	1.1	15.1
Age at Enrollment						
Younger than 22	97.0	20.9	80.7	7.6	1.3	16.5
22 -24	96.1	18.6	89.6	24.8	2.3	24.4
25 or older	95.5	19.6	86.4	14.8	2.1	19.9
Race						
White	95.2	15.8	84.4	19.2	2.0	23.8
Black	95.4	21.7	79.8	7.2	1.3	16.4
American Indian or						
Alaskan Native	94.2	22.1	91.9	25.6	2.3	19.8
Other	100	17.6	78.4	9.8	2.0	25.5
Ethnicity						
Hispanic or Latino origin	97.5	24.3	94.0	22.8	2.5	24.5
Non-Hispanic	95.2	19.9	82.5	12.8	1.7	19.4
Education						
High school dropout	97.0	20.9	80.7	7.6	1.3	16.5
GED	96.1	18.6	89.6	24.8	2.3	24.4
High school graduate	95.5	19.6	86.4	14.8	2.1	19.9
Sample Size	2,382	2,382	2,382	2,382	2,382	2,382

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

Table C.2. Service Receipt and Employment Outcome Regressions

	Placed in Employment	Weeks to First Placement	Hourly Wage in Initial Placement	Hours Worked in Initial Placement
Any Work Preparation	0.22* (0.05)	0.45 (1.69)	0.10 (0.42)	0.01 (1.15)
Any Education/Training	0.03 (0.02)	3.88* (0.74)	0.38* (0.18)	-0.30 (0.50)
Any Mentoring	0.07* (0.03)	-1.15 (0.72)	-0.17 (0.18)	-1.93* (0.49)
Barriers to Employment				
Young	-0.05* (0.02)	0.17 (0.55)	-0.12 (0.14)	-0.28 (0.37)
High school dropout	-0.13* (0.02)	1.26* (0.59)	-0.23 (0.15)	-0.09 (0.40)
Black	-0.07* (0.02)	1.24* (0.62)	-0.18 (0.15)	-1.54* (0.42)
Violent offender	-0.001 (0.019)	-0.13 (0.58)	-0.13 (0.15)	0.75 (0.40)
Sample Size	2,382	2,382	2,382	2,382

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Notes: Percentages based participants with non-missing data. All models were estimated using OLS and include grantee fixed effects.

*Statistically different from zero at the 0.05 percent level, using a two-tailed test.

Table C.3. Service Receipt and Criminal Justice Outcome Regressions

	New Arrest Within 6 Months of Release	New Arrest Within 12 Months of Release	Re-Incarcerated Within 12 Months of Release
Any Work Preparation	-0.04 (0.06)	-0.01 (0.07)	-0.03 (0.06)
Any Education/Training	-0.03 (0.03)	-0.07* (0.03)	-0.07* (0.03)
Any Mentoring	-0.04 (0.03)	-0.03 (0.03)	-0.01 (0.03)
Barriers to Employment			
Young	0.06* (0.02)	0.04 (0.03)	0.02 (0.02)
High school dropout	-0.02 (0.02)	-0.03 (0.03)	-0.00 (0.02)
Black	0.04 (0.02)	0.09* (0.03)	0.02 (0.02)
Violent offender	-0.06* (0.02)	-0.04 (0.03)	0.01 (0.02)
Sample Size	1,374	1,374	1,374

Source: Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data. All models were estimated using OLS and include grantee fixed effects.

*Statistically different from zero at the 0.05 percent level, using a two-tailed test

Table C.4. Job Placement and Criminal Justice Outcome Regressions

	New Arrest Within 6 Months of Release	New Arrest Within 12 Months of Release	Re-Incarcerated Within 12 Months of Release
Placed in Employment	-0.12*	-0.10*	-0.10*
	(0.03)	(0.03)	(0.02)
Barriers to Employment			
Young	0.05*	0.03	0.02
	(0.02)	(0.03)	(0.02)
High school dropout	-0.04	-0.05	-0.02
	(0.02)	(0.03)	(0.02)
Black	0.02	0.08*	0.01
	(0.02)	(0.03)	(0.02)
Violent offender	-0.06*	-0.04*	0.01
	(0.02)	(0.03)	(0.02)
Sample Size	1,374	1,374	1,374

Source: Beneficiary Choice Management Information System extract dated June 8, 2010 and state criminal justice administrative data from CO, IL, IN, and IA (see Appendix A.3 for more details).

Note: Only includes participants enrolled by June 30, 2009, who had a valid match in the administrative data. All models were estimated using OLS and include grantee fixed effects.

*Statistically different from zero at the 0.05 percent level, using a two-tailed test.

APPENDIX D

MIS DATA ON CRIMINAL JUSTICE OUTCOMES

Table D.1. Criminal Justice Outcomes Reported in the MIS, by Site (Percentages)

	All Participants	Phoenix, AZ	Denver, CO	Chicago, IL	Indianapolis, IN	Des Moines, IA
Re-arrested for a new crime in 12 months since release	8.1	15.5	5.2	1.4	11.3	7.9
Ever re-incarcerated for a violation of probation or parole in 12 months since release	5.4	1.5	14.3	0.6	7.6	0.0
Sample Size	**1,831**	**343**	**440**	**353**	**380**	**315**

Source: Beneficiary Choice Management Information System extract dated June 8, 2010.

Note: Percentages based participants with non-missing data.

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