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AB 2670 –CA RISE Program
FACT SHEET

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social return on investment of \$2.23 in benefits for every \$1 spent.

ISSUE

Many individuals face barriers to gaining employment that stem from former incarceration, homelessness, mental illness or substance abuse. Employment social enterprises (ESEs) are innovative businesses that provide employment, and the supports and training needed for these individuals to fully participate and succeed in the workforce.

AB 2670 will create the California Regional Initiative for Social Enterprises (CA RISE) Program, which would support ESEs to provide targeted, specialized employment and workforce training, and would enable local entities to create regional networks that connect ESEs and their employees with the broader economy.

BACKGROUND

California is home to a diverse set of entrepreneurs, including social entrepreneurs. ESEs are businesses that carry a specific social mission to provide employment, training and supportive services to individuals that experience workforce barriers. Approximately 200 ESEs operate in California across multiple regions, including Los Angeles, the San Francisco Bay Area, the Central Valley and the Inland Empire, and they employ roughly 10,000 people each year. [Nearly](#) 75% of ESE employees are justice-impacted individuals, and approximately 71% identify as Black or Latinx.

Beyond providing an income and on-the-job training, many of these businesses provide support services that address many of the other barriers that prevent stable employment. This includes providing and connecting employees to housing, childcare, transportation, and trauma-informed support systems. Combined, these services allow individuals to maintain meaningful employment, develop their skills to grow on the job and gain employment in the larger labor market. These services also provide the proper support systems to reduce recidivism and provide individuals with the economic resources to avoid homelessness. According to a [2015 report by Mathematica](#), ESEs provide their employees with greater economic security and mobility, and yield a

PROBLEM

Individuals who are formerly incarcerated, and those who experience homelessness, mental illness or addiction encounter significant employment barriers in traditional workplaces. Many employers do not provide specialized, trauma-informed services and training to their employees that enable them to succeed, and are reluctant to hire individuals with criminal records or significant gaps in employment due to homelessness and other issues. As a result, individuals that face unique barriers to employment are less likely to maintain long-term, stable employment, a key factor in reducing recidivism and preventing homelessness.

Furthermore, many ESEs lack access to financing and technical assistance that allow them to serve a greater number of individuals, become more sustainable, and achieve better results. In fact, Governor Newsom's [Future of Work Commission](#) recognized these challenges and have proposed in their final recommendations that the state extend financial and technical assistance to ESEs by 2030. Recognizing the potential of ESEs to improve the life outcomes of individuals with high employment barriers, the City and County of Los Angeles established their own local program, [LA:RISE](#), which has assisted over 5,000 individuals to access jobs with supportive services.

SOLUTION

AB 2670 would establish the CA RISE Program, which would provide funding and technical assistance to ESEs and connect them with local public partners, training providers, and private sector employers to accelerate economic mobility for individuals that experience employment barriers. By supporting the expansion and growth of existing and new ESEs, more individuals will access sustained, quality employment through private and public job opportunities, receive training that supports job growth, and receive access to quality services. These services promote crucial job and economic sustainability while reducing recidivism and homelessness.