

The Power of Work

The Center for Employment Opportunities
Comprehensive Prisoner Reentry Program

Written in collaboration
between CEO and MDRC

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Center for Employment Opportunities
Neighborhood Work Project
Vocational Development Program

mdrc

BUILDING KNOWLEDGE
TO IMPROVE SOCIAL POLICY

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March 2006

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Preface

The New York City-based Center for Employment Opportunities (CEO) targets a group facing particularly long odds — former prisoners who are returning to the community. High unemployment and recidivism rates for returning prisoners suggest that the first step in beating the odds is helping these men and women find gainful and steady employment. CEO uses an innovative transitional employment model: Participants are quickly placed in jobs with CEO work crews and are paid each day for the hours they work. Meanwhile, CEO staff provide job coaching, link participants with regular jobs, and follow up after placement to promote long-term job retention. Since becoming an independent nonprofit organization in 1996, CEO has emerged as one of the nation's largest and best-known employment programs targeting former prisoners.

MDRC began working with CEO in 2003 through the Enhanced Services for the Hard-to-Employ project, a multi-site study sponsored by the U.S. Department of Health and Human Services. Through this project, MDRC, with assistance from the Urban Institute, is conducting a large-scale random assignment evaluation of CEO's core program.

With interest in prisoner reentry strategies surging across the country, CEO has received numerous inquiries about how to replicate its program model. MDRC and CEO have jointly produced a set of related technical assistance products both to respond to this interest and to deepen our understanding of how CEO operates: this overview document, which is available in printed form and via MDRC's and CEO's Web sites, and three detailed manuals describing specific elements of CEO's approach. The manuals are available on request from CEO. We expect these materials, which have been made possible by the generous support of the JEHT Foundation, to have a practical value for the burgeoning field of prisoner reentry while also helping MDRC researchers explain how and why CEO affects the lives of the people it serves.

The vicious cycle of incarceration, release, and recidivism faced by too many former prisoners has devastating effects on families, communities, and public budgets. We are fortunate to have this opportunity to work with CEO to produce and disseminate information on an innovative and promising program model.

Gordon L. Berlin
MDRC President

Introduction: The Need to Employ People Coming Home from Prison

Showing up for work every day . . . just using it as a stepping stone to get where I want to be . . . has helped me a lot. . . . I can't say that enough.

— CEO Participant



Photo by Harvey Wang

States and localities across the United States are feeling the aftereffects of a 25-year incarceration binge. In a period of just 15 years, from 1980 to 1995, the number of people incarcerated in federal and state prisons and local jails more than tripled, from about 500,000 to more than 1.5 million. Today, more than 2 million people are behind bars nationwide.

Since almost all prisoners are eventually released, an incarceration boom necessarily translates into a reentry boom. In fact, more than 600,000 people are released from prison each year.¹ Unfortunately, most end up back in the criminal justice system before long. With state and local budgets strained by the high cost of incarceration, breaking the cycle of recidivism is one promising way to shrink the prison population — as well as to increase public safety and to improve the well-being of former prisoners, their families, and their communities.

Ex-prisoners face a daunting set of obstacles to reentry, but securing employment may be the biggest challenge of all. The unemployment rate of formerly incarcerated people one year after release may be as high as 60 percent,² and there is an increasing reluctance

among employers to hire people with criminal histories. Further, studies show that inmates reentering communities are most vulnerable to failure in the early stages after release from jail or prison. Since the late 1970s, New York City's Center for Employment Opportunities (CEO) has addressed the relationship between work and crime. Through a highly structured program of pre-employment training, immediate short-term transitional employment, and full-time job placement services, CEO helps close to 2,000 men and women each year to take the crucial first steps toward staying out of prison and returning to their families and communities.³ MDRC, a nonprofit, nonpartisan research organization, is conducting a rigorous

The Power of Work How-To Manuals

The set of manuals, *Opportunities, Challenges, & Practical Solutions*, is available on request from CEO and is intended for jurisdictions or agencies that are interested in starting an employment program for people returning from prison or for similarly disadvantaged populations. The following three manuals provide information needed to replicate CEO's model in full or in part:

- Volume I, *Recruitment, Intake, and Transitional Employment for Those with Criminal Records*
- Volume II, *Job Coaching and Job Development for Those with Criminal Records*
- Volume III, *Executive and Financial Guide for Building a Transitional Work Program for Those with Criminal Records*

An additional technical document details the management information system that holds the transitional work program together:

- *CEO's Management Information Systems: Business Rules and Process Flows for Participant Intake and Worksite Scheduling and Attendance*

evaluation of CEO's program as part of a multi-site project funded by the U.S. Department of Health and Human Services and the U.S. Department of Labor. Results from this study are expected by 2007.

With generous support from the JEHT Foundation and in collaboration with MDRC, CEO has created *Opportunities, Challenges, & Practical Solutions*, a set of manuals that detail all aspects of the program model (see box above). This overview document introduces the manuals. First, it discusses the link between unemployment and recidivism. Second, it lays out the "what" of the program: CEO's company philosophy and the four phases of the CEO program. Then it discusses the "how" of the program: how it came to be, how it appeals to key stakeholders (including government agencies and private employers), and how its financial and organizational structures keep it strong. The document concludes with case studies to illustrate early examples of how CEO's model is being replicated and adapted for use in other jurisdictions or with other populations.

The Problem: The Link Between Unemployment and Recidivism

For the more than 600,000 people returning home to their communities each year after serving state prison sentences, finding a job is among their top priorities. In addition to wanting to prove themselves and to support their families, they are often mandated to “seek, obtain and maintain employment” by the agencies that supervise them after release.⁴

Yet formerly incarcerated people face significant and multiple barriers to employment. Many people lack basic education and occupational skills, have limited or no work history, and can call on minimal family and community support systems. Further, a large proportion are members of racial and ethnic groups that experience employment discrimination. For instance, from 2000 to 2003, unemployment among black men in New York City increased 12.2 percent, compared with a 2.1 percent increase among white men.⁵ Furthermore, only 60.7 percent of the city’s black men were employed at the end of 2004.⁶ Then there are the direct effects of incarceration: Studies have shown that employers consider individuals with criminal records to be among the least desirable job applicants.⁷ Further, many states have enacted laws that prohibit people with prior convictions from working in certain jobs.⁸

Not surprisingly, most people returning from prison do not succeed. Failure often occurs quickly, generally within the first months after release from prison.⁹ National statistics show that fully two-thirds of all those who are released from prison will be rearrested within three years. Moreover, more than 50 percent will return to prison or jail in that period.

There is little doubt that unemployment contributes to the cycle of incarceration of parolees. In New York State, for example, labor statistics show that 89 percent of people who violate the terms of their probation or parole are unemployed at the time of violation.¹⁰ While the relationship between crime and unemployment is complex — many employed people also commit crimes — most studies agree that higher levels of earnings are associated with lower levels of criminal activity. If unemployment is strongly linked to reincarceration, employing formerly incarcerated people could play an important role in breaking the cycle.

A Promising Solution: A Comprehensive Employment Program from Transitional to Full-Time Jobs

What would happen if, instead of meeting immediate barriers to employment, people coming home from prison or jail were offered immediate paid transitional work?



Photo by Harvey Wang

The Vera Institute of Justice created CEO as a demonstration project in the late 1970s to test this very idea: What would happen if, instead of meeting immediate barriers to employment, people coming home from prison or jail were offered immediate paid transitional work? The demonstration project ultimately evolved into CEO's signature Neighborhood Work Project (NWP). Through NWP, CEO becomes the first employer of people leaving prison: CEO pays them daily, at minimum wage, to work on crews that provide maintenance, landscaping, and light construction and demolition to government agencies. CEO does not stop at providing this transitional employment; while participants work on NWP crews, CEO's skill-building and job placement services help them move into permanent, unsubsidized, higher-paying employment. Since becoming an independent nonprofit organization in 1996, CEO has provided comprehensive employment services to many thousands of felony offenders under community supervision and has placed more than 8,500 people in unsubsidized employment.

The CEO model is characterized as follows.

- **Immediate work, immediate pay:** Within one week of enrollment, all program graduates have undergone a battery of surveys designed to assess their skill levels and match them to appropriate jobs, received four days of pre-employment training and job search preparation, met for an objective and in-depth one-on-one interview with an employment specialist, been assigned to a transitional work crew, and received a paycheck at the end of their first day's work.
- **Comprehensive services:** Transitional employment is only a means to achieving the ultimate mission: placing participants in meaningful, full-time, unsubsidized jobs. As a result, all clients who are enrolled in transitional work simultaneously receive job placement and retention services through CEO's Vocational Development Program (VDP). All clients are assigned a job coach, whose responsibility it is to provide support during the employment search and to help clients gain the skills needed to become "job-ready." Once job-ready, participants meet weekly with an employment specialist until they are placed in unsubsidized jobs. In addition to providing direct job placement support, VDP specialists also maintain alliances with organizations that specialize in areas unrelated to employment but critical to clients' success — such as outpatient drug treatment and housing.

Over time, CEO has come to recognize the importance of integrating other services into its transitional work model, to further support clients as they move into the workforce and community life. Examples include occupational skill-building in targeted industries that provide opportunities for formerly incarcerated people to pursue employment and career advancement; assistance in reconnecting clients with dependent children, including meeting child support obligations and other parental responsibilities; and personal skills development in areas crucial to success, such as conflict management and interpersonal communication.

- **Balanced commitments:** CEO's goal is to allow formerly incarcerated people to work and meet multiple other commitments simultaneously. Immediately after their release, participants are generally overwhelmed with expected and required commitments, such as reporting to their assigned parole officer, meeting such obligations as child support, attending drug treatment and similar programs, and fulfilling other necessary engagements and responsibilities. CEO provides clients with pre-employment training and immediate paid employment that is flexible enough to allow them to balance work and their other commitments in the community.
- **...With a focus on customer service:** One of the cornerstones of CEO's approach is its emphasis on customer service. In order to reach a unified goal, each department strives to satisfy its customer base. While the job coach's direct customer is the CEO participant, the employment specialist's customer is the employer searching for employees, and the work crew staff are responsible for completing the assigned work to the satisfaction of the facility.

According to CEO-collected outcome data, CEO's model has successfully moved recently incarcerated people into permanent jobs. In an average year, 60 percent of clients who are

matched with a job developer are placed in such jobs.¹¹ And CEO's analyses reveal that clients who are employed are less likely to return to prison. Of those who were not placed in jobs, 51 percent were reincarcerated within three years in New York State Department of Correctional Services facilities, mirroring the national average. Yet of clients who were placed in a job, only 30 percent returned to prison, and only 12 percent returned for a new crime (the rest returned for technical parole violations). People who held on to that job for one month returned to prison at a rate of 24 percent, while those who were employed for six months returned at a rate of only 13 percent.¹² The federally funded evaluation of CEO that MDRC is conducting is designed to provide definitive evidence about the program's effects. The study is using a random assignment design that will compare the outcomes for program participants with a control group of similar people who do not participate in CEO's transitional work and job development programs but may receive access to a staffed job resource room to assist them in searching for jobs.

The CEO Program Model

The Philosophy Behind the Model: The “CEO CPs”

Employers consistently report to CEO that what they value most in potential employees are punctuality, a strong work ethic, good communication, and other “soft skills.” Because these qualities and skills can help overcome the stigma of a criminal record, CEO’s model is organized around building and reinforcing them from the moment that participants enter the program. At orientation and during the following week of pre-employment classes, participants are introduced to the “CEO CPs” — an abbreviation that is formed by the first letters of the five workplace behaviors described in the accompanying box about the CEO company philosophy. These behaviors are the cornerstone of participants’ success throughout their working lives.

Because ... skills can help overcome the stigma of a criminal record, CEO’s model is organized around building and reinforcing them from the moment that participants enter the program.

As the CEO CPs are being taught in the classroom, they are also being learned on the Neighborhood Work Project worksites. When performing work in NWP teams each day under the guidance of a supervisor, participants experience — sometimes for the first time in their lives — what it means to get to work on time, to take direction from a supervisor, to be an appreciated co-worker, to work steadily throughout the workday, and to express themselves to their supervisor and co-workers effectively and respectfully. Through such “experiential learning,” participants begin to change their workplace behavior.

This change in behavior is measured, every day. First, job coaches complete a Job Readiness Information Tool (or J-RIT) to get a baseline of each participant’s job readiness. The behaviors that



Photo by Harvey Wang

are captured in the J-RIT are tied to the CEO CPs and continue to be evaluated each day through the “Passport to Success” (see page 15), a portable evaluation tool that the participant brings to the worksite. The Passport describes the behaviors associated with each of the CEO CPs and has a place for the site supervisor to rate the participant’s daily performance of each behavior, using a scale from 0 to 2 (with 0 being below average, 1 meeting standards, and 2 exceeding standards). Since CEO instituted the Passport in 2005, staff have noticed the difference that such daily feedback has on participants’ level of engagement: They strive to earn a 2 and do not like getting a 0. Meanwhile, job coaches use the Passport to determine when a participant is ready to see an employment specialist. In turn, employment specialists use the daily evaluations to market participants to employers. By reviewing the Passport, they can give employers concrete examples of how the participant is now demonstrating the workforce behaviors that employers are seeking.

The Four Phases of the Model

CEO’s programming proceeds in four parts that are designed to move participants toward full-time unsubsidized employment. These phases are discussed in greater detail in the set of manuals, *Opportunities, Challenges, & Practical Solutions*.

The CEO Company Philosophy (the CEO CPs)

- **Cooperation with Supervisor:** Follows policies, rules, and directions from supervisor with respectful attitude; asks constructive questions; takes responsibility to get things done well; maintains focus on objectives while dealing with distractions; exhibits ability to complete work independently.
 - **Effort at Work:** Stays constructively busy; is willing to do extra work; responds quickly to instruction; shows initiative; takes action to achieve quality results; seeks ways to maximize performance; meets deadlines and achieves productivity standards.
 - **On time:** Is ready to work at start time (in the morning and after breaks); works up until scheduled dismissal time; gives supervisor advance notice in the event that time off is needed; avoids excessive absences from work.
 - **Cooperation with Co-Workers:** Is a team worker, helpful, and works toward a common goal; has a positive outlook; sets his or her own achievements in the context of the larger group goal — offers to help others when tasks are completed ahead of schedule.
 - **Personal Presentation:** Communicates positively (both verbally and nonverbally) and is an active listener; has good physical energy; dresses appropriately; makes eye contact; smiles — shows a friendly face; presents self in a confident manner; conveys ideas clearly and organizes thoughts well; uses the appropriate communication style for a workplace setting — can express self without the use of profanity or street-isms even when angry or upset.
-
- **Recruitment, intake, and pre-employment classes:** After participants are recruited into the program, they engage in intensive classroom-based pre-employment training for four days.
 - **Paid transitional employment** occurs four days per week after completion of training.
 - **Job coaching, development, and placement** services are offered by trained vocational specialists one day per week.
 - **Ongoing and post-placement support** begins when a participant starts the CEO program and continues after placement in a job, for up to 12 months.

Recruitment, Intake, and Pre-Employment Classes

CEO participants are referred directly to the program by the New York State prison system. Approximately 40 percent of CEO's clients are New York City-bound Shock Incarceration parolees who are mandated to report to CEO on release.¹³ The remaining 60 percent of participants are referrals from parole officers, who learn of the program through the efforts of CEO's recruitment unit. Recruiters visit parole bureaus to educate parole officers about the value of CEO's comprehensive services — from immediate transitional work to job placement. If parolees call or come to CEO directly, they are asked to obtain a referral from their parole officer before being accepted into the program.

CEO excludes very few people from its program. A participant must be able physically and mentally to perform the functions required on transitional worksites. All but the most serious violent

offenders are accepted.¹⁴

There are no skill, educational, or attitudinal requirements. Less than 40 percent of the target population have a General Educational Development (GED) certificate or a high school diploma. The Test of Adult Basic Education (TABE) is administered at intake; average reading and math scores range from sixth to seventh grade.

Once recruited into the program, participants must have documentation to prove that they can

work in the United States — CEO is, after all, their employer of record. CEO is adept at assisting participants in securing this documentation, especially proof of a Social Security number.

The participant's first week in CEO takes place in the classroom, where the process of building self-confidence about work begins. One of the crucial components of pre-employment training is a module in which participants learn and practice how to answer questions about their convictions while on interviews for permanent positions. Participants also engage in interactive exercises to improve their decision making, goal setting, verbal/nonverbal communication, and interview skills. The exercises are designed to complement the on-the-job training that clients receive during their first transitional work experience. On successful completion of pre-employment training, each participant is assigned to a work crew and given a scheduled appointment day for the following week to come to CEO's main offices and begin the search for permanent employment.

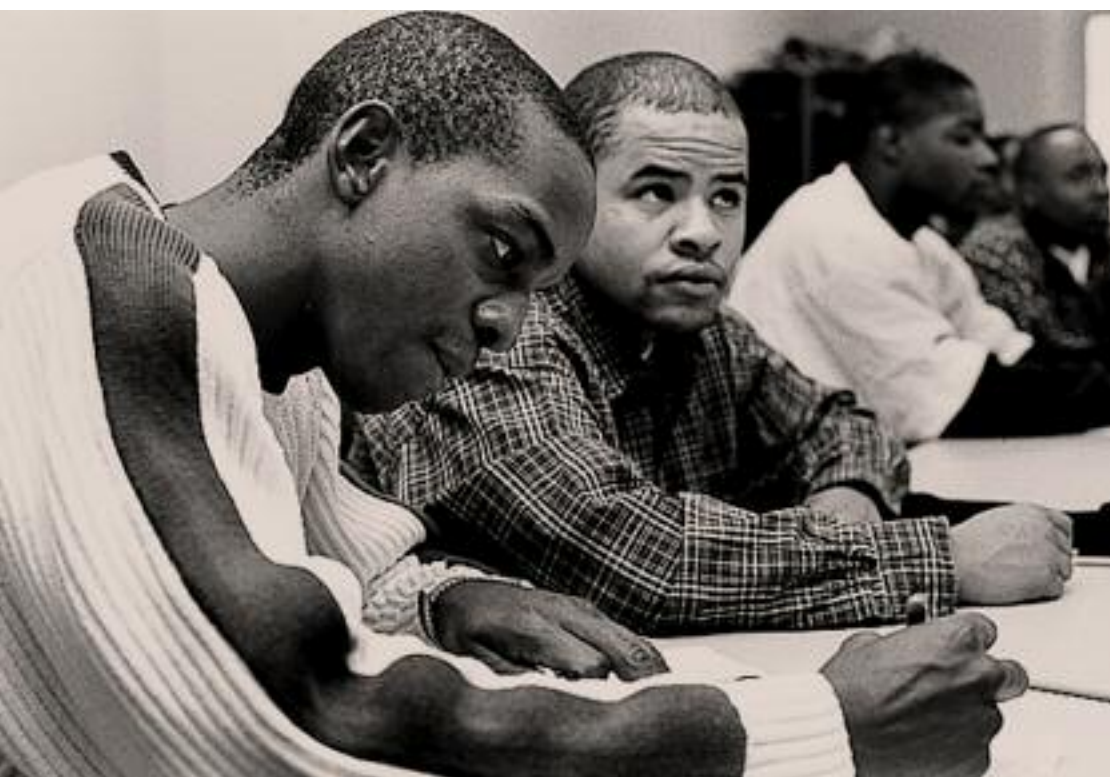


Photo by Harvey Wang

Paid Transitional Employment: The Neighborhood Work Project (NWP)

NWP participants are assigned to work crews for four days each week, providing maintenance and repair services, groundskeeping and landscaping, and minor construction and demolition for government facilities and other public entities. Participants are paid the New York State minimum wage, every day, for a seven-hour workday. The NWP experience helps people develop marketable work habits and skills, along with the self-esteem associated with having money for daily expenses. To ensure that participants' other commitments can be met during the week, NWP also offers flexible scheduling (for example, either day or evening work).

Passport to Success

CEO COMPANY PHILOSOPHY
(CEO CPs):

COOPERATION WITH SUPERVISOR

EFFORT AT WORK

ON TIME

COOPERATION WITH CO-WORKERS

PERSONAL PRESENTATION

NOTES

ON TIME			Score
0	1	2	
More than 15 minutes late, always has excuses	On time (less than 15 minutes late), rarely has excuses	On time (arrives before start time), comes without excuses	
COOPERATION WITH CO-WORKERS			
Gets into conflicts with co-workers; does not demonstrate ability to work with a team	Is cooperative with others and works well with team	Works well with others; operates effectively as part of a productive team and exhibits leadership	
Consistently acts inappropriately and does not correct behavior when identified; negative example for others	Corrects inappropriate behaviors when identified	Demonstrates positive workplace behavior when difficult situations arise; acts as a positive role model for others	
PERSONAL PRESENTATION			
Does not meet CEO guidelines for dress; has unkempt appearance; exhibits disrespectful speech	Dresses according to CEO guidelines; looks clean; speaks respectfully	Is well groomed; speaks respectfully; communicates well with others; high energy	

Site: _____
 Site Supervisor Signature: _____
 Initial/Date: _____ (Job Coach/Job Developer)

Date: _____

COOPERATION WITH SUPERVISOR			
0	1	2	Score
Is uncooperative; shows disrespect for authority	Is cooperative and cordial with the supervisor	Establishes a positive work relationship with supervisor; employee you can count on	
Does not respond to instruction or assistance; listens poorly	Demonstrates a basic understanding after receiving instruction; listens well	Asks the right questions to gain a full understanding; can teach others	
EFFORT AT WORK			
Shows little interest or effort; unproductive; needs constant attention to stay busy	Consistently does what is required; follows up on work opportunities when presented; keeps busy	Does more than required for the job; volunteers/asks for extra work when task is complete; always busy; seeks feedback	
Complains about what he/she is getting from the job/program; tends to blame rather than take responsibility for circumstances	Takes things as they come; takes responsibility for his/her circumstances	Takes a proactive stance to get what he/she needs from the job/program; shows a strong drive and looks for opportunities to take on more responsibility	
Expresses no appreciation for making a difference; does not value work	Expresses some satisfaction in making a visible difference as a result of his/her work efforts	Expresses great satisfaction in visible improvements that have resulted from his/her work efforts	

SCORING KEY

0 = Does Not Meet Expectations
 1 = Meets Expectations
 2 = Exceeds Expectations

Job Coaching, Development, and Placement

Participants meet first with a job coach during their week of pre-employment training, and they get an in-depth assessment, including an employment and social history, a review of their interests and goals, risk factors and barriers to employment, and other personal data relevant to developing a vocational plan. Job coaches also complete the Job Readiness Information Tool (J-RIT) at this time, to get a baseline level of each participant's job readiness. Generally within two weeks of beginning transitional work, a participant's job coach will determine whether he is job-ready, based on the daily Passport to Success evaluations and interaction with the client — and with the site supervisor when necessary. Job-ready participants meet with CEO's staff of experienced employment specialists, who help connect par-

ticipants with jobs that are suited to their individual interests, skills, and abilities while also ensuring that those jobs are consistent with labor market trends and conviction histories.

CEO's employment specialists work with over 150 private sector companies. There is a range of industries, but the majority of clients are placed in customer service, food service, office support, manufacturing, and semi-skilled trade jobs. Employment specialists strive to place clients in jobs that offer competitive wages, fringe benefits, and career growth opportunities. Placement wages range from the minimum wage to \$30 per hour, and wages at first placement depend primarily on the participant's prior work experience and skill level. The average wage is \$8 per hour.



Photo by Harvey Wang

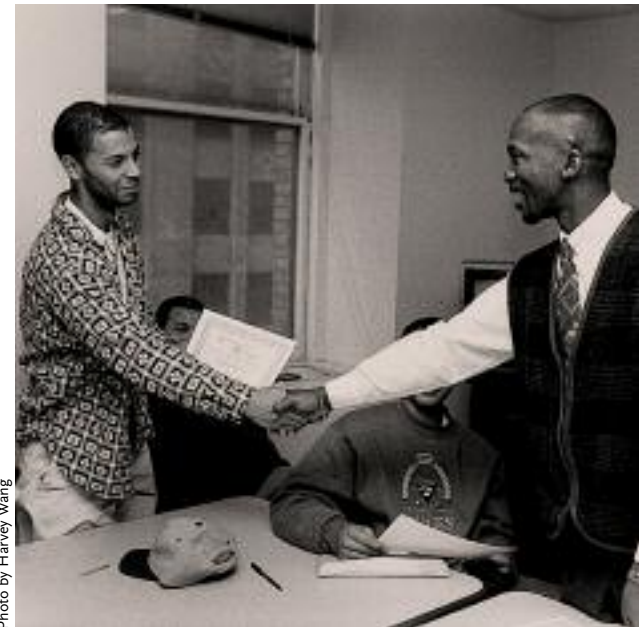
Ongoing and Post-Placement Support

CEO has created program elements that provide additional support for clients while they are in the program and afterward. Examples of such programming are the Responsible Fatherhood Program, Occupational Skill Building, and the Rapid Rewards Program.

- **The Responsible Fatherhood Program.** CEO's population is 90 percent male, and the majority are fathers. Slightly less than half of CEO's participants have some form of child support order or are being sought by the child support enforcement system. To assist participants in reestablishing ties with their children after incarceration and to navigate the child support system, CEO created the Responsible Fatherhood Program. The program helps fathers modify child support payments to an amount that they can pay, in accordance with the size of their paychecks; provides values-driven workshops that stress parenting skills; and hosts events to encourage parental bonding.
- **Occupational Skill Building.** CEO offers selected clients two short-term courses — Information Services and Customer Service — that are designed to teach hard skills that are useful across a spectrum of industries and job titles. Information Services provides basic instruction in using a computer; Customer Service provides training that helps clients learn how to work with customers in fast-paced, relationship-driven environments, such as restaurants and supermarkets.
- **Rapid Rewards Program.** As noted above, the longer that CEO participants remain employed, the less likely they are to return to prison. This relationship between job retention and reduced criminal activity suggests a need for effective employment retention strategies. CEO's newly established Rapid Rewards Program provides incentives to participants who remain employed at 30-day milestones, for up to a year after placement. The incentives are tied to the needs of working people who are trying to make ends meet on an entry-level salary, such as transportation and supermarket vouchers. Finally, CEO is intensifying its post-placement counseling efforts to influence longer-term attachment to the labor market.

The Foundations of CEO: Keys to Successful Implementation

CEO applicants are better dressed, more courteous, and generally, better prepared.
— Pathmark Customer Service Manager



CEO has identified three principal keys to successful program implementation: (1) building positive relationships with key stakeholders, including the criminal justice system, city and state agencies that hire CEO work crews, and private employers who use CEO as a human resources service; (2) developing an innovative and self-supporting financial structure; and (3) creating strong operating systems and staff structures. Each is described briefly below (and expanded upon in the how-to manuals available from CEO).

Positive Relationships with Key Stakeholders: The Importance of Mutual Benefits

CEO has developed a number of close, positive relationships with its key stakeholders, and these relationships have been crucial. They were formed when CEO stepped in to provide a critical program element — post-release employment — to an important New York State initiative: the creation of Shock Incarceration programs, or boot camps, to reduce prison crowding in the late 1980s.

In the late 1980s, New York's economy was in decline, and budget reductions were required throughout the state. Prisons were crowded as a result of mandatory sentencing laws and changes in drug enforcement policies. The cost of housing inmates was forcing reductions in other critical service areas, such as education and health care. Partly in response to these pressures, the governor authorized the creation of boot camps for non-violent inmates — a program that became known as “Shock Incarceration.” The program served several needs. First, it provided a way to decrease the demand for new prisons during an economically stressful period; early release would reduce the average prison stay to six months. Second, early release would be publicly acceptable, given widespread approval of the military aspects of boot camps.

CEO was then under the management of the Vera Institute of Justice and had been in existence since the late 1970s, providing day-labor opportunities for people recently released from prison. But CEO and the New York State Division of Parole saw an opportunity to enhance the new Shock Incarceration program by providing CEO's services (immediate transitional work and longer-term job development) to all graduates of the program. Without aftercare — and employment as a critical component — there would be a greater likelihood that Shock Incarceration graduates would return to prison, offsetting the beds and dollars that would be saved through early release. New York's Executive Director of Parole and the New York State Budget Office made the case for the CEO program and met with the heads of other state agencies to secure support for its work crews. As a result, CEO's current program structure was created: CEO became the managing agent for the Division of Parole's transitional employment services for all boot camp graduates, and a financial structure was created within the division's budget to receive and distribute work crew revenue from the various government agencies that received and paid for work crew services.¹⁵

The Division of Parole has remained among the strongest of CEO's key stakeholders because the two continue to benefit each other. Parole officers appreciate that CEO provides immediate, paid work for the people under their supervision and that it helps them secure permanent jobs. In turn, CEO understands that its participants have obligations to the Division of Parole: reporting to their parole officers, participating in such programs as substance abuse treatment, and keeping a curfew. CEO is mindful of these obligations and organizes its program operations so that they do not conflict — for example, by offering day and evening worksites and by placing participants in jobs that do not conflict with their other obligations. Partnering with the Division of Parole ensures that CEO receives a steady stream of clients, and it also permits parole officers to visit CEO's classrooms and worksites, to motivate clients to participate fully in the program.

Mutual benefit fuels the relationship between CEO and another set of key stakeholders: the city and state agencies for which CEO's work crews perform services. These include multiple sites of the City University of New York, the city's Department of Citywide Administrative Services (which maintains the courthouses and other large public facilities), and the Department of Transportation. For these agencies, CEO provides a reliable, productive, and flexible labor pool at a competitive cost that — because of a unique financial arrangement (described below) — allows work to be performed that otherwise would remain uncompleted because of lengthy procurement processes. In turn, CEO gains sites at which its clients can get work experience and earn a daily paycheck.

Other key stakeholders are private employers who use CEO as their own (free) human resources department. These employers value CEO's screening of applicants, which reduces the burden on the

staff involved in hiring. The employers know that CEO candidates, during their time in NWP, have already demonstrated such basic workplace skills as punctuality and the ability to follow instructions. MariLou Schmidt, a Customer Service Manager for Pathmark, sums up the employers' perspective: "CEO applicants are better dressed, more courteous, and generally, better prepared."

Once CEO participants are hired, the program's employment specialists monitor job performance through regular site visits and other post-placement services that keep the employer satisfied; staff respond promptly to employers' requests and concerns. Further, for employers who hire formerly incarcerated people, CEO insures its participants for up to \$25,000 under the federal bonding program, at no cost to the employer. Employers can also take advantage of a variety of tax incentives, including the Work Opportunity Tax Credit (WOTC) and the Empowerment Zone Employment Tax Credit (EZ ETC). CEO handles all the paperwork, at no additional cost.

Success: A Client's Perspective

Donal Farley, CEO's champion at the City University of New York, attributes the program's early success with the CUNY system to four factors:

- *The supervision and responsiveness of CEO's management.* A constant throughout the program has been the availability of CEO's Director of Field Operations, the Director of Transitional Services, and, if necessary, the Executive Director to smooth over any difficulties that arise on the worksites. The relationships with each of the CUNY colleges began with a meeting between one or two of these CEO managers and the school's Vice President for Administration.
- *The easy access to the program via reduced paperwork and bureaucracy.* The CEO program has never added paperwork or hassle to the school's already heavy administrative burden. Thus, a key to success is targeting a network of government agencies that is characterized by high administrative volume (such as the parks or highway authority, the court system, or the community college system) and offering an easy-to-use, highly effective option for on-site work.
- *The perception of added money for campus budgets.* CUNY Central financed the first few work crews to "push" those crews through, so that later — when the system and supervision had proved effective — campuses were willing to contribute money from their own budgets, which "pulled" more crews online.
- *The boot camp population.* Discipline and strictness have made these CEO graduates easier to work with on-site. Mr. Farley notes that the rare unpleasant incident was positively resolved through intervention by CEO senior managers.

Finally, formerly incarcerated people (CEO's most numerous stakeholders) benefit from, and give back to, the organization. They receive immediate work for immediate pay while learning vital workplace behaviors that — for most people who engage in the job development process — lead to employment. They give back their energy, their experiences, and their wisdom. And their word of mouth convinces other people who are coming home from prison to ask their parole officer to refer them to the CEO program.

A Self-Supporting Financial Infrastructure

"Daily pay for daily work" is a hallmark of CEO, and the provision of a daily paycheck to participants is one of the most important benefits of the program model. People who are

released from prison often do not have enough cash to cover their basic expenses for two weeks, until a paycheck arrives. Paying participants daily gives them immediate material compensation for a job well done.

To ensure that participants receive this much-needed support, it is critical that CEO maintain a healthy cash flow at all times. Its robust financial infrastructure has two main parts: First, and most important, is an Internal Service Fund (ISF) housed in the New York State Division of Parole, which acts as a revolving fund for the transitional work crews; second is the impact of the ISF on CEO's cash management.

In governmental budgeting, an ISF accounts for the financing of goods and services that one state agency provides to other state agencies, institutions, or governmental units on a cost-reimbursement basis. CEO's fund was modeled after New York State's Correctional Industries Fund, which supports the manufacture of furniture, clothing, and other products inside prisons.¹⁶ CEO's transitional work program is an earned income model, with revenue provided by the public institutions that use CEO's work crews. These agencies pay CEO through their existing maintenance and repair budgets. Surpluses are often generated in these budget lines due to the time-consuming processes required by state procurement policies. With the Division of Parole's ISF, these processes are not required, because of the intergovernmental nature of the transactions. The fund works as follows:

1. CEO, acting as managing agent for the Division of Parole, provides services to a state agency (such as the Department of Transportation).
2. The Division of Parole uses the ISF to reimburse CEO for its expenses.
3. The state agency reimburses the Division of Parole.
4. The Division of Parole deposits the revenue into the ISF.

This approach gives government agencies a quick and convenient way to get services using existing funds that otherwise would go unspent on maintenance and repair; the system supports a healthy cash flow for CEO, which avoids becoming a "bill collector," since agencies deal directly with the Division of Parole; and hundreds of parolees are put to work at minimal cost to the state.¹⁷ The ISF structure allows state and city agencies to get work done by professionally managed crews without having to waste time or money on burdensome procurement processes.

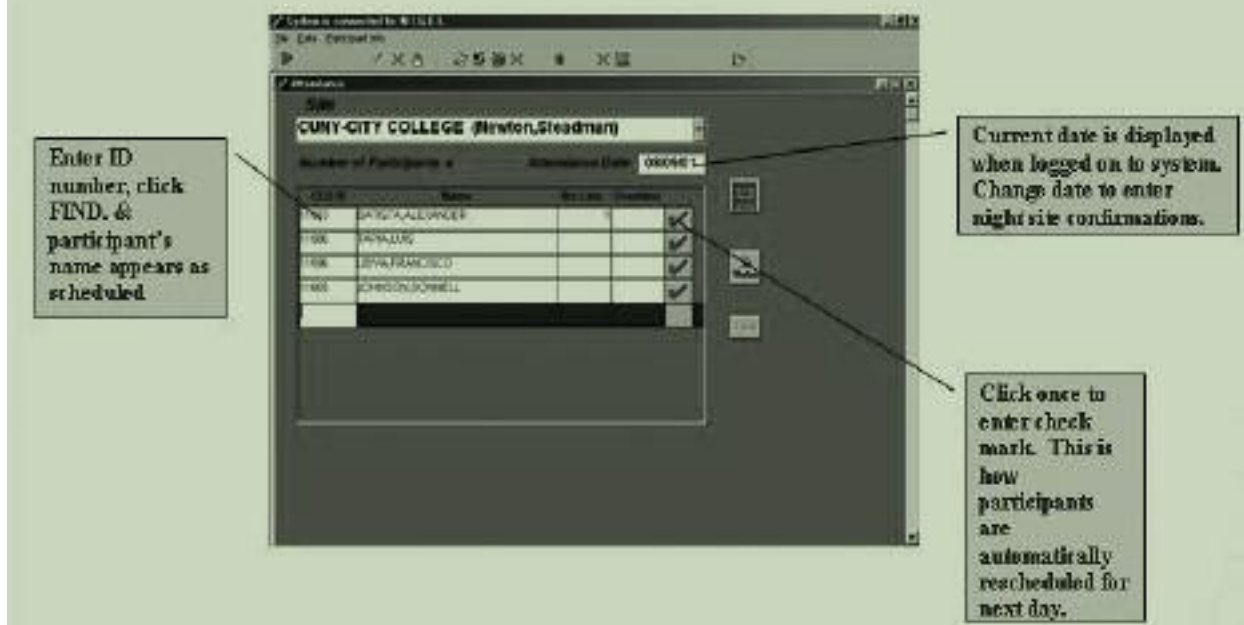
Strong Operating Systems and Staff Structure

Running a program like CEO's requires strong operating systems — both human and computerized — and a dedicated staff who understand the mission of instilling positive workforce behaviors in clients who are sometimes difficult to reach.

Operating Systems

The backbone of CEO's fielding of work crews is its Network for Information Gathering Evaluation and Learning (NIGEL) system, a custom-built computerized application to track clients and schedule worksites. NWP currently operates 35 to 40 worksites in all five boroughs of New York City. Sites can be added, closed, and edited using the system (see the NIGEL Site Screen below). Currently, a total of 220 participants work at NWP sites — there

NIGEL Site Screen



are 150 participants working at 20 to 25 day sites and about 70 participants working at 10 to 15 evening sites. Work assignment begins with the scheduling and confirmation process.

The scheduling process requires participants to call the Data Department and request a job assignment. The Data Department fields calls and assigns participants to specific worksites. It then generates a list for each of the active sites that includes the names of all participants, their job coaches, and their parole officers. It is then the participant's responsibility to arrive on time at the scheduled worksite. Site supervisors check and call in attendance, and then the Data Department transmits a confirmed attendance list to the Payroll Unit, which generates checks, sorts them by worksite, and gives them to a CEO driver for distribution that afternoon. The site scheduling system also maintains a scheduled appointment day for each participant to seek permanent employment, with the aid of job coaches and employment specialists. Participants cannot schedule themselves for transitional work on that appointment day, and, if they miss their appointment, they cannot get rescheduled for transitional work without the intervention of their job coach. This ensures a proper balance between transitional work and full-time job development.

Staff

CEO's staffing structure reinforces the program's goal of helping formerly incarcerated people learn to work. This is particularly clear in two staffing features. First, CEO employs its work crew supervisors directly, instead of having its participants be supervised by staff employed by the agencies at the worksite. CEO thus controls the supervision and training of participants and can ensure that the CEO CPs are taught and reinforced at the worksites. Second, approximately one-third of CEO staff were formerly incarcerated themselves. These staff members often serve as role models for participants. CEO also demonstrates to participants and employers that it "walks the walk" — it not only *says* that formerly incarcerated people can be good employees and can make valuable contributions to an organization, but it also *shows* that it means what it says.

Building on CEO's Promise

*CEO has placed more than 8,500
formerly incarcerated people in jobs
in New York City over 10 years.*



By following the model described above, CEO has placed more than 8,500 formerly incarcerated people in jobs in New York City over 10 years. This track record has brought the organization new support. In fall 2004, with support from the Edna McConnell Clark Foundation, CEO completed a comprehensive business plan that will chart its course over the next decade. The organization's key goals include refinements to the program model, to enhance outcomes for participants; creation of a groundbreaking Learning Institute to facilitate research and innovation and to disseminate CEO's work; and a variety of capacity-building initiatives to strengthen CEO's infrastructure and meet increased demands. A significant portion of the business plan is being underwritten by the Edna McConnell Clark Foundation. The Edna McConnell Clark Foundation makes substantial multi-year investments in leading youth-serving organizations as part of its ongoing efforts to help young people from low-income families develop the skills and abilities that will enable them to make a successful transition to productive adulthood.

Case Studies: Adapting CEO's Model for Use in Other Jurisdictions or with Other Populations

Although CEO is proud of what it has accomplished for people who are leaving prison and seeking employment, it is not doctrinaire about its program model: CEO does not presume to have hit upon the only way to structure comprehensive employment services for this population, nor does it aspire to create “franchises” in other jurisdictions across the country or around the world. Instead, CEO feels that the model is adaptable to the needs of various jurisdictions and populations. Some jurisdictions may wish to use certain elements (the transitional work crews, the Internal Service Fund); some may want to use or adapt other features (the employment specialists' work with employers, the fatherhood program); and some may aim to replicate the model in full. The how-to manuals provide a starting point for jurisdictions that are looking to replicate the model or adapt its elements. Beyond that, CEO can provide customized assistance, depending on a jurisdiction's needs and interests.

Following are some early examples of how CEO has helped jurisdictions put into place some or all of the program model:

- Tacoma-Pierce County Employment and Training Consortium (TPCETC) in Tacoma, Washington
- Roca in Chelsea, Massachusetts
- WorkOut by Pecan in London, UK

Tacoma-Pierce County Employment and Training Consortium: Helping to Build Momentum and Buy-In for Transitional Work

Tacoma-Pierce County Employment and Training Consortium (TPCETC) developed over several years' effort by the Department of Corrections (DOC) and the local consortium that provides services in Pierce County under the federal Workforce Investment Act. After state legislation required DOC to provide services aimed at reducing recidivism among high-risk former prisoners, DOC looked to develop a transitional employment program — and TPCETC turned to CEO for help. In a pivotal meeting of all the stakeholders — the police, DOC, city government, and workforce development providers — CEO made the case for a supported transitional work program and for the importance of job coaching and job development. CEO's presentation helped generate momentum and buy-in of the transitional employment model among the organizational participants, which subsequently led to the development of the Employment Support Alliance (ESA), a new program targeted specifically to former prisoners.

Like CEO's program, ESA begins with a one-week employability workshop. In Tacoma, however, transitional employment (known as Paid Work Experience, or WEX) is used primarily as a last resort for participants who are unable to find unsubsidized employment. The work slots are in private or nonprofit organizations, rather than government agencies, and TPCETC does not provide supervision at the worksites. Participants are paid biweekly rather than daily. Because TPCETC does not have contracts with the sponsors of the worksites to perform specific tasks, the participants' earnings are financed by DOC.

Roca (Chelsea, Massachusetts): Creating an Internal Service Fund to Support Transitional Employment for an At-Risk Population

CEO's programming has garnered attention from a wide range of organizations, including some that do not work exclusively with people who have criminal records. One organization that was inspired to create its own variant of CEO's transitional work program is Roca, a neighborhood-based nonprofit organization that builds community and skills among young people in an at-risk neighborhood in Chelsea, Massachusetts. After learning about CEO's program,

Roca saw that work crews could be a stepping stone to permanent employment by providing skills that its young people were missing. Roca also saw the Internal Service Fund (ISF) — which is used to collect money from agencies that hire CEO work crews and circulate it back to CEO — as an essential program element that it wanted to replicate.

CEO has worked hard with Roca to help put an ISF into place. CEO's executive staff attended a meeting of key stakeholders convened by Roca and also hosted intensive site visits at CEO for Roca's staff. In July 2005, the Massachusetts legislature passed a bill to provide Roca with \$2 million for a Retained Revenue Account — the Massachusetts version of an ISF — with the Department of Social Services. By August 2005, Roca had successfully developed and proposed its program model, and the proposals were well received.

Roca's program will look different from CEO's program in several ways. Whereas CEO participants come from all five boroughs of New York City and the work crews are located accordingly, Roca focuses on a 20-block area and, therefore, will limit the size and scope of work crews and locate them within the neighborhood. As part of Roca's community-building mission, its work crew participants will also take part in community activities. And Roca's employment program will be open to any youth in the community who is eligible to work — criminal record or not.

The interaction between CEO and Roca has been a reciprocal exchange in which both organizations learn from each other. In the process of advising Roca, CEO has gained valuable insight about building stronger relationships with youth; subsequently, it has started adding elements of Roca's program — mentorship and discussion circles — to its new youth programming for participants ages 18 to 25. The Roca replication of CEO shows how the adaptation process can build best practices across the vocational development field. Interaction among organizations will create improvements in the CEO program model, which will ultimately benefit the organizations that are learning from CEO.



Photo by Harvey Wang

WorkOut by Pecan (London, UK): Using CEO's Model to Secure Funding for an International Project

The Pecan project, called WorkOut, more or less completely replicates the CEO model. Pecan is a London-based organization that “helps people overcome barriers to employment and to find, get, and hold satisfying jobs.”¹⁸ Prior to its interaction with CEO, Pecan worked with a range of hard-to-employ populations. Though it had not planned to work with people who are leaving prison, learning about CEO's programs offered a new avenue for Pecan to help hard-to-employ populations find jobs. Because a small subset of its client base are either formerly incarcerated individuals or have needs similar to them, Pecan decided that the CEO model would be a good fit.

Pecan found two prisons in the London area that were willing to participate in the program, and then it conducted site visits at CEO. With significant support from CEO, Pecan created a proposal that incorporates 90 percent of CEO's program — including pre-employment classes, work crews, job coaching, and job development. As a result, it was awarded a £3 million government grant (about \$5.5 million) to fund a comprehensive employment program for people coming out of the two prisons. Pecan's WorkOut program began working with clients in July 2005 and is expected to put about 300 participants into transitional work during a two-year pilot test.

Most of Pecan's WorkOut project directly replicates the CEO model. Unlike CEO, however, Pecan begins working with clients while they are still in prison. Upon their release, participants attend a week of preparatory training based on CEO's pre-employment classes, and then they spend one month in transitional work crews. For the first two weeks, they are paid daily, as in CEO's Neighborhood Work Project; after that, they are paid weekly. Following the month of transitional employment, Pecan does job coaching and contracts out the services of CEO's employment specialists, helping participants find long-term jobs that suit them. To test whether the CEO model will reduce recidivism in London, the initial grant for WorkOut includes monies for a comparative study of Pecan's program and CEO's program — a study that is likely to benefit both the criminal justice and the workforce development field.

The differences in the two programs arise mainly from differences in the legal and social contexts of the United Kingdom and the United States. Pecan is not able to work with local government agencies because of laws that restrict charities from replacing public sector employees. Therefore, instead of creating an Internal Service Fund with local government agencies, Pecan's work crews compete in the bidding process for commercial service contracts. As Pecan is affiliated with a consortium of churches, one of its first contracts is for maintenance work for the London Diocese. A second key difference is that Pecan pays its work crews 10 percent more than the minimum wage and pays clients for the one day per week that they take classes. The higher salary is intended to address the fact that WorkOut is competing directly with the country's strong welfare program, which provides competitive benefits for those who are eligible without requiring work in exchange. The third difference between the two programs is that Pecan has developed a system to handle its payroll via debit cards and scheduling with hand-held PDAs, an element that CEO will take lessons from as well.

Case Study Lessons

The three organizations outlined here have each created variants of the CEO program model that correspond to their budgets, needs, and contexts (see the table below). CEO has worked differently with each organization, finding the way that was most helpful to them. That three organizations so disparate geographically and programmatically have pursued and implemented elements of CEO's model suggests that further dissemination of the model may assist other jurisdictions looking to improve the fortunes of their citizens coming home from prison.

Practitioner	Similar to CEO's Model	Dissimilar to CEO's Model	How Did CEO Help?
TPCETC: Tacoma-Pierce County Employment and Training Consortium (Tacoma, Washington)	<ul style="list-style-type: none"> • Works with formerly incarcerated individuals • Has strong partnerships with government and community-based organizations • Program begins with pre-employment training 	<ul style="list-style-type: none"> • Transitional jobs are only a “last resort” for participants who are unable to find unsubsidized employment • Transitional work sites are not supervised • Transitional work sites are in private or nonprofit organizations • Transitional wages do not come from worksites • Participants are paid biweekly 	CEO support helped to generate buy-in of transitional employment model among key stakeholders
Roca (Chelsea, Massachusetts)	<ul style="list-style-type: none"> • Has a similar transitional work crew model • Has an Internal Service Fund with the Massachusetts Department of Social Services 	<ul style="list-style-type: none"> • Target population is youth and young adults, regardless of criminal conviction • May not adopt the daily paycheck model • Program focuses on a 20-block area 	CEO coached Roca on how to set up an Internal Service Fund; Massachusetts legislature passed a bill to provide Roca with a version of such a fund
Pecan (London, UK)	<ul style="list-style-type: none"> • Works with formerly incarcerated individuals • Contains all key elements of CEO's model (pre-employment training, work crews, job coaching, job development) 	<ul style="list-style-type: none"> • Pecan works with clients before release from prison • Pay is weekly • Key changes because of different legal and social context: <ul style="list-style-type: none"> • Competes with commercial contractors for worksites • Pays 10% more than minimum wage and pays for classes for participants • Has no Internal Service Fund • Debit card pay system • Electronic scheduling via hand-held devices 	CEO provided its entire program model to Pecan; using that model, Pecan was awarded a government grant equivalent to \$5.5 million to fund comprehensive employment services for people leaving two prisons

Further Information

Details about CEO and its program are available in the how-to manuals, *Opportunities, Challenges, & Practical Solutions*. For more information or to inquire about the companion manuals, please contact CEO.

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Notes

¹Jeremy Travis, *But They All Come Back: Facing the Challenges of Prisoner Reentry* (Washington, DC: Urban Institute Press, 2005, p. xvii), citing 2002 figures.

²Joan Petersilia, "When Prisoners Return to the Community: Political, Economic, and Social Consequences," in *Sentencing and Corrections* (Washington, DC: National Institute of Justice, November 2000); Travis, *But They All Come Back*, (p. 163), citing Washington State and Ohio studies that had employment rates of 26 percent after two years and 40 percent after six quarters, respectively.

³In July 2003, CEO initiated a multi-agency partnership to engage thousands of city-sentenced inmates leaving the city jail system, Rikers Island, in CEO's immediate work program. This three-year experiment is a variation of CEO's core programs, as this is CEO's first experience working with city inmates, as well as the first time CEO has worked inside a correctional facility. For more information on this project, contact Tim Williams, CEO's Director of Transitional Employment Services.

⁴This is the first condition that the New York State Division of Parole applies to all parolees.

⁵Mark Levitan, "A Crisis of Black Male Employment: Unemployment and Joblessness in New York City" (New York: Community Service Society, 2004).

⁶Mark Levitan, "Unemployment and Joblessness in New York City, 2004: Better but Still a Long Way to Go" (New York: Community Service Society, 2005).

⁷Paul Von Zielbauer, "Race a Factor in Jobs for Ex-Convicts," *New York Times*, June 17, 2005.

⁸Legal Action Center, *After Prison: Roadblocks to Reentry, A Report on State Legal Barriers Facing People with Criminal Records* (New York: LAC, 2004).

⁹Patrick A. Langan and David J. Levin, "Recidivism of Prisoners Released in 1994," NCJ 193427 (Washington, DC: US Department of Justice, Bureau of Justice Statistics, 2002, p. 3, table 2), showing that the rate of rearrest was highest in the first six months.

¹⁰Debbie A. Mukamal, "Confronting the Employment Barriers of Criminal Records: Effective Legal and Practical Strategies," *Journal of Poverty Law and Policy* (January-February 2000).

¹¹Of roughly 2,000 individuals who come to CEO orientation each year, 90 percent graduate from pre-employment training. Of those, 75 percent are matched with a job developer, and 60 percent of those who are matched are placed in full-time jobs.

¹²New York State Department of Correctional Services, inmate look-up. See the department's Web site: <http://nys-docslookup.docs.state.ny.us/>.

¹³Shock Incarceration is a six-month, military-style early-release program in the New York State prison system.

¹⁴CEO works with people who have been convicted of drug offenses, burglary, robbery, and weapons charges but not with people who have been convicted of arson, sex offenses, or assault. Murder and manslaughter charges are considered case by case.

¹⁵Prior to this, CEO already had a contract with the Division of Parole for full-time job development and placement services.

¹⁶Virtually every state's Department of Corrections operates a Correctional Industries Fund.

¹⁷As with all ISFs, CEO's ultimate goal is for the work crew operation to be self-sufficient.

¹⁸From the Pecan Web site (June 29, 2005): <http://www.pecan.org.uk>.

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