

Expanding Employment and Training Services through FSET

New Opportunity for Program Funding

Food Stamp Employment & Training (FSET) dollars fund programs that help Food Stamp recipients gain the skills they need to succeed in the labor market. Many organizations provide educational and employment services to low-income persons who are eligible for food stamps, but few have captured the sustainable, federal FSET funding to support and expand this work. FSET has been underutilized in part because of a requirement for local government to match federal FSET funding. Recently, a new model for meeting federal match requirements has created an opportunity to draw down significant federal dollars for low-income communities.

In this model, now being piloted in California and other states, community service providers can use their own match funds to draw federal funding on a dollar-for-dollar basis. Match funds can include philanthropic grants, nonprofit revenues, employer contributions, and non-federal public monies. Community providers often have existing sources of match funding, and many seek new match funding for this purpose. With well-designed program budgets and adequate client participation, community providers can expand their continuum of services, serve more clients, and help clients pay for expenses such as tuition and transportation. Ideal candidates for this new model include community colleges and adult schools, which already have access to significant match funding, and community-based organizations that provide or wish to provide significant employment or training services.

This new model is known as the “third-party match” model, or “Cal Success” in California. Three pilot projects, including Cabrillo College in Santa Cruz County, Foothill/DeAnza Colleges in Santa Clara County, and Skyline College in San Mateo County, are now implementing Cal Success for the first time in California. The State and Federal government have approved the pilot projects’ FSET plans and are working collaboratively to ensure the pilot programs are in compliance. The FSET Expansion Initiative, a project of the Insight Center for Community Economic Development, is leading the California effort to design and disseminate the Cal Success model. It works with the State, Federal government and community partners to design policies and procedures. It also helps pilot projects to decide whether to implement Cal Success, understand administrative requirements, and tailor the model for local needs.

FSET Program Basics

FSET is a program that delivers employment and training services for eligible food stamps recipients. The FSET program is administered by the U.S. Department of Agriculture (USDA) and the state Department of Social Services (DSS). In states such as California, the program is also administered by the County Food Stamp offices. All FSET budgets and plans must be pre-approved by the state, which submits an annual FSET application to the USDA for their approval. FSET funding is provided as an expense reimbursement from the federal government through the state (and often county) to the service provider. The service provider may be the government entity itself or a contracted community provider.

FSET can fund almost any combination of services along the continuum of employment and training services, from assessment through job placement and retention services. Examples include work experience and on-the-job training, job search assistance and support, job placement services, job retention services,

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academic tutoring, and case management that is necessary and reasonable. FSET can also reimburse participants for job or training-related expenses such as transportation, dependent care, personal safety items, uniforms, books and training manuals. Finally, FSET can fund program administration.

FSET eligibles include persons who are enrolled in food stamps but are not in TANF. States have some flexibility in defining Food Stamp eligibility criteria, but all states require recipients to have citizenship or legal permanent residency status. In most states, households with incomes under 130% of federal poverty guidelines are eligible for the program. Individuals who meet eligibility criteria can apply for food stamps to become eligible for FSET-funded services.

Over the years, Federal FSET guidelines have evolved to support a more comprehensive, flexible approach to workforce development. The FSET Expansion Initiative encourages state and county governments to take advantage of this program flexibility to: (a) offer a broader continuum of services that serve multiple participant needs; (b) contract with community providers to increase choice and geographic access; and (c) expand their FSET programs to serve more persons and increase funding for low-income communities.

The FSET Expansion Initiative Team

The FSET Expansion Initiative, a project of the Insight Center for Community Economic Development, is dedicated to increasing the use of FSET dollars so that food stamp recipients can become economically self-sufficient. The FSET Expansion team has successfully advocated for state and federal FSET reforms and has helped governments and community providers to implement both the third-party match model and traditional models of FSET expansion.

The Insight Center for Community Economic Development, formerly known as the National Economic Development and Law Center (NEDLC), is a national research, consulting and legal organization dedicated to building economic health in vulnerable communities. The Insight Center's multidisciplinary approach utilizes a wide array of community economic development strategies including industry-focused workforce development, individual and community asset building, linkages between early care and education and economic development, and development of the Self-Sufficiency Standard as a measure of wage adequacy.

Services We Offer

The FSET Expansion Initiative team can help your organization expand FSET through a variety of services:

- A feasibility study for the third-party match program
- Technical assistance in planning and implementation
- Education on FSET administrative requirements and opportunities for simplification
- Facilitation of partnerships of community providers and government entities
- Technical assistance in FSET program simplification and improvement
- Writing of FSET plans
- Advocacy for state and federal FSET changes

For more information on the FSET Expansion Initiative, please go to www.fsetexpansion.org or contact Aimee Chitayat, Program Director, at (510) 251-2600 x133.

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