

FSET Expansion: New Opportunity for Employment & Training Funding in the Bay Area



INSIGHT

CENTER FOR COMMUNITY
ECONOMIC DEVELOPMENT

HELPING PEOPLE AND COMMUNITIES BECOME, AND REMAIN, ECONOMICALLY SECURE

Challenges to Economic Self-Sufficiency

- More low-income residents need a path toward economic self-sufficiency in the face of a national economic crisis
- The US government is more aware than ever of the need for structural changes that will put people on this path
- Many low-income residents need support to succeed in community colleges and other employment and training programs, e.g., academic counseling, life skills, job placement
- Many cannot afford the books and supplies (about \$1,000 per year in community colleges), transportation, and child care to access employment and training services
- Employment and training providers lack adequate sustainable funding to provide support to everyone who could benefit from it
- An uncapped, sustainable source of employment and training funding for low-income, vulnerable populations, called the Food Stamp Employment and Training Program, can provide this support but is significantly underutilized

What is FSET?

- FSET = Food Stamp Employment and Training Program
- FSET is sustainable funding for employment and training services for food stamp recipients
- FSET is administered by USDA Food and Nutrition Service, the California Department of Social Services, and individual counties
- FSET funds employment and training programs in order for participants to improve their earnings and exit food stamps
- Counties can choose to provide employment and training services themselves, or can contract out for services

What Can FSET Do?

Employment and training providers can:

- Fund support services to improve skills attainment, course completion rates, workforce placement rates
- Fund new training programs, job placement and retention services, etc.
- Fund participant costs such as books, child care, transportation
- Recruit more low-income participants to their programs
- Strengthen relationships with the County

Counties can:

- Increase their food stamp participation rates, as students enroll for FSET

Communities can:

- Improve economic self-sufficiency

FSET 50/50 Federal Match

- Federal government 1:1 match for allowable employment and training activities, paid as a reimbursement
- Non-federal matching funds may include state and local funds, foundation grants, employer-paid costs, student fees, etc.

FSET 50/50 Program Is Underutilized

- Difficulty in government providers coming up with match
- Government may lack incentives for innovation
- Originally conceived as a work requirement to remain on food stamps, it has proven its potential to be much more but some counties are behind
- About half of California counties do not offer any FSET program at all
- Many counties offer very limited FSET programs such as county grounds maintenance or office filing that allow recipients to maintain food stamps

Our Vision for FSET 50/50 Match Program

- With the current economic crisis, FSET is an opportunity to fund critical services
- The FSET Expansion Initiative encourages government to:
 - Increase access to FSET programs by offering or contracting for more services
 - Improve FSET programs by offering or contracting for a broad continuum of services (such as training and job search services) that serve multiple needs
 - Diversify FSET programs by contracting with community partners to increase choice and geographic access

FSET Third-Party Match Model

- New model allows community partners to put up the match for the FSET 50/50 program:
 - Community colleges
 - Community-based organizations (CBOs)
 - Adult schools
- With third-party match, more match dollars are available to expand FSET and increase funding for low-income communities.
- FTES apportionment is biggest college match source, where each FSET student brings in new match dollars. ADA may be a good match source for adult schools.

FSET National Landscape

- All states have FSET programs
- Most states use a traditional FSET model, where government provides the services or provides the match for employment and training contractors
- A few states now have or are planning third-party match models, including:
 - California
 - Washington
 - Massachusetts
 - Colorado
 - Indiana
 - Wisconsin

Employment and Training Provider Partnerships

- Partnerships allow providers' unique strengths to improve quality of services, e.g., community trust and historical ties, expertise in particular services, additional match dollars, geographic access, choice
- Community partners can:
 - Contract with the County directly or subcontract with another community partner
 - Provide services independently, make referrals, or partner
- Examples of partnerships:
 - Specialized services to expand the continuum, e.g., case management and workforce development offered by CBO, training offered by adult school or community college
 - Integrated services, e.g., adult schools offer classes at CBO sites, CBOs develop industry relationships for colleges to place student interns
 - Overlapping services, e.g., students take courses at both colleges and adult schools

California's Cal Success Program

- The third-party match model in California is known as Cal Success
- Model is in first year of development and is being tailored for California's needs
- CDSS and USDA in process of approving standardized policies and procedures developed by pilots, FSET Expansion Initiative, CDSS and USDA
- Cal Success is similar to CalWORKs in many ways
- Cal Success programs can tailor the model to meet local needs

Cal Success Pilot Projects

- First planning year completed with pilot projects of Skyline, Foothill, DeAnza, and Cabrillo Colleges in San Mateo, Santa Clara, and Santa Cruz counties:
 - Projecting at least \$200,000 in federal reimbursement for each pilot college in first year, with ability to expand in second year.
 - Awaiting state and federal approval to begin implementation sometime January through April.
 - Strong partnerships between colleges and counties.
 - All are providing significant funding for student textbooks and transportation.
 - Career technical education and basic skills courses, along with facilities, are the primary costs that are used for the match. FTES apportionment pays for the majority of these costs.
- Opportunity for new pilot projects to develop Cal Success programs. New partners including adult schools, community-based organizations, and community colleges are encouraged to participate.

Community Partner Roles and Responsibilities

- Conducting inreach and outreach to enroll participants in Cal Success
- Referring participants who are eligible for food stamps but not enrolled to Food Stamp Office
- Confirming FSET eligibility monthly (if delegated by County)
- Checking if an individual participant's classes are allowable as match under FSET (for adult schools and colleges)
- Checking census, positive hours, etc. to ascertain ongoing participation in classes
- Conducting intake, providing services and participant reimbursement
- Collecting outcome data, including monthly data on numbers served
- Keeping records for audits, invoices and reports
- Developing policies and procedures, contract with County, and invoices

County Roles and Responsibilities

- Write FSET plan for submission to State
- Approve policies and procedures
- Serve as a liaison to the CDSS and USDA
- Contract with community partner and oversee contract
- Make referrals to community partner and support outreach efforts
- Enroll eligibles in the Food Stamp Program
- Determine FSET eligibility
- Receive invoices and reimburse community partner after USDA funds are passed through State and then County
- Collect monthly data from community partner on numbers served and report to the State

Role of the FSET Expansion Initiative

- The FSET Expansion Initiative team can help new pilot projects to:
 - Assess feasibility
 - Learn about what is allowable and standard under the Cal Success model
 - Develop strong partnerships with community partners and counties to encourage innovation and expansion of FSET
 - Understand options for implementing Cal Success programs
 - Obtain CDSS and USDA support for policy and systems changes, economies and scale, and approvals
 - Participate in peer learning activities for Cal Success programs
- For more FSET information, go to www.fsetexpansion.org

Critical Success Factors

- A champion
- Early county buy-in
- An adequate supply of low-income residents in your service area to make the program worthwhile
- Support from high-level administrators in your organization
- Significant staff time for planning
- Technical assistance to support you in understanding program requirements and options

Next Steps

- Host a meeting with high-level County and community partner administrators to develop buy-in
- Identify a lead department for the program
- Develop an estimate for how many people you plan to serve (as a start, you can do a data match with the County Food Stamp Program to identify current FSET eligible participants in your program)
- Identify gaps in current services and begin prioritizing which services you want to provide
- Consult with colleges that have begun Cal Success programs

Planning Timeline for Federal FY 2009-2010

- Planning should begin in late 2008 or early 2009
- Counties must submit FSET Plans to CDSS sometime in Aug-Oct 2009
- CDSS will integrate county plans into one statewide plan and obtain USDA approval sometime in Fall or Winter 2009-2010
- Community partners can begin operations any time within a fiscal year
- FSET fiscal year is October 1 to September 30

Who Is Eligible for FSET?

To be eligible for food stamps, participants must have:

- Incomes below 130% Federal Poverty Level (unless senior or disabled)
- US Citizenship or Legal Residency Status
- Assets of no more than \$2000 (unless senior or disabled)
- In California, about 50% of those eligible for food stamps are not enrolled

To be eligible for FSET, participants must be:

- Current food stamp recipients
- Not receiving TANF
- Participants who meet eligibility criteria can enroll in Food Stamp program to receive FSET benefits