

FSET Third-Party Match: New Funding Source for Employment & Training for Low-Income Students



INSIGHT

CENTER FOR COMMUNITY
ECONOMIC DEVELOPMENT

HELPING PEOPLE AND COMMUNITIES BECOME, AND REMAIN, ECONOMICALLY SECURE

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Challenges of Supporting Students

- Many low-income students need support to succeed in community colleges and the labor market, e.g., case management, money for books and transportation, and job placement services
- Community colleges need more, sustainable funding for this support
- 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 uncapped, 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?

Colleges can:

- Fund support services to improve course completion rates
- Fund new training programs, outreach, job placement services, etc.
- Fund student costs such as books, child care, transportation
- Recruit more low-income students to college
- Strengthen relationships with the County

Partners such as government, CBOs and adult schools can:

- Fund services such as job placement, training, work experience

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, and public in-kind
- FTES apportionment is biggest college match source, where each FSET student brings in new match dollars

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 colleges and other community providers to increase choice and geographic access

FSET Third-Party Match Model

- New model allows community providers to put up the match for the FSET 50/50 program:
 - Community colleges
 - Community-based organizations
 - Adult schools
- Now more match dollars are available to expand FSET and increase funding for low-income communities

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

FSET Third-Party Match Model in Washington

- King County pilot began Oct. 2005 as first FSET third-party match program in US, now expanded to Snohomish and Whatcom Counties
- Administered by WA State, which contracts directly with nonprofits and colleges to provide services
- 5 contractors in first year of pilot, 17 contractors for current year including 10 community colleges
- In the three years of the FSET pilots:
 - More than 3,785 clients served, over 1,000 currently active clients
 - Job placement rate of 23%, average starting wage of \$12.36/hour
 - More than \$3.6 million in new federal dollars for low-income job seekers, with one college projected to receive over \$800,000 per year and two additional colleges about \$500,000
 - More than half of FSET students come through community outreach

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
- The FSET Expansion Initiative, a project of the Insight Center, is the TA provider supporting development of this program in CA

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
 - 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 begin next year and beyond

Cal Success Plans for Each College

Cabrillo College

Lead department: Fast Track to Work, CalWORKs program

Anticipated students in fiscal year: 120-200 students, beginning Oct/Nov 2008.

Projected federal reimbursement: Up to \$342,000 with an equal amount in match from FTES apportionment, other state funds, and facilities funding.

New services: Intake, assessment and evaluation; job readiness training; support services such as case management and tutoring.

Foothill and DeAnza Colleges

Lead program: Occupational Training Institute

Anticipated students in fiscal year: Up to 110 students, beginning Jan 2009.

Projected federal reimbursement: Up to \$258,083 in federal reimbursement, with an equal amount in match from FTES apportionment and facilities funding.

New services: Intake, assessment and evaluation; work experience; job placement services.

Skyline College

Lead department: Center for Workforce Development

Services: Intake, assessment and evaluation; work experience; job readiness training.

Cabrillo College Cal Success Program

Cabrillo College plans to:

- Integrate program with the Fast Track to Work program
- Start with existing students on food stamps
- Conduct inreach to students eligible but not on food stamps, and conduct outreach to community
- Identify needs of the food stamps students and tailor services to them
- Provide participant reimbursement

College Roles and Responsibilities

- Conducting inreach and outreach to enroll students in Cal Success
- Referring students who are eligible for food stamps but not enrolled to Food Stamp Office
- Confirming FSET eligibility (if delegated by County)
- Checking if classes are allowable as match under FSET
- Checking census, positive hours, etc. to ascertain 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 college and oversee contract
- Make referrals to college and support outreach efforts
- Enroll eligibles in the Food Stamp Program
- Determine FSET eligibility
- Receive college invoices and reimburse college after USDA funds are passed through State and then County
- Collect monthly data from college on numbers served and report to the State

Who Is Eligible for FSET?

To be eligible for food stamps, students 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, students must be:

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

Allowable FSET Services

Services can include:

- Student reimbursement necessary for FSET participation (childcare, transportation, books, uniforms, tools, etc.)
- Intake, assessment and evaluation
- Job search, placement, and training
- Support services such as case management, tutoring
- Work experience and on-the-job training
- Community service
- Job retention services
- Outreach activities
- Support for sector initiatives
- Administrative costs
- Career technical education courses
- Basic skills courses (e.g., ESL, GED, basic literacy and math)

FSET-Allowable College Courses for Match Purposes

- Any course or occupational work experience that is required, a prerequisite, a recommended preparatory class, or an elective for a CTE program in the FSET student's declared program of study
- Any individual course that has an occupational TOP code
- Any counseling or guidance courses as well as any tutoring or pre-collegiate basic skills courses designed to help a student achieve career goals or FSET educational objectives
- Any supervised work experience intended to assist students in acquiring desirable work habits, attitudes, and career awareness
- Customized programs of study designed to prepare an individual student for particular employment opportunities and approved by a college's Chief Instruction Officer

FSET Challenges

- Ambiguity on how the regulations are interpreted
- Confusion about what are allowable, matchable expenses
- Large amount of administrative work (but probably less than CalWORKs)
- Many counties lack momentum to improve FSET programs or contract with colleges
- Some counties and colleges are too small to make FSET worthwhile

Cal Success Challenges

- Cal Success is a new model without a roadmap
- College must have sufficient cash up front or find resources for loans
- Revenues are difficult to forecast
- Limited match funding and administrative requirements may restrict the ideal scope of services
- Current delays in approval of FSET plans lead to uncertain program start dates
- Confidentiality issues
- MIS does not exist yet to help automate administrative work

Critical Success Factors

- A college champion
- Early county buy-in
- An adequate supply of low-income residents in your college's service area to make the program worthwhile
- Support from high-level college administrators
- Significant staff time for planning
- Willingness to work with your County Food Stamp Office
- Technical assistance to support you in understanding program requirements and options

Next Steps

- Host a meeting with high-level County and college administrators to encourage County 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 students)
- Identify gaps in college services and begin prioritizing which services you want to provide
- Consult with colleges that have already begun Cal Success programs

Role of the FSET Expansion Initiative

- The FSET Expansion Initiative team can help new pilot colleges to:
 - Assess feasibility
 - Learn about what is allowable and standard under the Cal Success model
 - Develop strong partnerships with community colleges 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

What is the FSET Expansion Initiative?

- The FSET Expansion Initiative is:
 - A project of the Insight Center for Community Economic Development and its partner, California Association of Food Banks, initiated in February 2007
 - Funded by Bay Area Workforce Funding Collaborative and Walter S. Johnson
- The Insight Center for Community Economic Development (formerly NEDLC) is a national nonprofit research, consulting, and legal organization dedicated to building economic health in vulnerable communities

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
- Colleges can begin operations any time within a fiscal year
- FSET fiscal year is October 1 to September 30

Questions and Discussion

Thank you!!!