

More Funding, More Opportunities: Improving the FSET Experience



INSIGHT

CENTER FOR COMMUNITY
ECONOMIC DEVELOPMENT

HELPING PEOPLE AND COMMUNITIES BECOME, AND REMAIN, ECONOMICALLY SECURE

Presenters

Jessica Bartholow, Director of Programs, CA Association of Food Banks,
Jessica@cafoodbanks.org (510) 272-4435 x204

Aimee Chitayat, Program Director, FSET Expansion Initiative, Insight
Center for Community Economic Development,
achitayat@insightccd.org (510) 251-2600 x133

Nick Espinosa, Program Manager, Washington Department of Social and
Health Services, EspinCJ@dshs.wa.gov (360) 725-4620

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 now more aware 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
- FSET can provide this funding 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

What Can FSET Do?

Counties can:

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

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

Communities can:

- Improve economic self-sufficiency

California FSET Diversity

- In California, there is great diversity between the FSET programs in 24 counties
- FSET services are currently provided by:
 - Government
 - Community providers (e.g., community colleges, adult schools, community-based organizations)
 - Some combination of the above
- How are community providers included?
 - Referral relationship (community providers receive no FSET dollars)
 - Traditional contract model
 - Third-party match model (3 pilot counties, pending approvals)

Who Is Eligible for FSET?

- To be eligible for FSET, participants must be:
 - Current food stamp recipients
 - Not receiving TANF – In CA, there are over 680,000 households receiving food stamps, but not TANF
- New farm bill no longer limits participation to 120 hours/month as long as the participant volunteers
- Students who meet eligibility criteria can enroll in Food Stamp Program to receive FSET benefits – student rules may not apply to FSET Participants
- Federal regulations offer plenty of room to enroll food stamp recipients as volunteers or to assign mandatory FSET participants to a voluntary program

FSET 50/50 Federal Match

- Available to both County programs and third-party programs
- Federal government 50/50 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 or prioritizing the work.
- About half of California counties do not offer any FSET program at all.
- Some counties offer robust, diverse FSET programs. Others offer very limited FSET programs such as county grounds maintenance or office filing in order to allow recipients to maintain food stamps.
- 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.

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 through expanding programs
 - 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
- In many states, such as Washington State, counties are not involved in FSET
- 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

What Has Washington Done?

- King County, Washington pilot began Oct. 2005 as first FSET third-party match program in US
- Third-party match program is administered by WA DSHS, which contracts with nonprofits and colleges to provide services
 - 5 contractors in first year of pilot
 - 17 contractors for current year
- Nonprofits/colleges match with their own non-federal funding
 - Providers invoice DSHS showing total allowable costs spent, FSET components, roster of eligible clients
 - DSHS reimburses providers 50% of total allowable costs

Results from Washington Model

- In the three years of the FSET pilot:
 - More than 5,200 clients served
 - More than 1,112 currently active clients
 - Placement rate of 23% (now working on a more accurate measure)
 - Average starting wage of \$11.29/hour
 - More than \$5 million in new federal dollars for low-income job seekers
 - More than half of FSET students come through inreach and outreach
- The FSET pilot has expanded services to Snohomish, Skagit and Whatcom Counties.

Improvements in Washington's Program Design

- DSHS is responding to providers' requests to improve reporting/invoicing system, which is easing administrative burden
- DSHS has created an FSET oversight group to improve program design, service delivery and expansion
- DSHS and WA State Board for Community & Technical Colleges adding FSET staffing, creating infrastructure for continued expansion
- Opportunity for further collaboration between training providers (colleges) and case management providers (CBOs)
- DSHS is developing an evaluation plan to measure the performance of the program.

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
- 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 January 2009.

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 January 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.

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)
- Other competing county priorities
- Some counties and community providers are too small to make FSET worthwhile

Third-Party Match Challenges

- Third-party match is a new model without a roadmap
- Community providers 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 for Counties

- A champion
- Early buy-in of high-level program and fiscal administrators
- An adequate supply of low-income residents in the service area to make the program worthwhile
- Staff time for planning
- Willingness to work with your community providers
- Support in understanding program requirements and options

County Roles and Responsibilities – Third-Party Match

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

Community Provider Roles and Responsibilities – Third-Party Match

- 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 (if delegated by County)
- Ensuring ongoing participation in FSET components
- 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

Role of the FSET Expansion Initiative

- The FSET Expansion Initiative team can help counties to:
 - Assess feasibility
 - Learn about what is allowable and standard under the Cal Success model
 - Develop strong partnerships with community providers
 - 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 and its partner, CA Association of Food Banks
 - Initiated in February 2007
 - Funded by Bay Area Workforce Funding Collaborative and Walter S. Johnson Foundation
- 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
- Community providers can begin operations any time within a fiscal year
- FSET fiscal year is October 1 to September 30

Questions and Discussion

Thank you!!!