

Seattle Jobs Initiative

Food Stamp Employment and Training (FSE&T) *An 18-Month Review of the King County Third-Party Match Pilot Project*



Written by Seattle Jobs Initiative for Making Connections Seattle/King County



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I. Introduction

In October 2005, the Washington State Department of Social and Health Services (DSHS) launched a pilot program in King County to substantially increase the amount of federal Food Stamp Employment and Training (FSE&T) 50/50 match dollars available to support low-income employment and training activities in the county. The pilot is unique, representing the first FSE&T third-party match in the nation. It allows nonprofit organizations—as opposed to agencies directly administering food stamps or tied to a state’s workforce/welfare system—to receive FSE&T dollars as a match for their own non-federal expenditures on employment and training activities for food stamp recipients. The King County pilot has demonstrated that an FSE&T third-party match program has the potential to significantly augment employment and training activities for low-income people throughout Washington and in other states. By allowing nonprofit agencies and community colleges to receive reimbursement for their expenditures on vocational training, job search, case management support, and other qualified services, the program provides participating organizations additional resources to invest in client services.

This report provides a brief overview of the FSE&T third-party match pilot in King County. It then assesses the first 18 months of the pilot and its impact on the following:

- Delivery of employment and training services to the White Center community
- Enhancement and expansion of existing employment and training services in King County, including accessibility to longer-term training for food stamp recipients
- Collaboration among the pilot’s employment and training providers

The paper also reviews the operational and regulatory challenges posed by the FSE&T pilot and highlights approaches for addressing these obstacles. Finally, the paper concludes by discussing DSHS’ plans for expanding the pilot in King County.

II. Methodology

The analysis in this report relies mostly on extensive interviews with the participating FSE&T providers and data provided by DSHS. A follow-up focus group was conducted to clarify information provided during the interviews. Information about the providers’ experiences was also gathered during the monthly meetings of FSE&T providers that are convened by DSHS.

Given the disparate MIS systems employed by providers and the limitations of the eJAS system employed by DSHS, data collection for this analysis was a challenge. While general information related to client counts, job placement, and wages was readily available, accessing more specific data about the delivery of FSE&T services specifically to the White Center community and the demographics of the clients served was not possible due to the various data parameters used by the providers. As a result, general conclusions about the impact of the FSE&T pilot on clients were extrapolated from both the anecdotal information gleaned from providers and the data tracked and reported by DSHS.

III. Overview of the FSE&T Third Party Match Pilot in King County

The purpose of the local FSE&T pilot is to increase the amount of FSE&T funds coming into the county by matching public (non-federal) and private dollars being expended by nonprofit agencies and community colleges on employment and training services for food stamp recipients, and by increasing the number of food stamp recipients who participate in employment and training programs. During the first 18 months of the pilot, the providers drew down \$1,104,544 in federal match (\$665,942 in the first year).

The initial year of the pilot emphasized serving residents in White Center and Boulevard Park. At inception, five organizations collaborated with DSHS Region 4 (King County) as the participating service providers in the FSE&T pilot. This included:

- Three community-based organizations: Seattle Goodwill Industries (Goodwill), YWCA of Seattle-King County-Snohomish County (YWCA), and Port Jobs
- A workforce intermediary: Seattle Jobs Initiative (SJI)
- A community college: South Seattle Community College (SSCC)

In December 2006, four additional organizations joined the pilot: two serving refugees and immigrants, Refugee Federation Service Center (Refugee Federation) and Refugee Women's Alliance (REWA), and two community colleges, Bellevue Community College (BCC) and Green River Community College (GRCC)¹.

These nine organizations have been directly (or in the case of SJI, through contracted CBOs) working to achieve capacity and scale in the following areas:

- Recruiting clients who are interested in and eligible for food stamps (in Washington, the Basic Food Program);
- Working with DSHS to ensure client eligibility and track clients' continued participation in employment and training activities; and
- Identifying appropriate match funding for FSE&T clients and allowable activities.

The FSE&T pilot is unique not only as the first local attempt to access FSE&T funds to serve food stamp recipients using a third-party match, but also in its program model. Other jurisdictions have achieved some scale matching FSE&T funds, but FSE&T in these jurisdictions has always been a part of the state-sponsored workforce/welfare systems. In this case, pilot partners must collaborate with DSHS through the local community service offices (CSOs) to actually complete food stamp eligibility and paperwork and to track client activities.

IV. Eighteen-Month Results of the FSE&T Third-Party Match Pilot

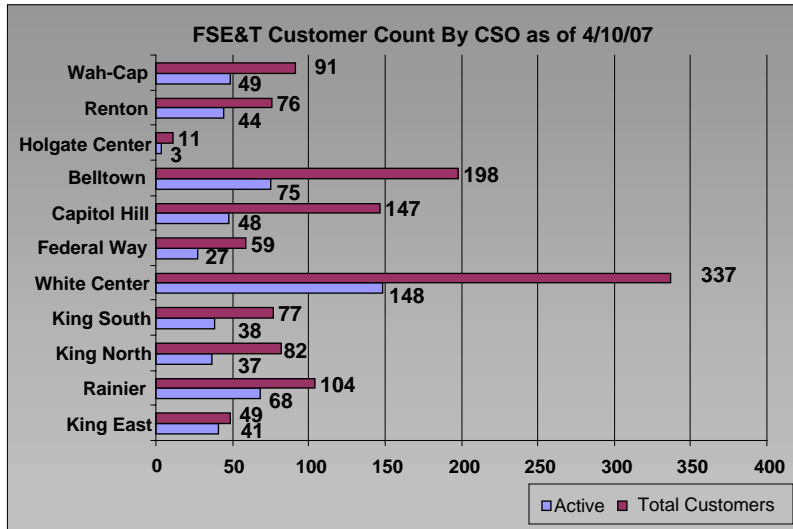
Geographic Focus

The FSE&T pilot completed its first 18 months of operation on April 30, 2007. As indicated in the graphic below, the pilot has served 1,231 people in that period, 27% of whom have been affiliated with the White Center CSO². The proportionally high level of overall client

¹ In June 2006, Shoreline Community College (SCC) began serving participants during the summer quarter. SCC was not interviewed for this paper because its FSE&T program became operational after the first 18 months of the pilot.

² Data related to the number of clients served and those actively participating is tracked cumulatively and cannot be captured for specific timeframes. DSHS pulls reports for customer counts mid-month as experience has demonstrated that FSE&T enrollments typically happen within the first two weeks of the month. The data cut-off point is 4/10/07 and represents clients served from the start of the pilot.

affiliation with the White Center CSO is fitting, given the emphasis placed in the first year of the pilot on the White Center and Boulevard Park neighborhoods. While providers were not strictly limited to serving residents from this catchment area exclusively, they were asked by DSHS to target their recruitment and services on these communities.



Total Clients Served
1,231

Total White Center CSO
337 (27%)

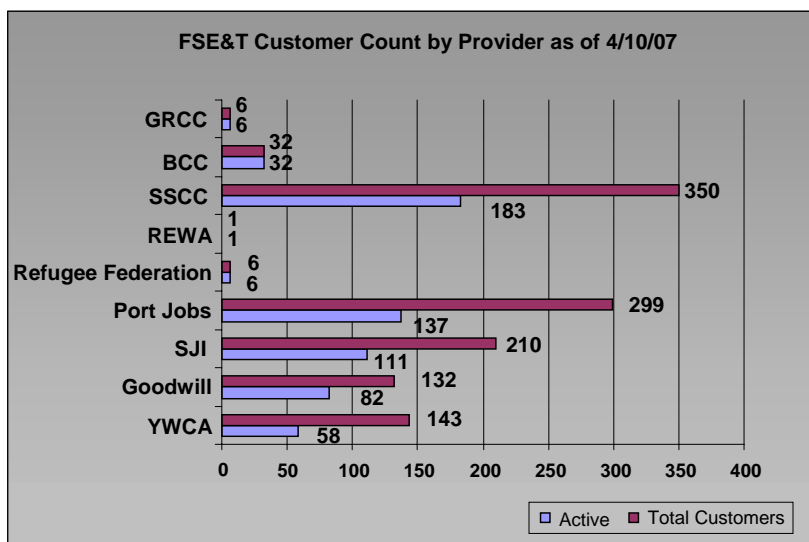
Total Active Clients
578

Active White Center
148 (26%)

Source: Data compiled from FSE&T Customer Count tables produced by Tim Fultz, Department of Social and Health Services

When the pilot expanded in December 2006 to include providers in north, south and east King County, the mandate to focus on these communities ceased. Yet, as the chart indicates, the geographic focus on White Center and Boulevard Park has persisted, with the percentage of the total active clients who are affiliated with the White Center CSO holding steady.

Another indicator of the proportionally high concentration of FSE&T services in White Center is the fact that SSCC, located within the White Center CSO service area, maintains the highest caseload of FSE&T clients among all participating providers, as illustrated below.



Source: Data compiled from FSE&T Customer Count tables produced by Tim Fultz, Department of Social and Health Services

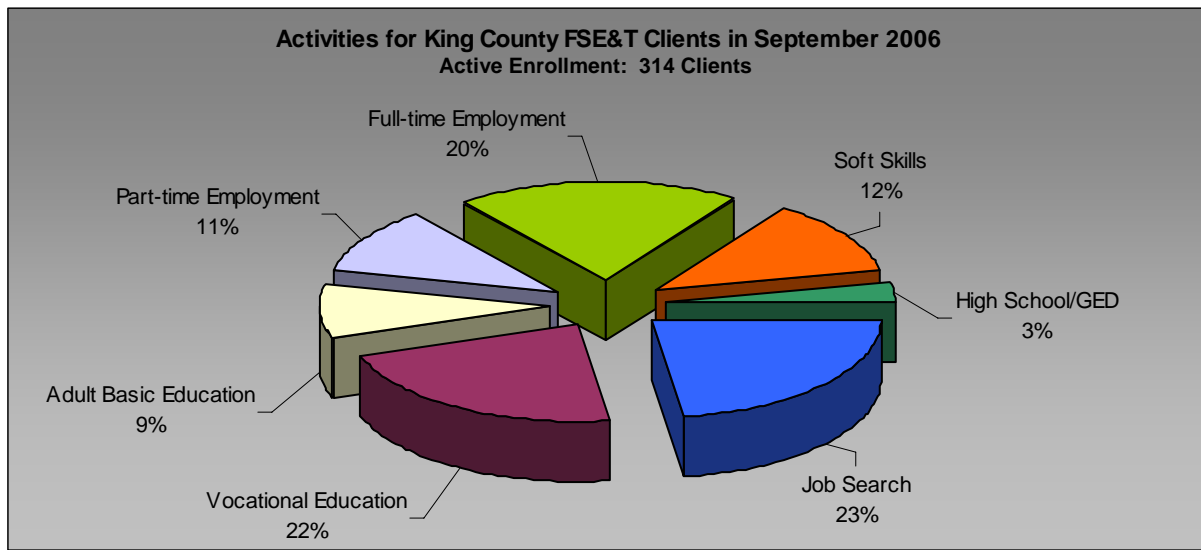
The graph shows that 32% of active FSE&T clients are being served by SSCC, only one of nine providers, and that over the course of the pilot, SSCC has served 28% of the total number of FSE&T clients. While the concentration of FSE&T services at SSCC is likely the result of several factors, including the large number of low-income people served by the college generally, it is important that a provider located within the greater White Center area is providing FSE&T services to the greatest number of Basic Food recipients.

The concentration of services on residents of the White Center community during the first pilot year was the result not only of providers targeting their recruitment and outreach on this community, but of the White Center CSO, an early adopter of FSE&T, establishing a strong operational foundation for recruiting and providing referrals for FSE&T services. Another contributing factor includes the size of the catchment area for the White Center CSO, which serves more than a dozen zip codes.

Services Provided and Outcomes Achieved

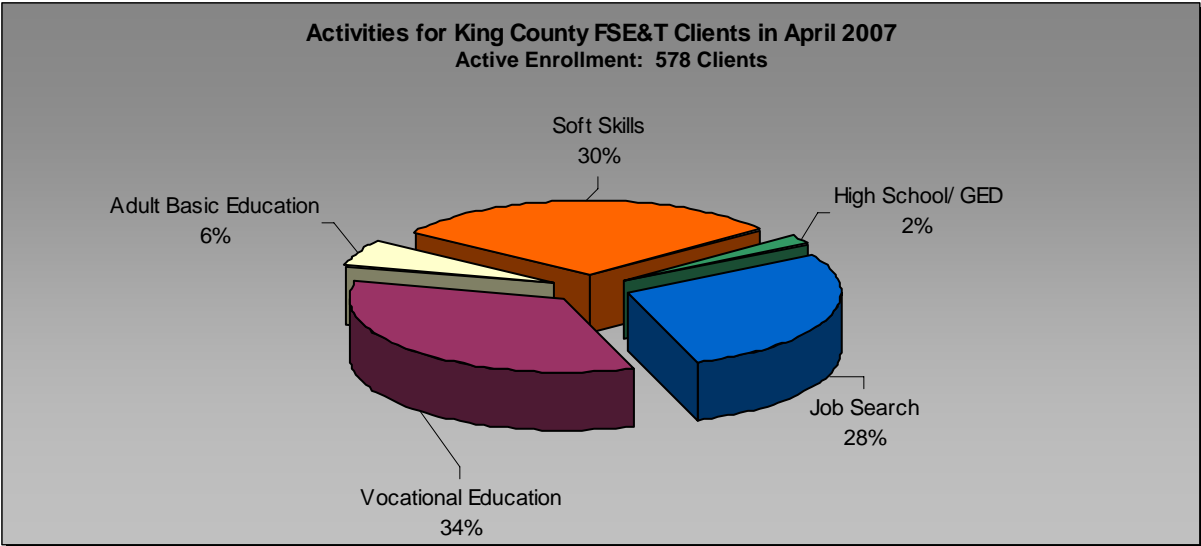
Over the course of the pilot, the participating agencies, in partnership with DSHS, have provided a variety of employment and training services and produced positive outcomes for the clients served. As noted in the Methodology section, only limited data can be gleaned to present a complete picture of the FSE&T services received and outcomes achieved by specific clients such as would afford a meaningful picture of the impact of FSE&T on residents of White Center. What is available is information on the services received by FSE&T clients as a whole as well as client outcomes by CSO and provider, from which can be drawn broad conclusions about the impact of FSE&T on White Center residents.

The services provided by the pilot organizations range widely and represent a significant expansion of the menu of choices available for Basic Food recipients in the county. The following charts summarize the activities of participating clients at the end of September 2006 and April 2007³:



Note: Some clients are participating in more than one component so the segments represent some double-counting of individuals. Source: Tim Fultz, Department of Social and Health Services.

³Data regarding the activity components is not tracked on a cumulative basis and represents client status at a specific point in time. Additionally, DSHS created a separate employment report in April 2007 and no longer includes full-and part-time employment as part of this report.



Note: Some clients are participating in more than one component so the segments represent some double-counting of individuals.
Source: Tim Fultz, Department of Social and Health Services.

Vocational education and job search, available at the community colleges or through the community-based organizations, have been the core activities for FSE&T clients. Participation in soft skills has become a front-runner as well.

The FSE&T providers have been successful in placing participants in jobs that pay well above the current Washington State minimum wage of \$7.93 per hour. In the first year of the pilot, the average hourly wage across the five pilot agencies was \$10.51. In the second year of the pilot through May 2007, the average wage across nine pilot agencies is \$11.15 per hour, an increase of 64 cents. Of those placed in jobs, one-third have been affiliated with the White Center CSO, representing the largest percentage of employed clients among the eleven participating CSOs. The table below summarizes employment and wage outcomes from the start of the pilot in October 2005 through May 2007⁴:

JOB PLACEMENT AND WAGES BY PERIOD

Data Set	10/15/05 – 9/30/06	10/1/06-5/14/07	Total/Avg.
Job Placement – Overall	179	90	269
Job Placement – White Center CSO	60 (34%)	27 (30%)	87 (32%)
Average Wage – Overall	\$10.51	\$11.15	\$10.72
Average Wage – White Center CSO	\$10.91	\$11.16	\$10.99

Source: Data compiled from Employment and Wage tables produced by Tim Fultz, Department of Social and Health Services

⁴It is important to note that the first 18 months of the pilot ended on April 30, 2007; however, employment reports are pulled on roughly a quarterly basis, thus a mid-May cut-off point for 2007 data. For data regarding job placement and average wage broken down by contractor and CSO, see Appendix A.

In March 2007, DSHS produced a specialized internal report that tracked wage progression over the course of the pilot until that date. The chart below shows the impact that the FSE&T program has had on improving placement wages for participating clients⁵:

WAGE PROGRESSION: 10/15/05 – 3/08/07

Average Pre-FSE&T Wage	Average Post-FSE&T Wage	% Wage Gain
\$8.80	\$11.46	30%

Source: Tim Fultz, Department of Social and Health Services

The pilot continues to demonstrate that the availability of employment and training services to Basic Food recipients has generated promising results, both in terms of job placements and wage gains. The combination of case management, English as a Second Language, job readiness training and job search assistance provided by the participating community-based organizations as well as access to sector-based, short-term training opportunities available through Goodwill, SJI, SSCC, BCC and GRCC has resulted in higher wage job placements well exceeding Washington State’s minimum wage.

V. FSE&T’s Impact on King County Employment and Training Services

Outreach/Recruitment

The degree to which providers have altered their client outreach and recruitment strategies as a result of their participation in the FSE&T pilot program varies significantly. Some providers did not alter their outreach approaches at all, some modified their existing approaches, while others began conducting new, specialized recruitment of Basic Food recipients.

Maintaining Current Outreach Strategies

Some pilot agencies, like Port Jobs and Refugee Federation, have not made recruitment of FSE&T eligible clients a primary focus. These agencies simply assess at intake whether or not clients are receiving Basic Food and then designate eligible individuals as FSE&T clients. In essence, FSE&T clients at these agencies are simply those who are already coming to Port Jobs or Refugee Federation for services. In the case of Port Jobs, staff members do help eligibilize clients for Basic Food as an added service.

Additionally, GRCC has not instituted an external outreach campaign at this time. GRCC is creating awareness internally of and educating staff about the FSE&T program. Students who need funding and don’t qualify for other financial aid sources are referred to the Workforce Education department if they are eligible for Basic Food.

Modifying Outreach to Include Basic Food and FSE&T

REWA is an example of a provider that has incorporated FSE&T into its regular outreach efforts. REWA conducts outreach activities at the DSHS CSOs, and it now includes Basic Food/FSE&T-specific information in this effort. REWA is also a Basic Food contractor (as is SJI), and enrolls people for food assistance. A challenge for REWA’s marketing efforts is the

⁵ As of 3/8/07, there were 19 wage progressions. Average wages will fluctuate based on reported job placements within a given month, thus a higher post-FSE&T wage for March 2007 versus April 2007. Tracking this data is a labor intensive process and given the limitation of DSHS’ database and staff constraints, it is not compiled on a regular basis. This specialized report was prepared for internal DSHS purposes.

need to translate Basic Food/FSE&T outreach materials into several different languages, which it finds cost prohibitive.

Goodwill and SJI have stepped up their recruitment efforts to promote Basic Food/FSE&T in the community:

- SJI attends job readiness training sessions at partner community-based organizations to promote Basic Food and the ancillary FSE&T services.
- Goodwill promotes FSE&T services in the classrooms once per term. In addition, letters are sent promoting Goodwill's services to individuals on lists of area Basic Food recipients that the agency receives from DSHS.

Collaborating on Outreach and Recruitment

The YWCA's FSE&T outreach efforts initially targeted its existing clients at Greenbridge Housing Development who were receiving services through HUD funding. YWCA targeted FSE&T to this group as a way to offer employment and training services to public housing residents. Outreach was also conducted at the White Center CSO, which generated many FSE&T clients. Furthermore, the YWCA participated in fairs, hosted by SSCC at its campus, specifically focused on attracting FSE&T clients. Unfortunately, attending these fairs did not yield many clients. The YWCA is beginning to think about ways to expand outreach efforts beyond those already receiving Basic Food, but is hampered by staffing constraints.

For the YWCA, relationships with the community colleges have facilitated access to clients in need of case management while gaining job skills. Through partnership with BCC, GRCC and SSCC, the YWCA receives referrals for its services from the colleges, in addition to referrals provided by DSHS. The YWCA also has strong referral relationships with Neighborhood House and Highline Community College.

SSCC is now receiving more referrals from participating FSE&T providers for the training and education opportunities offered at the school. As noted above, SSCC also hosts recruitment fairs on campus that are generally attended by a majority of the pilot agencies. The fairs, however, have not generated new clients for most of the providers. According to the providers, there are two deterrents to generating interest in FSE&T during the fairs:

1. The degree of shame associated with receiving Basic Food for many; and
2. The discomfort people may feel in talking about their needs in such a public venue and on a college campus.

The providers recommend hosting the fairs at community agencies, which are less intimidating to potential clients. On a positive note, Goodwill noted that while the fair itself does not generate immediate interest, the agency does experience a wave of people interested in FSE&T within a month or two of the fairs. People attending the fairs pick up flyers and share them with friends or neighbors. Through word of mouth, people are directed to Goodwill's services.

Targeting Outreach to Basic Food Recipients

BCC has significantly altered its recruitment efforts within the workforce program as a result of its participation in FSE&T. DSHS provided BCC a list of all the Basic Food participants (more than 3,500 people) in Renton and the Eastside, to which BCC sent a mass mailing advertising its programs and the availability of FSE&T to help pay for costs. BCC was inundated with hundreds of calls after the mailing was sent. A large percentage of BCC's FSE&T enrollment has resulted from this mailing. In the future, BCC will be conducting outreach at the Renton and Eastside CSOs. BCC also maintains internal communications on

campus with other academic programs and student support programs to let them know about FSE&T. In the fall/winter quarters, BCC plans to advertise specifically to recruit low-income students.

Access to Services

The FSE&T pilot has not only increased access to employment and training services for Basic Food recipients, but has also led to expanded services in the case of the YWCA and Goodwill. For the remaining providers, while services are not necessarily being expanded, existing services are reaching people who would not have otherwise been served.

In the case of the community college pilot participants, FSE&T has become a vehicle to serve low-income individuals otherwise unable to access training and educational opportunities. A funding source that covers tuition and books for Basic Food recipients, FSE&T is, according to Mike Callahan at GRCC, a way to pay for students who don't qualify for Worker Retraining or WorkFirst dollars, as well as those who have rolled off Pell grants for one reason or another. BCC and SSCC echo this point: part of the impetus for their joining the FSE&T pilot was to reach a new population of students who could not access the college because of funding constraints related to personal income, credit history, criminal background and available federal financial aid. In the case of SSCC, FSE&T has specifically enabled the college to better serve homeless individuals and ex-offenders.

Among the other pilot agencies, Goodwill, SJI, Port Jobs, REWA and Refugee Federation cite FSE&T as a way to increase access to their services and expand the number of clients they serve. Both Goodwill and REWA are already experiencing growth in their client base due to FSE&T. Barbara Nabors-Glass, Vice President of Job Training and Education at Goodwill, states that "FSE&T encourages people to participate and *persist* with our programs." Not only does FSE&T help people commit to a training program, but serves as a conduit for Goodwill's services with more people coming through Goodwill's door. Ms. Nabors-Glass states, Goodwill has "increased [its training caseload] by about 150 people since we started FSE&T and there are probably 150 more who know about [its training program], but aren't eligible."

Though just getting its FSE&T program started, Refugee Federation expects FSE&T to allow it to expand access to its services. Complementing federal funding Refugee Federation now receives specifically for services geared toward refugee populations, FSE&T will allow the agency to serve immigrants who do not qualify as refugees. As is true for the community colleges, FSE&T helps fill the funding gap for clients who are eligible for Basic Food but who do not qualify for other available funding sources.

SJI has also experienced a shift in clients as a result of its participation in the FSE&T pilot. While the agency is not seeing an increase in the total number of people served, it has experienced an increase in the number of people served who are already receiving Basic Food, as well as more referrals from DSHS. While FSE&T has not resulted in an expansion of services by SJI, FSE&T has provided it an additional revenue stream that has allowed it to maintain current levels of service.

The YWCA is the only pilot service provider that created a program that exclusively serves Basic Food recipients. As a result, the YWCA has been able to provide expanded services to public housing residents of the Greenbridge Housing Development in White Center. Prior to the FSE&T pilot, the YWCA's employment and training services were limited to job readiness, job search assistance, and case management. By joining the pilot, the YWCA was able to augment its service offering to include support services and tuition assistance for vocational training. Additionally, FSE&T enabled the YWCA to diversify its client base

beyond public housing residents within the White Center community. As described by Matt King, YWCA Employment Services Senior Director, "FSE&T allows us to serve those we wouldn't otherwise be able to serve and we're providing services to almost entirely new clients that represent more people from different populations. We were able to reach an additional 70 people and become a larger resource to the White Center community."

Port Jobs, typically an employment information and referral clearinghouse, also added a new service component as a result of joining the FSE&T pilot: eligibilizing clients for Basic Food, the prerequisite for FSE&T services. Basic Food outreach is not a primary activity for Port Jobs; however, the agency now helps clients complete the application process and develops a more intensive relationship with them (described in more detail in the next section).

For the community colleges, FSE&T has also become a strategy for creating access to longer-term training. In some cases, FSE&T is the only funding source available to students who want to pursue training and educational opportunities. In other cases, the community colleges can weave FSE&T into the funding mix as students exhaust Worker Retraining, WorkFirst (provides up to one year of vocational education), and Dislocated Workers funds as a way to cover the expenses of longer-term training.

To illustrate, SSCC is using FSE&T as a gateway to degree programs for low-income individuals who don't qualify for other financial aid options. As SSCC's FSE&T program has evolved, there has been a significant shift in participation in short-term training versus longer-term degree programs. During the first year of the pilot, the majority of SSCC's FSE&T clients in vocational education attended short-term training courses. However, in the first half of the pilot's second year, 35% were in degree programs versus 31% in short-term training, out of 411 participants⁶.

To help with the recruitment and referral process for longer-term training, BCC developed a tri-fold brochure that lists all of the participating providers, the types of services available and how to qualify for FSE&T. DSHS printed the brochures in color and distributed them among all of the participating agencies.

Enhanced Services

The FSE&T pilot has also resulted in enhanced services, primarily among the original five pilot agencies. SJI has enhanced its services by hiring a Basic Food outreach coordinator. This is a dedicated staff person focused on increasing the take up rate of Basic Food among SJI clients, tracking and verifying eligibility, and interfacing with partner community-based organizations to increase awareness about food stamps and the benefits of FSE&T services.

As noted in the previous section, Port Jobs, which has traditionally provided "light touch" job search assistance, has developed higher touch follow up with clients due to FSE&T reporting requirements. To track and verify eligibility as mandated by its participation in the FSE&T program, Port Jobs now calls all FSE&T clients within a month of providing initial services as a way to re-engage them. Clients who remain interested in finding employment come back to review job openings at a more in-depth level with the aid of an employment specialist.

Goodwill has also developed program enhancements through its participation in the FSE&T pilot, including shifting its intake process and redesigning its training program. As part of the intake process, Goodwill now assists eligible clients in completing the Basic Food

⁶ The data provided by SSCC covers the period September 2006 through June 2007, which represents the Fall 2006, Winter 2007 and Spring 2007 academic quarters.

application instead of referring them to another program for this assistance. Though not a Basic Food contractor, Goodwill works with Basic Food clients on-site to keep them engaged and reduce the risk that clients may fall through the cracks as a result of being referred out to separate agencies.

FSE&T requirements limiting the number of hours clients can participate in employment and training programs to 30 hours (also known as the 120-Hour Rule) prompted a dramatic change to Goodwill's training model. Previously, the agency's employment and training model was an open entry and exit paid jobs program that consisted of 10 hours of classroom instruction and 30 hours in a Goodwill retail store. This format violated the 120 Hour Rule and caused Goodwill to re-evaluate its approach to employment training. The result: the program has become a more formalized three-month training offered in banking or retail. The first two months of the program are classroom-based, with training taking place seven hours per day, and the final month is spent in an internship. Goodwill assists clients who have completed the training to secure full-time employment.

Goodwill has applied lessons learned from participating in the FSE&T pilot to its entire organization. For example, the FSE&T program's requirement of ongoing client status verification led Goodwill to place greater emphasis on monitoring client attendance. The agency has become more interactive and proactive in staying connected to its clients, trying to maintain contact with former FSE&T clients by sending letters and postcards advertising new and upcoming classes. Clients who are initially completing programs because of FSE&T are now coming back for additional training as a result of these efforts. In addition, the agency noted that the attendance rate of FSE&T clients in its Adult Basic Education (ABE) programs improved from 49% to 65-70% because those clients were provided bus tickets through FSE&T⁷. It is now looking at how it can supply bus tickets to a broader spectrum of its training participants.

In sum, the FSE&T pilot has produced the following benefits for Basic Food recipients:

- Increased access to existing employment services;
- Provision of new services or improved program design; and
- Enhanced, higher touch services.

VI. FSE&T's Impact on Collaboration Among Providers

FSE&T has fostered new relationships among the providers and has also strengthened existing relationships, particularly for the community colleges. Keith Marler, Workforce Development Director at SSCC, for example, indicated that the college has deepened its ties to the YWCA and child care providers. He states that "the relationships [among providers] have become more congenial and we're getting more [cross-]referrals."

BCC has had a similar experience. While the college maintained pre-existing relationships with Hopelink and the YWCA, FSE&T participation has led to a deeper collaboration, with the providers now helping to sign people up for Basic Food at BCC and providing on-site case management and connections to support services. The YWCA has co-located on campus in office space provided by BCC and has access to the college calendar and e-mail system.

⁷ The majority of clients access Goodwill's FSE&T services through the ABE program.

Hopelink initially conducted Basic Food outreach and provided application assistance twice per month but has shifted to an as-needed basis to conclude on September 30, 2007.

The collaborative effort at BCC has come to function fairly seamlessly. BCC first identifies students who can benefit from the YWCA's services. Cindy Donohue, WorkFirst Program at BCC, specifically looks for students who are eager to find a job, are in their last year of short-term training, and are in need of human services supports. Those who meet her criteria are then referred directly to the on-site YWCA case manager. According to Donohue, the number of students requiring support is outpacing resources: "I keep seeing more students who could benefit from the case management and support services available through the YWCA, but know it's limited. If more Eastside community agencies became FSE&T providers, I could provide them with a caseload of students."

As a result of the FSE&T pilot, GRCC also collaborates with the YWCA, which provides services that are beyond the scope of the college. Through referrals from GRCC, the YWCA provides transportation assistance, case management, and post-training job search and placement assistance through a .5 FTE. Students at GRCC have access to a full continuum of services based on this partnership. The YWCA lauds its partnerships with the community colleges. As summed up by the YWCA's Matt King, "one of the most beneficial aspects of FSE&T has been the partnerships. Each partner has clearly defined roles and the services are very distinct, so co-enrollment isn't a challenge. The challenge is limited staff capacity."

For the past nine years, SJI and SSCC have collaborated on short-term, sector-based training courses. During the first 18 months of the pilot, 105 shared FSE&T clients completed training in office occupations, automotive, and manufacturing/welding. SJI, like the YWCA, provides the case management and wrap around support services that low-income students need while taking training courses at SSCC. Working together to provide multiple FSE&T services complements a larger project between SJI and SSCC to create career pathways – sequential training steps built around specific industries or occupations that culminate in a credential or degree. Within the SJI-SSCC collaboration, FSE&T serves as an important funding source to help people access and move along the pathway from basic skills to one- and two-year certificates or degrees.

Co-enrollment for FSE&T services has been a challenge for both Port Jobs and REWA because of the overlap in services among the providers. Thus, it is difficult to determine how to co-enroll clients and provide referrals for services that are not offered by the agency. REWA has recommended that all of the pilot agencies collaborate on the development of a cross-referral system for the various services available. For community colleges, co-enrollment is a straightforward process because their niche is providing training and education. Community-based organizations can provide case management and support services, which is typically not available within the college. Thus, each partner can play a distinct, complementary role.

In addition, some providers would like to see more cross-fertilization of ideas among themselves as a way to promote innovation. They view FSE&T as a way to expand services and would like to feel more involved in the development process. While they see DSHS as a primary champion and partner, they would like to see more opportunities for interaction and learning between providers as well as more involvement in setting the agenda for the standing FSE&T providers' meeting. Many providers believe that the monthly meeting convened by DSHS would be an ideal venue for fostering peer exchange.

VII. Challenges

Like many start up projects, the King County FSE&T pilot has been challenging, particularly as there is no existing road map to follow. As the pioneer FSE&T third-party match program, no clear have been available to guide the program's development. Consequently, the pilot agencies and DSHS staff have been forced to design and implement the program simultaneously.

While the original pilot agencies and DSHS achieved operational efficiencies during the first year and a half of the pilot, the program continues to present operational and regulatory challenges for all of the providers to varying degrees. These challenges are summarized below:

Operational Challenges

- **Clients who are eligible for food stamps often do not want to enroll in the program.** Many individuals are reluctant to enroll because of the perceived stigma of receiving food stamps, the complex eligibility and application process, or their unwillingness to reveal who lives in their household. The new providers indicated a need to discuss good tactics for recruiting clients for FSE&T, including advice in creating effective messages about the program and its benefits.
- **Client eligibility can change each month.** Some clients fail to turn in the proper paper work or stay in touch with their DSHS case managers and as a result are exited from the food stamp program. This, in turn, makes them ineligible for FSE&T services, even if they continue to receive employment and training services from the provider. Consequently, a provider's client list can change dramatically from month to month.
- **High level of staff involvement:** Documenting and tracking FSE&T participation is very labor intensive. This process includes executing the following activities: intake and assessment, case management, delivery of services, confirming names of clients with DSHS and confirming their food stamp status, monitoring active participants on a monthly basis, updating client status with DSHS and preparing billing, which is often re-submitted.
- **Maintaining the FSE&T roster:** Finding out from DSHS if a client is eligible for FSE&T is very cumbersome. Agencies submit names to DSHS via fax and then must continue to check on their eligibility status. Fluctuating client status requires a great deal of monitoring and tracking. It also makes it difficult to forecast operational costs and to predict how much match will be generated.
- **Limited access to DSHS' internal MIS system:** Providers are not allowed to verify eligibility through eJAS, DSHS' client database system nor can they input the FSE&T activity components for clients. DSHS currently inputs this information into the system. In addition, providers can only view client contact information and enter case notes. Providers are not able to view screens that contain information on Basic Food status or whether clients have appointments or outstanding paperwork needed to maintain their food benefits. As a result, providers are unable to assist clients in preserving eligibility for Basic Food until the benefit is terminated and they are notified that a case has been closed.
- **Development of an enhanced cost allocation system to capture allowable and allocable costs to facilitate billing.** Depending upon the nature of services

provided and the associated costs of those services, providers may need to develop a more sophisticated cost allocation system to support the billings. Some providers who are integrating FSE&T into their regular programs have developed cost allocation formulas based on the percentage of FSE&T clients as compared to the total number of clients they serve.

- **Providers must have resources to cover all costs for services to FSE&T clients.** While FSE&T covers 50% of the costs of qualified services an agency provides to FSE&T clients, FSE&T funds are paid as a reimbursement for costs already incurred by the agency. This means that providers must have a sufficient cash float to cover FSE&T program related expenses until they are reimbursed.

DSHS Response

DSHS understands the limitations of eJAS and is currently working on technical fixes that will streamline data entry and eligibility verification through increased access among providers. By the end of the year, DSHS expects that participating providers will be able to verify client eligibility directly through eJAS and enter in the appropriate activity codes for clients. Also, DSHS plans to increase functionality to allow providers to produce agency specific reports so that they can track client status on Basic Food. These reports will allow providers to see a more complete record of client activity so that they can provide timely assistance in helping clients maintain their eligibility for Basic Food. For example, providers will know if clients have any pending paperwork or appointments and can facilitate completion of documents or follow up to ensure clients understand the requirements of the Basic Food benefit.

In addition, DSHS now allows providers, prior to submitting their billing for the FSE&T match, to submit their rosters to verify that clients are still eligible for FSE&T services. Earlier in the pilot, providers were submitting bills multiple times because of the fluctuating roster. This pre-verification procedure, though labor intensive for DSHS, has improved the billing process for providers.

Regulatory Challenges

The regulatory issue having the most adverse impact on the majority of providers, particularly the community colleges, is the 120 Hour Rule. This rule limits participation in allowable FSE&T activities to 120 hours per month or 30 hours per week⁸. Specifically, any FSE&T services or activities that exceed 120 hours are entirely disqualified from the 50/50 match – no portion of the program or services will be deemed reimbursable.

This regulation puts the community colleges in a position of having to turn people away who want to participate in a full-time program exceeding 30 hours per week or are working full- or part-time. Under these scenarios, students won't qualify for FSE&T because their mix of activities, both work and training, will exceed the maximum number of hours. Cindy Donohue at BCC explained the challenge: "People who are working and want to take a full-time class load can't because of the 120 Hour Rule. We work with students to limit the number of classes so that they can qualify, but this lengthens their completion time. The rule discourages working *and* training." At SSCC, Keith Marler expressed his frustration

⁸ The total hours of participation in an E&T component for any household member individually in any month, together with any hours worked in a workfare program under paragraph (m) of this section and any hours worked for compensation (in cash or in kind), must not exceed 120." [7 CFR 273.7 (e)(3)(ii)].

Your FSE&T activities including paid or unpaid work will not exceed one hundred twenty hours a month whether you are exempt or nonexempt. [WAC 388-444-0005 (8)]

with the 120 Hour Rule, stating that because of the rule “we’re not able to serve as many people as we initially thought; [it] is a barrier and we’re rejecting people who could really benefit from the program.” The rule not only impacts access but limits services as well. SJI had to reduce training hours for students in its office occupations program. Laura Rowley, Deputy Director of SJI, explained, “We can’t offer training that mirrors the workplace [holding classes based on a standard 8 hour work day], which is a core part of our model.”

Another issue associated with the 120 Hour Rule is that it presents a barrier to serving the working poor. Ruth Westerbeck, Program Manager for Airport Jobs, states that “we can’t help the working poor. The rule really diminished who we can serve.” The rule not only discourages working and training, but working and participating in other skill building activities or job placement services that can lead to job upgrades.

FSE&T has gained the attention of The Workforce Alliance (TWA), a national coalition that advocates for improvements in job training, welfare-to-work, and higher education policies at both the federal and state levels. SJI has shared lessons learned from the King County pilot with the federal policy director of TWA and emphasized the challenges associated with the 120 Hour Rule. To support TWA’s advocacy effort, SJI has also been representing the other pilot providers by educating our congressional delegation about FSE&T and the need for changes that will improve access to the program and continued operation.

TWA has prepared five recommendations for Congress to consider when reauthorizing the Farm Bill, which includes the Nutrition title that governs Food Stamps and FSE&T, this fall⁹: 1) not eliminating or reducing funding for FSE&T 100% federal grants, nor capping 50-50 match funding; 2) clarifying maximum allowable hours of participation in an FSE&T employment and training component; 3) clarifying allowable provision of support services; 4) allowing for the provision of job retention services for FSE&T participants; and 5) simplifying FSE&T administration at the provider level. With regard to the 120 Hour Rule, TWA recommended that Congress lift the maximum hours restriction and is currently advocating for the above policy changes in the Senate.

VIII. DSHS’ Plan for FSE&T Expansion

In 2007, DSHS will potentially expand the FSE&T pilot to include up to four additional providers, two community colleges and two organizations that specialize in providing services to homeless adults – FareStart and the Downtown Emergency Service Center.

A primary challenge for expanding the pilot within King County for DSHS is having in place adequate staffing to manage the workload associated with operating an expanded pilot program. At this time, staffing resources at the regional office and White Center CSO have the capacity to handle the current complement of FSE&T providers plus the inclusion of possibly four more. While additional full-time equivalents (FTEs) can be funded through the Food and Nutrition Service via the FSE&T 100% funds, the department is subject to an FTE cap. To increase the number of FTEs, DSHS would need to submit a supplemental budget request, which is not likely to be approved, or wait until the next budget cycle. Given Governor Gregoire’s interest in limiting the size of government, advocacy supporting a special exemption that allows for increased staff resources to operate this program is necessary for increasing the scale of the pilot.

⁹ Food Stamp Employment & Training Program, Section 6 and 16(h) of the Food Stamp Act of 1977: Reauthorization Recommendations. The Workforce Alliance, 2007.

IX. Conclusion

Overall, the first 18 months of the FSE&T pilot have demonstrated promising results. FSE&T clients are better able to access employment and training services, and in the case of some providers, enhanced services are being offered. In addition, the pilot has facilitated increased collaboration among participating providers, primarily between community colleges and service providers, given the distinct role each partner can play.

Although data specific to the White Center community is limited, it is evident that this geographic area is well-served. Over 25% of the total clients served were affiliated with the White Center CSO, which also maintains the largest active caseload. As the pilot has evolved and expanded its focus beyond the initial target of White Center, this community continues to have the largest client base among the providers and CSOs.

To varying degrees across providers, employment and training programs have been enhanced, by offering new services, revising the service models or supplementing the existing service mix by adding a higher touch component, such as a follow-up phone call or completing the Basic Food application. Access to services has also been increased with providers being able to reach individuals that they previously could not serve due to lack of financial resources or referral connections.

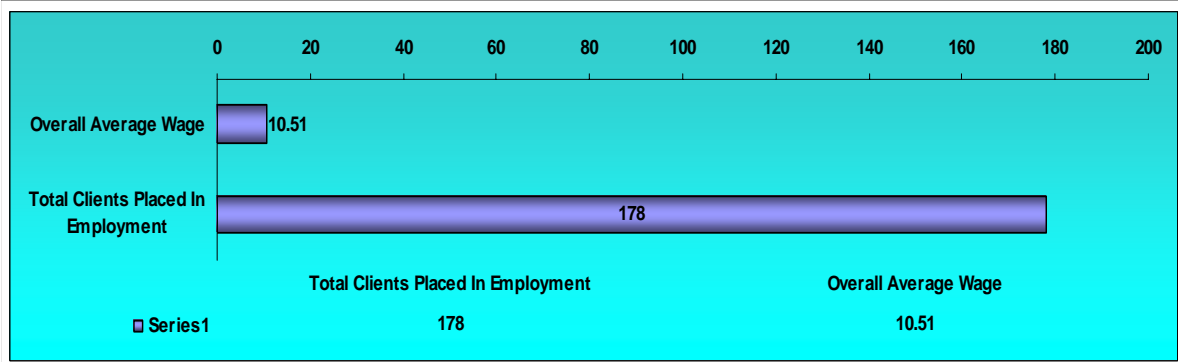
The pilot has also demonstrated the efficacy of a third-party match in bringing much needed additional resources into the workforce development system as evidenced by the \$1.1 million that has been drawn down by the providers. Though complicated to set up and operationalize, the providers felt that benefits from FSE&T outweighed the challenges and were optimistic about achieving further gains from running the program.

The FSE&T pilot is making a positive impact on the community. As more operational efficiencies are achieved by DSHS and the providers, the program will continue to evolve to include new and improved services, build capacity to expand and serve greater numbers of people, and leverage more funds through the third-party match.

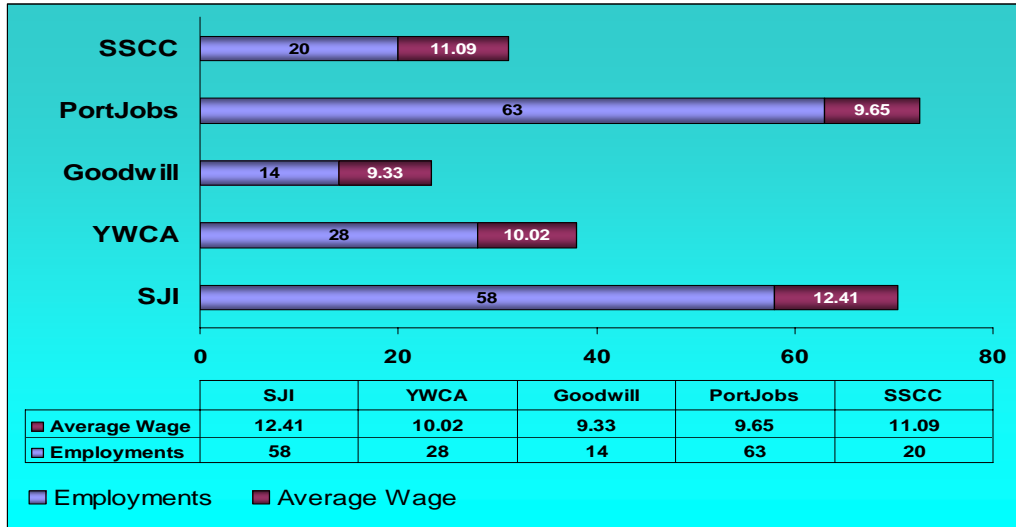
APPENDIX A: Employment Outcomes

2006 Outcomes: 10/15/2005 - 09/30/2006

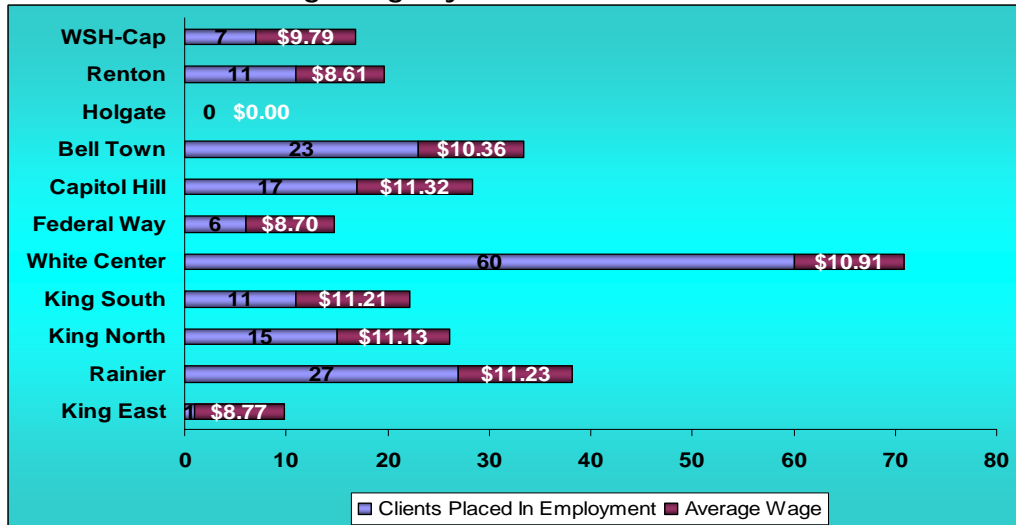
Total Placement and Average Wage



Placement and Average Wage by Provider



Placement and Average Wage by CSO



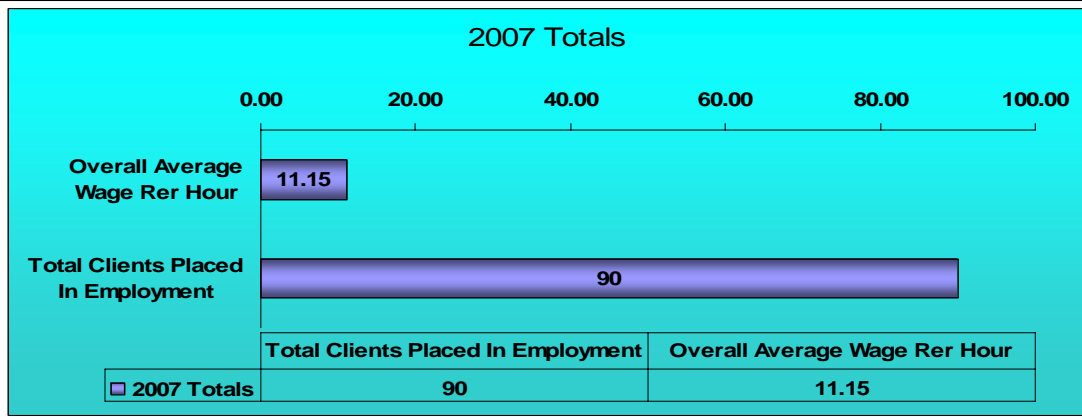
Source for all charts: Tim Fultz, Washington State Department of Social and Health Services

APPENDIX A: Employment Outcomes

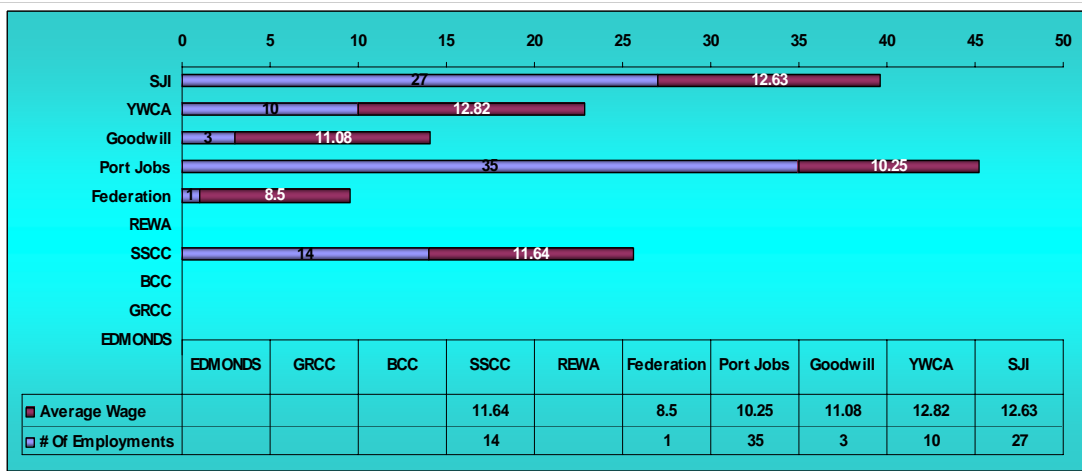
2007 Outcomes: 10/1/2006 - 05/14/2007

While the first 18-months of the pilot ended on April 30, 2007, employment reports are roughly pulled on a quarterly basis, thus a mid-May cut-off point for 2007 data.

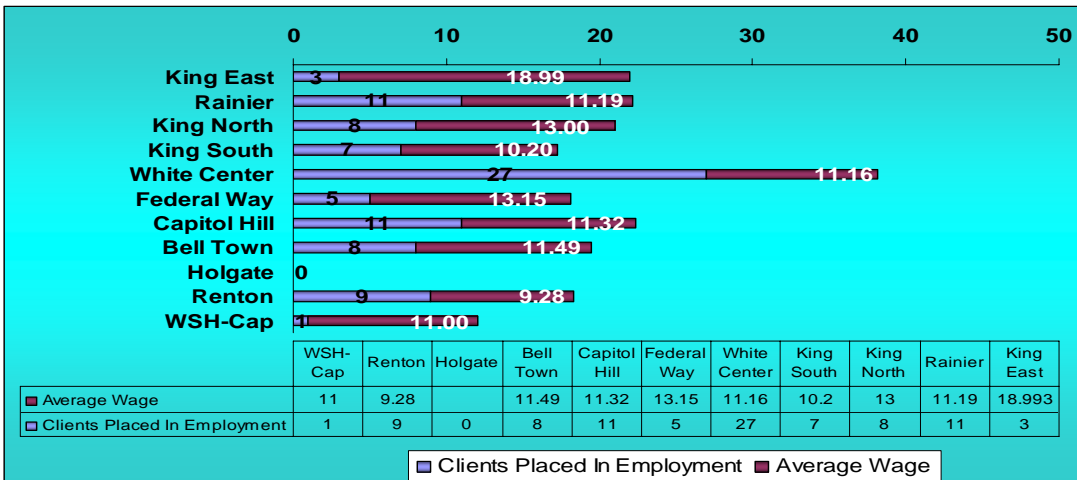
Total Placement and Average Wage



Placement and Average Wage by Provider



Placement and Average Wage by CSO



Source for all charts: Tim Fultz, Washington State Department of Social and Health Services