

# Washington State's Basic Food Employment & Training Program

JUNE 2014

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# ACKNOWLEDGEMENTS

This research by Seattle Jobs Initiative (SJI) was funded by The Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the author alone, and do not necessarily reflect the opinions of the Foundation. The author is indebted to the many individuals who have shared their knowledge of Washington's Basic Food Employment & Training program, as well as the federal Supplemental Nutrition Assistance Program Employment & Training.

**This report would not have been possible without the generous contributions of time, insight and expertise from the following individuals:**

**John Bowers**, South Seattle Community College  
**Marie Bruin**, Washington State Board for Community & Technical Colleges  
**Mat Carlisle**, Washington State Board for Community & Technical Colleges  
**Amy Crossman**, Consultant  
**Dawn Farmer**, Edmonds Community College  
**Rachel Gragg**, National Skills Coalition  
**Molly Hancock**, FareStart  
**Kelli Johnston**, Washington State Board for Community & Technical Colleges  
**Matt King**, YWCA of Seattle-King-Snohomish  
**Nancy Lucas**, Consultant  
**Jen Lyman**, Seattle Jobs Initiative  
**Darlene Molsen**, Bellevue College  
**Mike Morris**, Washington State Department of Social and Health Services  
**Susan O'Callaghan**, FareStart  
**Lisa Pan**, Washington State Department of Social and Health Services (ORIA)  
**Kathy Payne**, Washington State Department of Social and Health Services  
**Mike Schwartz**, YWCA of Seattle-King-Snohomish  
**Jeff Sikora**, Seattle Goodwill Industries  
**Rosanna Stephens**, Seattle Goodwill Industries  
**Jan Strand**, Edmonds Community College  
**Jason Turner**, Washington State Department of Social and Health Services  
**Bob Watrus**, Consultant  
**Heather Worthley**, Port Jobs

**Out-of-state SNAP E&T program research:**

**Aimee Chitayat**, formerly of Insight Center for Community Economic Development  
**Claudia Staniszewski**, Local Initiatives Support Corporation, Rhode Island  
**Stephanie Stewart**, Greater Twin Cities United Way  
**Larry Temple**, Texas Workforce Commission

**The lead author dedicates special thanks to Rick Krauss.** This research would not have been possible without his unsurpassed knowledge of the BFET program and major contributions to the completion of this work.

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## ◀ INTRODUCTION

About 47 million people in the United States are now enrolled in the Supplemental Nutrition Assistance Program (SNAP), previously known as the Food Stamp program.<sup>1</sup> Numbers increased significantly during the recent recession and have since remained stable at these higher levels.<sup>2</sup> Most SNAP households face multiple barriers to achieving economic self-sufficiency that will lead them no longer to require SNAP or other public benefits. Chief among these is a lack of marketable skills needed to compete for living-wage jobs in today's rapidly changing labor market.

In federal fiscal year (FFY) 2010, for example, about 80 percent SNAP households did not include anyone with education beyond high school, while approximately one-third of these households did not include a high school graduate.<sup>3</sup> For these individuals, gaining skills to increase their employability is fraught with challenges, such as a lack of resources, limited knowledge of labor market and training opportunities,

low basic skills, lack of stable housing and transportation, the need for childcare, and the need to work, often full-time, while enrolled in school or training programs.

Another challenge faced by SNAP participants in increasing their job skills is the lack of public investment in supporting them in achieving this objective. The nation's primary workforce development program – the Workforce Investment Act (WIA) – though it places a focus on low-income populations along with youth and dislocated workers, typically serves a population with fewer barriers than those on SNAP. Regardless, WIA, along with other federal workforce programs, has experienced substantial funding cuts: more than \$1 billion in just the past few years.<sup>4</sup> The Temporary Assistance for Needy Families (TANF) program – what is commonly thought of as “welfare” – does serve a population with higher barriers but provides very little support for education and training; instead, it incents moving participants quickly into what is typically low-wage, unstable employment.

Fortunately, and perhaps surprisingly even for many workforce professionals, SNAP itself supports employment and training efforts for those enrolled in the program. This is known as Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) or, prior to 2008, as Food Stamp Employment & Training (FSE&T). SNAP E&T includes several funding streams intended to support states in their efforts to assist their SNAP populations to become economically self-sufficient by providing a variety of employment and training services. To date, however, most states have made scant use of SNAP E&T, operating programs that are quite limited in scope and resources.

This was true in Washington State up until the mid-2000s. Then, in 2004, a group of government, community college, and community-based organization (CBO) leaders came together in Seattle to imagine how to utilize SNAP E&T in an innovative way to better meet the needs of low-income and low-skill residents for more education and training leading to better jobs. Little did the group know that the model that they were developing – known today as Washington's Basic Food Employment & Training (BFET) program – was something that had not before been attempted. Nor did they know that the BFET program would grow from \$150,000 at its launch in October 2005 to more than \$29 million today, expanding from Seattle to the entire state, and from one community college and a handful of CBOs to all 34 of the state's colleges and more than 30 CBOs.

Over these few short years of rapid growth, BFET has generated positive results for those on Basic Food (Washington's name for SNAP), demonstrated in the robust data that the BFET program collects to provide evidence of impact and a basis for continuous improvement. The BFET story is one that includes some luck and good timing, innovative and dedicated partners, and multiple programmatic and policy challenges, some of which remain to be addressed. It is a story that, by its telling, might lead other states and localities to envision how they might develop and expand their own innovative SNAP E&T programs, leading more of those individuals in the greatest need out of poverty through improved skills and employment opportunities.

## ◀ ABOUT SNAP E&T

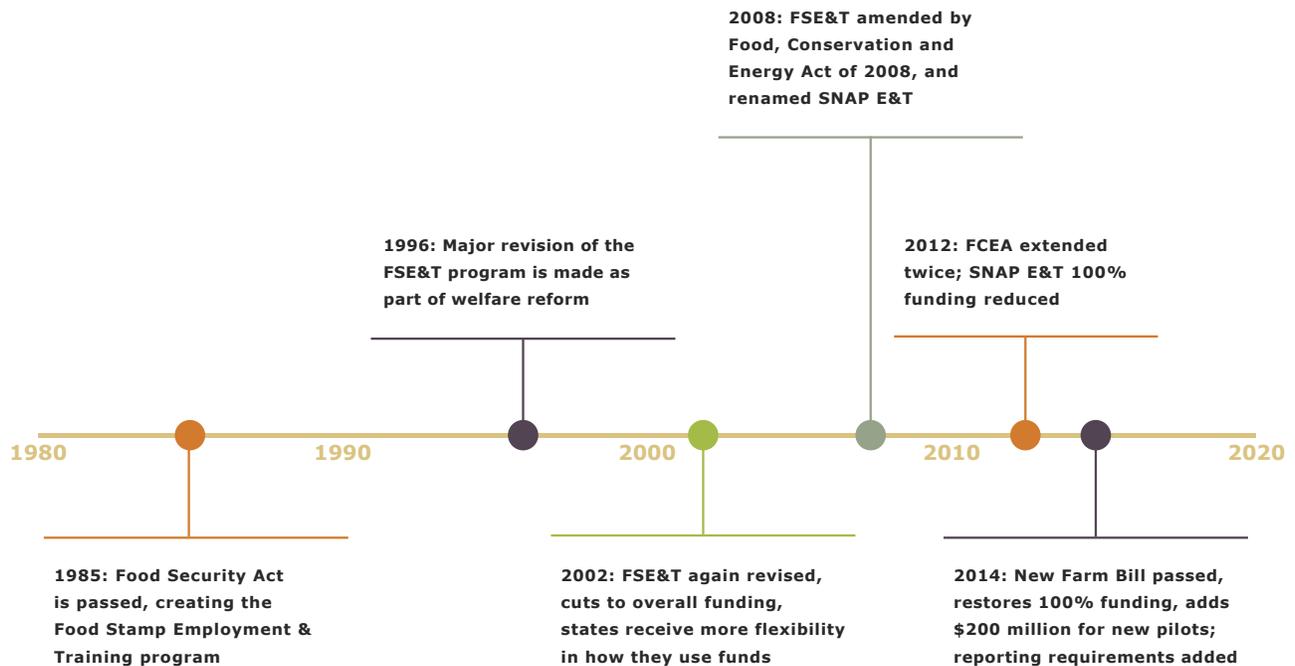
A comprehensive review of SNAP E&T will not be provided here as two excellent resources are available which offer this information: the federal government’s *SNAP Employment and Training Tool Kit* and the National Skills Coalition’s *SNAP E&T guide, Moving Low-Skill SNAP Recipients Toward Self-Sufficiency*.<sup>5</sup> However, a basic overview of SNAP E&T – and in particular the program aspects supporting a third-party match model such as BFET – will be helpful to provide context for the reader. This section summarizes information from the two aforementioned resources as well as details from the Center for Law and Social Policy’s paper, *Where the Funds Are: The Use of FSET Funds for Workforce Training Programs*.<sup>6</sup>

## ◀ SNAP E&T LEGISLATIVE TIMELINE

**1985:** Food Security Act is passed, creating the Food Stamp Employment & Training program (FSE&T, later renamed Supplemental Nutrition Program Employment & Training, or SNAP E&T) to “provide opportunities for food stamp recipients to improve their employment prospects and reduce reliance on food stamps.” [Food Security Act of 1985, 16 U.S.C. 3801-3862]

**1996:** A major revision of the FSE&T program is made as part of welfare reform. Total FSE&T funding is increased and prioritizes Able-Bodied Adults without Dependents (ABAWDs) because these individuals became time-limited in their receipt of food stamps. [Federal Agriculture Improvement & Reform Act of 1996, P.L. 104-127; 110 Stat. 888]

FIGURE 1: SNAP E&T LEGISLATIVE TIMELINE



**2002:** FSE&T was again significantly revised in the 2002 Farm Bill [Farm Security and Rural Investment Act of 2002; P.L. 107-171; 116 Stat. 134], cutting overall funding but giving states more flexibility in how they use funds (reducing focus on ABAWDs). It also included new FSE&T funding for states that pledged to serve their entire population of ABAWDs facing termination of benefits.

**2008:** FSE&T was amended by the Food, Conservation and Energy Act (FCEA) [Food, Conservation and Energy Act of 2008, P.L. 110-234; 122 Stat. 923]. It was renamed SNAP E&T and important changes were made that had been championed by leaders of Washington State’s BFET program, including eliminating the “120-Hour Rule” (described in this research), and allowing SNAP E&T to support up to 90 days of job retention services.

**2012:** In December, the FCEA was extended first for nine months as part of the fiscal cliff deal [American Taxpayer Relief Act of 2012; P.L. 112-240] and then extended again until the end of January 2014. As part of these extensions, SNAP E&T 100 percent funding was reduced.

**2014:** A new Farm Bill was passed, the Agricultural Act of 2014 [Agricultural Act of 2014; H.R. 2642, 113th Congress]. It restored 100 percent SNAP E&T funding to 2012 levels and added \$200 million in new funding for SNAP E&T pilots based, in part, on the success of Washington’s BFET program. It also added metric reporting requirements for SNAP E&T programs.

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The SNAP E&T program is administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture. All states are required to operate SNAP E&T programs, but under current law they have significant flexibility in the design and scope of their programs, with many states offering very limited services. On an annual basis, each state must submit a SNAP E&T plan to FNS that outlines the program activities it will undertake during following year. In Washington State, this plan is typically submitted in August, well before the start of the federal fiscal year on October first. State SNAP E&T Plans contain the following basic elements<sup>7</sup>:

- Program components (e.g., job search, vocational education) that the state plans to provide;
- Categories of SNAP recipients that the state will exempt from participation;
- Characteristics of the population that the state plans to place in SNAP E&T;
- Geographic areas covered/not covered by the SNAP E&T plan, along with types of services offered in those areas.

State plans must be approved by FNS. States may amend their plans at any point during the fiscal year, but FNS must approve these amendments.

SNAP E&T is comprised of five distinct funding streams, two of which are fully funded by the federal government (100 percent funds) and three of which are 50-50 matching funds, meaning that the federal government will reimburse states for 50 percent of their actual expenditures for SNAP E&T activities covered by these funds.



## 100 PERCENT FUNDING STREAMS

- **General SNAP E&T 100 Percent Funds:** These funds (currently \$90 million) are allocated to states by formula based upon the number of ABAWDs a state has that are not exempt from SNAP work requirements. Each state is guaranteed a minimum of \$50,000. These funds may be used for all facets of state SNAP E&T programs (e.g. planning, implementation, operation, administration and direct services provided by the state or third-party contractors) except for the direct reimbursement of participant expenses (qualified supplies may be purchased for participants with these funds). Importantly, FNS

can reallocate states' unspent 100 percent funds to other states upon request. This process occurs about halfway through the federal fiscal year.

- **Pledge State 100 Percent Funds:** These funds (currently \$20 million) are available to states that pledge to provide work or training opportunities for all of their ABAWD population during their third (and final) month of SNAP eligibility. There are only a few states currently participating in this funding stream.

## ◀ 50-50 MATCH FUNDING STREAMS

- **Additional Administrative Cost Funding:** States may request 50 percent matching fund reimbursement for their SNAP E&T administrative and program costs that are over and above what is covered by their 100 percent grants. It is this funding stream that supports much of Washington State's BFET program, as these funds may support costs for services provided by the state as well as third-party contractors.
- **Dependent Care Expense Funding:** 50 percent matching fund reimbursement may also be used for dependent care expenses for SNAP E&T participants.
- **SNAP E&T Participant Expense Funding:** Unlike 100 percent funds, 50-50 match funds may be used by states to fund SNAP E&T participant expenses that are reasonable and directly related to participation in the program. This includes expenses for transportation, books and supplies, equipment, and housing assistance as well as vision, dental and legal assistance.

Matching funds are, in essence, uncapped. That said, SNAP E&T funding is part of the congressional budget which includes an overall limit for FNS to allocate to the program. Moreover, in contracting with the states, FNS must approve the amount of 50-50 funds requested within state plans as reasonable given the stated services to be provided and number to be served. The state match for SNAP E&T 50-50 funds must be non-federal funds that are also not being utilized to support other federal match requirements.

## ◀ ACTIVITIES SUPPORTED BY SNAP E&T

Services funded by SNAP E&T programs must include one or more of following:

- Job search activities;
- Job search training, including skills assessments, job finding clubs, training in employability techniques, and job placement services;

- Workfare programs;
- Programs designed to improve both the employability of eligible individuals through actual work experience, training, or both;
- Educational programs to improve basic skills and literacy;
- Programs designed to increase an individual's self-sufficiency through self-employment;
- Programs to provide job retention services for up to 90 days following employment;
- Other employment, educational, or training programs approved by the Secretary of Agriculture or the state.



## PROGRAM ELIGIBILITY

The following rules pertain to the eligibility for SNAP E&T services, and describe the important distinction between mandatory and voluntary SNAP E&T participants:

- Generally, any work-ready SNAP participant who is not receiving TANF is eligible for SNAP E&T. Except for job retention services, an individual is only eligible for SNAP E&T in the months during which he or she is receiving SNAP benefits;
- States have the discretion to determine who may be served in their SNAP E&T programs, including whether participation is mandatory or voluntary, and how many may be served;
- Mandatory SNAP E&T participants are SNAP recipients who do not qualify for federal work registration exemptions and who a state requires to participate in its SNAP E&T program as a condition of receiving benefits. It is the states' discretion to have mandatory populations as part of their SNAP E&T programs: states may run entirely voluntary programs if desired. Mandatory participants face sanctions –including loss of SNAP eligibility – if they fail to participate in a state's SNAP E&T program;
- All SNAP recipients between the ages of 16-59 are subject to federal work registration requirements. This means that they must register for work at a designated employment office, participate in a SNAP E&T program if assigned by a state agency, and accept offers of suitable employment. Those who fail to comply face sanctions, including a loss of SNAP eligibility;
- There are, however, multiple exemptions to federal work registration requirements. Exempt are those: physically/mentally unfit for employment; complying with work requirements under TANF; responsible for the care of a child under six; receiving unemployment benefits; participating in a drug/alcohol rehabilitation program; enrolled at least half-time in any school, work training program or institution of higher education; or already working

at least 30 hours week. Most SNAP participants meet one or more of these exemptions. For example, of the 32.9 million SNAP participants in 2009, fewer than 13 percent were required to register for work.<sup>8</sup>

- Those exempt from work registration requirements are also exempt from SNAP E&T requirements. Yet it is not true that those who are not exempt are automatically mandatory SNAP E&T participants. Again, this is at the discretion of states, though most states are, in fact, using their SNAP E&T programs primarily for these non-exempt individuals. Nationally, mandatory participants make up about 80 percent of total SNAP E&T participants nationwide.<sup>9</sup>
- Voluntary SNAP E&T participants are SNAP recipients who qualify for the exemptions described but choose to participate in their state's SNAP E&T programs. They may not be sanctioned for failure to participate in SNAP E&T.
- The approach of exempting all SNAP recipients from SNAP E&T and operating on an all-volunteer basis is that presently taken by Washington's BFET program. This has greatly benefited the program because it allows the program to serve participants who are motivated to be there to improve their circumstances through employment and skills training, while eliminating concerns about sanctions for non-compliance and reducing the administrative burden on providers of meeting the onerous tracking/reporting requirements that accompany sanctions.

## ◀ PERFORMANCE ACCOUNTABILITY

Until recently, states had great leeway in determining what outcome measures to collect in operating their SNAP E&T programs, with no outcome reporting requirements specified by federal law. In January 2014, passage of the new Farm Bill<sup>10</sup> codified reporting measures for the SNAP E&T program. Importantly, no performance measures are mandated.

States are now required to identify in their annual SNAP E&T plans reporting measures (and report these to FNS) which may include the following: 1) percentage/number of individuals gaining employment; 2) percentage/number of individuals obtaining a recognized credential (or registered apprenticeship, high school diploma or GED); 3) percentage/number of individuals enrolled in an education and training program leading to a recognized credential (or registered apprenticeship, high school diploma or GED); 4) percentage/number of individuals making measurable skills gains.<sup>11</sup> In addition, FNS is required to assess states' SNAP E&T programs to ensure that their reporting measures "are appropriate to identify improvements in skills, training, work and experience for participants in an employment and training component."<sup>12</sup>

## ◀ WHAT IS A THIRD-PARTY MATCH SNAP E&T MODEL?

Washington's BFET program is a unique example of a SNAP E&T "third-party match" (or more appropriately, a "third-party reimbursement") model. Today, there are other limited third-party match SNAP E&T programs operating in other states, as described in Appendix A. A third-party match model simply means that rather than the state expending its own funds to serve as match for federal SNAP E&T 50-50 funds, the match is being provided by third-parties – community colleges and community-based organizations.

The state is partnering with these agencies through contractual arrangement to provide SNAP E&T services utilizing their own non-federal funding sources, such as other state or local government funding, philanthropic grants or private donations, to serve as match. The state then may use its 100 percent SNAP E&T funding and/or 50 percent reimbursement funds to pay for partner services (utilizing 100 percent funds to also meet its program administrative costs).<sup>13</sup> In this way, the state is able to tap into the expertise of colleges and CBOs in providing employment and training services, expand the services available to SNAP E&T participants, and limit/leverage its own investment.

FNS describes two general models for third-party match programs. First, in a more limited model, the state contracts agencies to provide SNAP E&T services (for which they are reimbursed) but the state retains responsibility for recruiting clients, assessing them, referring them to the appropriate contracted agency for services, and tracking clients.<sup>14</sup> Washington's BFET program is an example of a more expansive third-party match model, in which contracted agencies not only provide services but take on the "client pipeline" functions from the state. In either model, the state retains oversight of SNAP E&T components provided by partner agencies. The state remains responsible for submitting the state's SNAP E&T plan, securing reimbursement from and reporting to FNS.<sup>15</sup>

As will be described in reference to Washington's BFET program, the administrative burden on third-party partners to participate in SNAP E&T is not minimal. It is not enough that a prospective partner offer appropriate services for SNAP E&T participants; it must also have the capacity to appropriately assess participants, verify their eligibility for SNAP E&T, and track their progress. Moreover, because SNAP E&T is a reimbursement program, agencies must have the financial liquidity to front all funding for services and then await reimbursement (an often protracted process). And agencies must be able to track costs spent on SNAP E&T participants, which can require sophisticated cost allocation systems to distinguish costs spent on SNAP E&T participants versus non-SNAP E&T participants.

## ◀ PLANNING & DEVELOPMENT OF WASHINGTON STATE'S BFET PROGRAM

The success of Washington's BFET program is largely a result of its having been built on a strong foundation during the planning process that led to the launch of the program pilot in October 2005. The state and its BFET planning partners viewed themselves as equals, and they were able to build the program by drawing upon a long history of collaboration, working toward a common goal to help disadvantaged populations with limited access to services to gain skills and employment to advance out of poverty. There were forward-thinking individuals in key positions within the planning effort who could move the concept forward and champion its cause. There was infrastructure in place at the state, including a shared case management client database that had been set up for TANF that could be adapted to meet the needs of the new program. All of these ingredients came together and with a significant amount of hard work, the BFET pilot concept was developed.



## WASHINGTON LEARNS ABOUT POTENTIAL FOR EXPANDED SNAP E&T PROGRAM

The potential for an expanded SNAP E&T program in Washington State – and specifically one utilizing a third-party match model – first came to the attention of the state’s Department of Social and Health Services (DSHS, the agency charged with administering SNAP and SNAP E&T) in 2004. At that time, DSHS Region 4 Community Service Division (Seattle/King County) was working in partnership with the local Annie E. Casey Foundation (AECF)-funded Making Connections site (the White Center Community Development Association, or WCCDA). Making Connections was a ten-year initiative that deployed a two-generation approach to help families advance out of poverty, focusing on both increasing family economic success and preparing young children for life and school. Seattle’s White Center neighborhood, one of the most diverse in the nation and having a high level of poverty, had been selected by AECF to participate in this place-based initiative, and the WCCDA had been launched in 2001.

DSHS Region 4, which maintains a Community Service Office (CSO) in White Center, had become one of many partners in the local Making Connections initiative, which sought to bring multiple organizations and resources within the community together in an effort to better align strategies and services for residents to meet the initiative’s objectives. It was AECF, via the WCCDA, that first made DSHS Region 4 aware of the potential to leverage SNAP E&T funds via a third-party match model. Leadership at WCCDA as well as the United Way of Seattle-King County were the catalyst that sparked DSHS Region 4, as the local state agency charged with administering SNAP, to explore the potential to pilot this model to increase employment and training services in the White Center area.

Spurred by a positive response from DSHS Region 4 and Making Connections to the idea of expanding SNAP E&T, AECF offered support for a national consultant familiar with SNAP E&T to meet with local DSHS leadership as well as a Planning Group formed locally for this purpose. The Planning Group was a sub-group of an existing Making Connections Work and Earnings work group that included local government and nonprofit leaders and focused on improving economic opportunities for White Center residents. While it became clear in these meetings – and more so later on – that the consultant over-promised SNAP E&T’s potential and flexibility, after learning more the Planning Group as a whole was enthusiastic to take next steps. It was in discussions with the consultant that the Planning Group began to conceive of the possibility of a third-party match SNAP E&T model: using as local match investments by non-state entities such as community colleges and community-based organizations expert in providing employment and training to low-income populations. From the outset, the local Planning Group had no idea that this model was not already in practice in other states.

As local interest in pursuing a SNAP E&T pilot strengthened, AECF determined to continue to support the Planning Group via consultants who assisted in pilot planning efforts. DSHS Region 4 and the Planning Group next began to explore the federal rules governing SNAP E&T to better understand program parameters and prepare for a discussion with FNS. The Planning Group also began to assess sources

of local match. Though, as set out below, it would take some time for DSHS leadership in Olympia to endorse the idea of a new pilot, there was initial agreement at the request of DSHS Region 4 to assign headquarters staff (including program, contract management and fiscal staff) to help explore the SNAP E&T program's potential. At the local level, DSHS Region 4's program manager for WorkFirst (who also managed what was then a very limited SNAP E&T program) was assigned to lead the activities of the Planning Group and the subsequent development of a Business Plan for the pilot. The Plan was the next step to win approval for the pilot among DSHS senior leadership.

## ◀ ASSESSING THE RISK/REWARD OF A PROSPECTIVE SNAP E&T PILOT

While DSHS Region 4 and members of the Planning Group were encouraged by the potential for expanding SNAP E&T, there were a number of factors that had to be weighed in what would be DSHS' ultimate decision on whether or not to move forward with the new model.

### **Opportunity to Augment Limited SNAP E&T/SNAP Services in Washington**

At the time DSHS was considering expanding SNAP E&T through a third-party match pilot, Washington State was already operating a very small SNAP E&T program focused exclusively on serving mandatory Basic Food populations (ABAWDs and Mandatory E&T participants, including low-income families). This program was funded with 100 percent SNAP E&T funds and had an annual budget of just \$150,000, below the state's federal allocation (such that Washington was returning unspent 100 percent funds to FNS each year). The program simply met the minimum federal requirements of providing workfare, contracted job services (provided by the state's Employment Security Department, ESD), and very limited support services. There were also in place unfunded contracts with community agencies to provide unpaid workfare but these were barely utilized. Because Washington had waivers everywhere outside of Region 4, E&T services were focused on Seattle/King County.

In addition, a significant portion of the state's population at that time was eligible for, but was not receiving, Basic Food (SNAP). It was, and continues to be, a major focus of Washington State to increase the uptake rate of Basic Food among those eligible through strategic outreach efforts, and Basic Food uptake has been a performance outcome tracked by DSHS on a regional and statewide basis. The Seattle/King County region (Region 4) at the time had one of the lowest uptake rates in the state. It was believed that expanding SNAP E&T through the pilot would significantly increase Basic Food enrollment by providing access to employment and training services as an incentive to applying for Basic Food.

## **Opportunity to Support Much Needed Employment and Training Services**

The structure of SNAP and SNAP E&T in Washington prior to the pilot, as in most states, did little to provide SNAP participants with a real opportunity to gain the skills they needed to become self-sufficient. In Seattle/King County, where there were no waivers in place, ABAWDs received just three months of Basic Food and then were required to participate in workfare to receive continued support. Few participated so their benefits were terminated. Meanwhile, Mandatory E&T participants were sanctioned if they did not participate with ESD-contracted job search. Neither they nor ABAWDs were allowed to participate in needed skills training (due to student eligibility rules) and receive Basic Food; nor did either group have access to the state-funded Working Connections Childcare Services (WCCC).

It was clear that Washington's population of low-income single adults and working poor families (pre- and post-TANF) faced an enormous gap in access to the critical education and employment services needed to move them out of poverty. WIA did not effectively serve this high-barrier population, which included TANF families who had been referred to WIA-funded training (TANF itself provided scant opportunity for skills training). And while many local community colleges – particularly Workforce Education departments within them – wished to serve this population, they had limited funding sources with which to do so, particularly in the wake of earlier WorkFirst budget reductions. In fact, the period leading up to Washington's SNAP E&T pilot was one of declining resources for WIA, TANF/WorkFirst and workforce development programs in general at the federal and state levels. Expanding SNAP E&T would be an opportunity to complement these declining resources to build a more robust and effective set of services for the target population than were offered by traditional workforce funding streams. Expansion could mean a way to provide services for the target population at the colleges, and it could provide an opportunity for individuals leaving TANF as well serving as positive prevention or diversion from TANF.

## **Concerns About DSHS Being Complex and Risk Averse**

One challenge facing DSHS Region 4 and supporters of SNAP E&T expansion was the difficulty of implementing a new pilot in light of the complexities of the DSHS structure as well as the risk-averse stance of some key leadership at the agency. At the time, DSHS Economic Services Administration (which had oversight of SNAP) had a multi-layered structure in place in which authority and functions (field operations, policy, and fiscal and contracts) were spread across regions and headquarters. As a result, several different division directors would need to approve a pilot before it could move forward. In addition, DSHS leadership at the time included a mix of innovative risk-takers, such as found in Region 4, and those who took a more cautious approach. The latter group, which had been strong stewards of public resources and were focused on a strict application of rules and policies, would have to be convinced that the SNAP E&T pilot was worth the risk of drawing new attention and focus from FNS and raising the possibility of negative audit findings and disallowed costs.

## **Concerns About Costing and Eligibility Systems**

Initial discussions about the viability of SNAP E&T expansion raised concerns that any new funding that would result not simply replace existing funding streams. While an agency or college could begin participating in the program by serving current eligible participants, SNAP E&T 50-50 reimbursement that would be received through the third-party model would need to be utilized to *expand* access to new participants. This became a core tenet of Washington's BFET program later on as it grew – one that DSHS has ensured any prospective new provider has clearly understood before joining the program. In addition, DSHS was concerned about how to ensure contractors would be utilizing non-federal funds as match as required by SNAP E&T regulations. DSHS decided to require contractors to submit written certification with each invoice for reimbursement stating that their match was solely non-federal funds. This moved responsibility from DSHS to the contractors.

Concerns about proper use of federal funds voiced during the BFET pilot planning were stoked by reports from Wisconsin, which at the time had been operating a SNAP E&T program through some of its community colleges. Rather than determining eligibility for their SNAP E&T program at the participant level through assessment and referral, the Wisconsin colleges were performing systems scans to determine the percentage of SNAP E&T students in their classrooms and billing FNS for 50 percent reimbursement of the costs associated with serving this percentage of students. The FNS regional office serving Wisconsin (much like the Western Region) was new to the SNAP E&T third-party match model and had initially approved this billing system.

Subsequently, FNS headquarters, upon becoming aware of Wisconsin's costing system, disallowed this approach and the funding it had reimbursed. In embarking on a SNAP E&T pilot, Washington knew it must ensure that new federal funding would not supplant existing funding; this again became an essential part of the new orientation of any potential provider once BFET began to expand.

In addition to providers' costing systems, DSHS was concerned about a program model in which recruitment of participants into the program became the purview of contractors. A system in which DSHS was not controlling the inflow of participants through its own process of recruitment, assessment and referral of candidates to contractors was new. For BFET, DSHS would be handing over some control of the eligibility, termination and flow of participants to contractors. There was concern that this would lead to ineligible participants receiving services and this would cause DSHS to have to deny payment to contractors, creating unwanted friction.

## **Concerns About the Population To Be Served**

There was some concern among members of the Planning Group during consideration of SNAP E&T expansion that many enrollees in the program would be unemployable. This included those with mental and physical disabilities who, the thinking went, might be better served by enrollment in GAU or SSI.<sup>16</sup> With few

exceptions, this did not prove to be the case. While this concern persisted after the launch of BFET among prospective new providers considering joining the program, the reality is that BFET has effectively served a portion of former GAU and SSI participants who can and do want to work to the greatest extent possible.

### **Concerns About Capacity to Staff the New Program**

Staffing the SNAP E&T expansion without any new dedicated funding – which was necessary for the pilot to win approval – was a key concern for DSHS pilot proponents. It was evident that any planned expansion of the program beyond the pilot phase would need to be at a measured pace to stay within the available resources needed to effectively manage the program. Staffing was also a concern among the community-based organizations and particularly the community colleges considering becoming pilot providers. Fortuitously, just as BFET began to expand from the initial pilot, there was a corresponding marked decrease in the community colleges' WorkFirst staff funding. As a result, the colleges saw the opportunity to maintain their valued former WorkFirst staff by transitioning them to the SNAP E&T program.

### **Opportunity for Workforce System Coordination**

At the time of the BFET pilot planning, funding streams dedicated to workforce development (and support services) for low-income Washington residents tended to be in silos, leading to a distinct lack of coordination among workforce programs. The Planning Group, recognizing this, saw an opportunity for SNAP E&T, starting with the new pilot, to be integrated into the workforce system and become a part of the continuum of services needed to move the target population toward self-sufficiency. In particular, members of the Planning Group recognized that SNAP E&T could be a vehicle to incent colleges and community-based organizations to partner more closely to improve outcomes for low-income students. It was further recognized that SNAP E&T could become an important part of the toolkit for Work Source (WIA) and community college workforce counselors as a way to serve a previously underserved population.

### **Concerns About a Lack of Third-Party SNAP E&T Models to Guide Efforts**

While some creative yet limited efforts utilizing SNAP E&T 50-50 funding had been attempted elsewhere in the U.S. by 2004, as Washington moved further ahead in its SNAP E&T expansion planning effort the Planning Group realized that what was being developed had not yet been attempted elsewhere. Not only were models to which Washington might look for guidance absent, but there was a lack of knowledge at FNS to guide the scope and limitations of the envisioned program, and a consequent concern that incorrect and/or conflicting information was being received. The Planning Group realized that there would need to be ongoing assessment by DSHS about what questions to ask FNS to ensure consistency with federal regulations and avoid disallowed costs.

## **Opportunity to Build on a Wealth of Existing Resources**

On the side of moving ahead with the SNAP E&T pilot was the knowledge that resources were already in place in Seattle/King County to facilitate the program's success. The region was one with a number of strong community-based organizations and colleges with a history of collaboration that could serve as early contractors. For example, the pilot's original college partner, South Seattle Community College, had in place an innovative president and workforce education team that was dedicated to expanding services to low-income students. To this end, the college already maintained partnerships with several community agencies (including original BFET pilot agencies, Seattle Jobs Initiative and Port Jobs) to provide wrap around supports to students.

Moreover, DSHS Region 4 had a long history of partnership with these organizations and colleges, as well as with local government and funders. Region 4 had a depth of experience contracting multiple service providers for WorkFirst, based on its philosophy that community agencies served a vital role in moving low-income populations ahead and could often connect with participants in a way that DSHS could not. DSHS Region 4 also had an experienced contract manager, knowledgeable about workforce programs and about negotiating and designing performance-based contracts.

As an agency, DSHS also had several assets that favored the pilot's success, including a Secretary who embraced the need for community partnership, leveraging of resources and innovative approaches for helping low-income individuals advance out of poverty. DSHS also had in place a shared case management database system, e-JAS, which could be modified and streamlined to fit the needs of the new program. The use of e-JAS would allow for a coordinated services model between DSHS and program partners, supporting the eligibility approval process, coding to individual contractors, tracking service component activity, cross-matching with Unemployment Insurance (UI) wage files for obtaining outcomes measures, and data reporting. Further, despite the complexities of DSHS' structure, there was some flexibility with how regions staffed their programs, providing them the ability to be creative with their FTE levels to allow for initial pilot staffing.

In addition, there existed a variety of local funding streams that could be leveraged as a match for SNAP E&T 50-50 funds. As will be discussed, the community colleges had several different state and college-based funding streams for workforce programs already geared to support low-income students. Within Seattle/King County, the involvement of United Way in the pilot's early development presented an initial opportunity to approach the philanthropic community for match. There was an early recognition of the program's potential to utilize the federal match to incent the funder community and eventually the legislature to invest state funding.

## **BUILDING A COLLABORATIVE PILOT PARTNERSHIP**

Key to the success of the planning and development of Washington's BFET pilot was the ability to build on a strong history of collaboration in the Seattle/King County region and specifically the Making

Connections Work and Earnings work group structure that was already in place. As mentioned, DSHS Region 4 had a long-standing, progressive approach with regard to establishing partnerships, leveraging resources and applying for and administering grants to fund new initiatives. The Making Connections partnership, and specifically the Work and Earnings work group, provided an ideal foundation for developing the BFET pilot because there were already shared goals and a common vision among work group participants on helping individuals to move out of poverty through skills attainment, employment and asset building strategies.

The existence of the Work and Earnings work group naturally lent itself to the formation of the separate Planning Group comprised of key members of the former group, including representatives from King County Jobs Initiative, Neighborhood House, Port Jobs, Seattle Goodwill, Seattle Jobs Initiative, South Seattle Community College, and the YWCA (these partners, other than KCJI and Neighborhood House, became the initial pilot contractors), along with representatives from DSHS (based locally and at headquarters) and AECF-supported consultants. From the outset, the Planning Group sought to coordinate with the Work and Earnings work group and integrate the pilot into the overall Work and Earnings strategic plan.

The functioning of the pilot Planning Group truly set the spirit of the new BFET program both as small pilot and as a statewide program today, in at least two important ways. First, the presence of both a community college and community-based organizations with a history of collaboration led to an emphasis within the program on these types of entities working together to serve individuals holistically. Second, the relationship of these entities and DSHS was characterized by strong collaboration and transparency. DSHS saw these organizations as partners, not simply as contactors, working together to develop a program that would best meet shared goals. Since the pilot's launch, this spirit of collaboration has persisted, with DSHS working *with* contractors, taking their input to improve the program to better serve participants.

Importantly, among the prospective pilot contractors, there was little competition for enrollments because each partner offered a different set of services and approaches for the target population. Early in the pilot planning, the Planning Group incorporated a "no wrong door" approach (honest broker), with commitments from agencies to refer clients and students on to other pilot providers if the services offered elsewhere were more appropriate. Further, there was already a strong commitment to measuring outcomes among the pilot providers. This understanding of the value of performance-based services facilitated the incorporation of outcome measures into the eventual contracts with DSHS for SNAP E&T services.

## ◀ DEFINING THE PILOT PARAMETERS THROUGH A BUSINESS PLAN

It was standard at the time of the BFET pilot for DSHS senior leadership to require the development of a business plan for any major new DSHS initiative. The plan needed to include an overall vision and goals for the project as well as a clear outline of the roles of the DSHS divisions and partners that would be

participating. After deciding to move ahead with the BFET pilot, DSHS Region 4 viewed the business plan as the next step to winning approval from DSHS headquarters. In early 2005, DSHS Region 4 and the pilot Planning Group commenced the process of developing the business plan with a goal of completion in June so that there would be enough time to include the pilot within the state SNAP E&T plan due to FNS in mid-August. The Planning Group brought in a cross section of DSHS inter-divisional staff who would prove key to supporting the eventual business plan approval at headquarters. The Planning Group needed to meet approximately weekly in order to meet the deadline for business plan completion that it had set.

Developing the business plan required the Planning Group to resolve important questions as to the pilot's parameters. First, the group worked to identify the specific target populations and numbers to be served. It was determined, for example, that the pilot would focus on White Center residents but allow for non-residents who were served by the White Center CSO. The types of services that would be provided were also determined. Further, a cost per service component range was established that reflected what the Planning Group members that would become the initial pilot contractors were charging to their current funders, including a reasonable cost for administration. Matching resources were identified, which proved not to be difficult since most of the Planning Group members were already serving a portion of the pilot's target population with non-federal sources of funding that could be used as match. The total potential match identified among these prospective contractors approached \$7.6 million, well beyond what the pilot would require.

The Planning Group agreed that contracted providers, in coordination with DSHS, would begin by identifying those clients and students with whom they were already working who were eligible for SNAP E&T services, and that the reimbursement they would receive through 50-50 matching funds for serving these individuals would then be utilized to expand access to and serve new participants. The Planning Group also brainstormed an initial concept of client flow and the process for determining program eligibility. As described in more detail, below, this aspect of the program became a significant challenge that continues to persist today. The White Center CSO leadership agreed to utilize current staffing to support the eligibility approval process, which was critical to selling the program to DSHS leadership in Olympia.

The business plan also included the menu of services that each pilot contractor would provide and the specific populations and numbers each would serve. By utilizing these elements and their current cost structures, each contractor was able to develop a budget (as well as list its required matching resources) that was included within the business plan (and was necessary for the state SNAP E&T plan).

There was a significant focus within the business plan on describing the roles for DSHS divisions and locally, the White Center CSO and Region 4 office, in administering the program. This would turn out to be critical to ensuring DSHS engagement once the pilot was approved and that the program was appropriately staffed. The business plan also described how the BFET pilot would be coordinated with the primary (umbrella) King County Basic Food Outreach Contractor, Hopelink, to ensure that all of the staff at the contracted BFET pilot organizations were aware of the Basic Food Education & Outreach program.

This ended up not being an important component for implementation even though, over time, BFET resulted in a dramatic increase in Basic Food enrollments in King County. Finally, the plan covered next steps that were essential to ensure that services would commence on October 1, 2005, and that the FFY 2006 state SNAP E&T plan included the potential for eventual program expansion.

## ◀ PILOT GOALS – ENSURING ALIGNMENT WITH DSHS MISSION

Washington’s BFET pilot was developed with a shared vision of moving under-served, low-income populations to economic self-sufficiency. This was consistent with DSHS’ mission to move disadvantaged populations ahead and out of poverty, and this alignment was critical to securing approval for the program from DSHS’ senior leadership, some of which was resistant to the pilot due to the risks involved. While a desired outcome of BFET was also to increase the uptake rate of Basic Food and offer an alternative to the then mandatory populations, the paramount goal was to utilize program services to eventually transition program participants from any dependency on public assistance. This core concept continues to underlie the BFET program, creating broad appeal for the program among different political constituencies.

Another key feature was a clearly established definition of the target population and program goals early in the pilot. The populations to be targeted were those with little to no access to comprehensive E&T services. Program services would be focused on producing employment outcomes and a clear return on investment that would be measured via a planned evaluation process. A key motivation was thus providing access to community colleges so that participants would be able to gain basic skills as well as ideally advance to at least one year of postsecondary education and a credential. Obtaining a vocational credential or degree was seen as essential if participants were be able to advance to middle-wage jobs that would result in economic self-sufficiency.

In addition, from the outset the BFET pilot was built on a recognition of the value of coupling services provided by community colleges with those provided by community-based organizations to provide participants the best chance at success. The experience and knowledge of the initial pilot partners demonstrated that a significant portion of the target population would benefit from coaching or career/college navigation as well as wrap around case management and access to support services in order to not only complete education and training programs but to transition successfully to employment. Accordingly, co-enrollment of participants (enrollment in BFET by both colleges and community-based organizations for different service components) would be encouraged where appropriate.

For the pilot partners, as would be true for each new partner interesting in joining the BFET program as it expanded, DSHS set out and sought to ensure a clear understanding of some core program concepts, including the following:

- BFET is a reimbursement program, not a traditional “match” program, such that partners must expend the full cost of the service to receive 50 percent reimbursement for eligible participants;

- BFET’s goal is not simply to swap out funding streams but to utilize the federal reimbursement to leverage and expand access to services;
- Education and training services provided through BFET are focused on needed basic education as well as vocational certificates and degrees;
- Colleges are to utilize BFET primarily for gap funding and transition eligible students to Pell grants as soon as possible;
- Providers must ensure that they are not supplanting with federal funding;
- BFET program contracts are performance based, with the expectation of employment as the primary outcome along with consistency with the current cost per service.

Because the program valued the honest broker model, DSHS created a role for itself marketing BFET as a single program, offering prospective participants of choice of services among a broad range of providers. DSHS would ensure that as the program expanded it remained a partnership model that emphasized a collaborative rather than directive approach, as well as shared goals and effective communication through regular provider meetings and eventually annual training conferences. There was awareness of the potential BFET could have as a positive prevention program or diversion from TANF, and as a post-TANF/WorkFirst wage and skills progression service. Another shared value was that BFET not become another funding silo, but rather that it should be integrated into the local and eventual statewide workforce development system.

## ◀ IDENTIFYING & UTILIZING CHAMPIONS FOR THE SNAP E&T PILOT

The concept of expanding the state’s existing SNAP E&T services through a new pilot program was quickly embraced at the regional level (Seattle/King County). Still, it took the efforts of DSHS’ local partners at WCCDA and United Way to ensure DSHS Region 4 had the necessary information and continuing focus to move to the pilot development phase given its other competing responsibilities. It was fortuitous that DSHS leadership in Olympia, including the agency’s Secretary, was invested in the Making Connections idea and in supporting its efforts at this time. DSHS leadership made a significant delegation of authority to the DSHS staff (Region 4 and headquarters) to develop the business plan and eventually implement the pilot.

Importantly, DSHS had the right people in the right positions at the right time to be able to develop and sell to leadership an effective pilot program in BFET. This experience included contract management, employment and training services for the target population, and performance-based contracting. The White Center CSO committed time not only to support the pilot development but to utilize its current staffing allocation to commit up to 1.5 FTEs to administer the pilot. Other leaders emerged at DSHS (including the Community Services Division Director and the Economic Service Assistant Secretary) as advocates for the pilot who were instrumental in business plan approval.

It was also fortunate that the Planning Group included strong advocates, not only for their own agencies but for overall effective workforce development strategies in Washington State. This included leadership at South Seattle Community College, Seattle Jobs Initiative, Seattle Goodwill Industries, Port Jobs and the YWCA. Seattle Jobs Initiative, in particular, would go on to play a prominent role after the launch of the BFET pilot in helping to encourage DSHS leadership to expand the program across the state, as well as to implement key changes to improve administration of the program to ease the burden on the contracted providers (as described below).

Seattle Jobs Initiative also spearheaded efforts to develop support for the program among local, state and federal legislators, along with the state Governor's office, which became very valuable as SNAP E&T came under threat in Congress on more than one occasion subsequent to the launch of BFET. This is a role that DSHS was not able to play as a state agency. Seattle Jobs Initiative worked with the National Skills Coalition, a prominent workforce development policy and advocacy organization based in Washington, D.C., in not only preserving SNAP E&T but elevating BFET as a model for other states.

Another key advocate for the BFET program at the outset was the Washington State Board for Community and Technical Colleges (SBCTC). SBCTC leadership's eventual commitment to BFET led it become an umbrella contractor to DSHS on behalf of the state's colleges (detailed below) and to eventually encourage expansion of BFET to all 34 community colleges in the state. This effectively broadened the overall political and legislative support for BFET. BFET garnered some early legislative support in Olympia as well due to efforts of SJI and SBCTC. Making legislators aware of the program and its early success allowed the program to continue to leverage key state investments targeted at the same population.

## ◀ BUILDING A PARTNERSHIP WITH FNS WESTERN REGION

Because nothing had yet been attempted in the U.S. like the BFET pilot, in many ways Washington State and FNS Western Region – which held the state's SNAP E&T contract – were learning in tandem about the parameters of a third-party match program model. During the early pilot planning phase, DSHS assigned one of its headquarters staff to serve as point person with FNS Western Region. In large part, this staff was charged with utilizing the limited SNAP E&T information and program guidance then available – along with the governing Code of Federal Regulations – to help guide the efforts of the Planning Group on program structure and limitations. FNS Western Region, with which DSHS consulted, was operating with this same limited base of information.

DSHS was intentional about being fully transparent with FNS during the development of the BFET pilot to both ensure consistency with program guidelines as they existed and to streamline the state SNAP E&T plan approval process. DSHS believed this would also minimize future surprises during the anticipated FNS on-site program audits. There did remain some concern within the Planning Group that because there were often no clear federal guidelines governing what was being attempted, posing too many specific questions to FNS would lead to unnecessary restrictions of the program rather than the desired flexibility.

The Planning Group knew that the BFET program would be subject to annual audits, and that because it was a new and unique model there would be additional focus on ensuring compliance of the program.

Some of the questions submitted to FNS by Washington State about its planned SNAP E&T pilot received inconsistent answers due to the newness of the third-party match model that left FNS without information to draw upon. A critical example was the approval by FNS of the proposed pilot cost structure for community colleges participating in BFET that could utilize the full cost of instruction (as opposed to tuition only) as one of the match sources. As will be described in detail, below, this was later disallowed by FNS.

Through the development of the BFET pilot to the present, DSHS has maintained a collaborative and open relationship with FNS, and has also been transparent with its contracted providers on any FNS guidance it has received. Communications with and guidance from with FNS, in fact, became a standing agenda item in regular meetings of the BFET contractors. This has not only improved the quality of the ongoing dialogue between DSHS and FNS, but has been important when program partners have been needed for program advocacy purposes.

Although it became staff intensive, DSHS worked hard during the BFET pilot development to put in place an effective eligibility and billing roster approval process in order to avoid the potential for disallowed costs. DSHS knew FNS would recognize and value these efforts as it reflected DSHS' commitment to be good stewards of the new federal funding Washington would receive. In addition, FNS recognized the value of BFET's performance-based approach for partner services and the call for ongoing program evaluation (developed over BFET's first two years). DSHS took to heart FNS' expressed concern about rapid program expansion of BFET, and ensured that the program was grown strategically, meaning that there would be sound justification each year in the state's SNAP E&T plan for any proposed expansion. DSHS was able to correlate each proposed expansion with the yearly growth of the state's Basic Food caseload.

FNS was very focused – as was DSHS early in the BFET program – on services being provided to mandatory populations. There was some risk (which turned out to be unfounded) that as DSHS expanded BFET services across the state, that counties previously approved for a waiver – in part due to lack of access to services – would now become mandatory counties (because services would now be available through BFET).

As the BFET program developed its billing and match certification process, DSHS wanted to ensure a clear audit trail would be in place for the anticipated federal reviews. DSHS worked with contracted partners to make certain each had in place a clear fiscal audit trail to show how funding and staff time (time and effort) were tracked. DSHS implemented its own contract monitoring process that included both program and fiscal reviews. When FNS eventually began conducting monitoring visits, DSHS fully involved contracted partners with planning and presenting the BFET program's strengths and outcomes. FNS was consistently impressed with the quality and effectiveness of services provided to participants as well as that of the overall program partnership.

## ◀ THE STRUCTURE OF THE BFET PROGRAM

This section will provide an overview of the services provided by the BFET program. It will also summarize the administrative structures of BFET and how they have changed over time, from the development of the pilot to the present time. As will be discussed, the manner in which Washington State administers BFET is a work in progress: processes are continuously being improved to make the program more effective for both participants and providers.

## ◀ PROGRAM SERVICES OVERVIEW

Eligible BFET services provided by community colleges and community-based organizations include a wide array of employment and training services as well as supports. Employment and training services offered are categorized by DSHS into various components to which participants are assigned. Service components include the following<sup>17</sup>:

**JOB SEARCH:** a package of structured activities to help participants to seek and obtain suitable employment. Services include, but are not limited to, job search workshops, computer basics workshops, labor market information, job seeking skills instruction, resume writing, job skills assessment, counseling, life skills and work ethic training and job placement services. Participants may only be in the job search component for a maximum of 84 days, but may be renewed in this component with DSHS approval.

**JOB TRAINING:** includes training (outside of the vocational education component, below) that enhances a person's employability by providing specific skills that are marketable to employers. This may include hands-on training (e.g., culinary, welding) and also employment and training-related case management services.

**BASIC EDUCATION:** participants are entered in this component if they are receiving basic education (math, literacy, GED preparation) and/or vocational English as a Second Language instruction from either a community college or community-based organization in order to make the skill/language gains necessary to obtain or maintain employment. Participants entered in this component at a community college must apply for other tuition assistance as soon as possible after enrollment in school if the training is tuition-bearing and the provider is eligible to administer Pell or other tuition assistance.

**VOCATIONAL EDUCATION:** this is the primary component in which BFET participants being served by community colleges are entered, though it is also utilized by community-based organizations. Services provide include vocational education to enhance employability or as part of a job placement program requiring industry specific training. These services may be provided to participants for up to 3 months but these three-month periods may be (and often are) extended with DSHS approval. Participants may remain in this component for a maximum of 24 months. Participants entered in this component at a community college must apply for other tuition assistance as soon as possible after enrollment in school if the training is tuition-bearing and the provider is eligible to administer Pell or other tuition assistance.

**JOB RETENTION SERVICES:** these services may be provided for up to 90 days (starting when a participant starts working full-time; no renewal permitted) to individuals who participated in a Job Search or Job Training component. Because they are working, these individuals need not be on Basic Food to remain eligible for Job Retention. Eligible services vary but must be intended to help participants achieve satisfactory job performance, keep employment and/or increase earnings. Services may include providing job-related clothing, tools or equipment; relocation; transportation; child care, post-employment counseling, coaching or other case management.

Participants may receive more than one type of BFET service – or component – at a time, and these services may be provided by more than one contractor. A participant may, for example be co-enrolled at a community college, which is providing vocational education, and at a CBO, which is providing job search, case management or other supports. Co-enrollment, as mentioned, is encouraged by BFET because it has been shown to lead to the best outcomes for participants. A participant may not, however, receive what amounts to essentially the same services (same component) from more than one contractor at a time. Providers wanting to offer the same BFET service to an individual must thus come to agreement on which agency will provide that service. When a participant moves from one type of service to another – e.g., from job search to job retention – he or she is entered into a new component by the provider that is providing services.

In addition to the primary employment and training services described, BFET participants are also eligible for support services, such as child care, transportation, clothing, and housing, as long as these are reasonable and directly related to helping the participant succeed in completing his or her employment and training component. The following are the main support services that are provided within the BFET program:

**CHILD CARE:** BFET allows non-TANF Basic Food recipients to access child care through the state’s Working Connections Child Care (WCCC) program (part of WorkFirst) in support of their participation in BFET. Participants must apply for WCCC subsidy through DSHS to get on the waiting list. Alternatively, BFET contractors that have matching resources can provide child care support services themselves and get 50 percent of costs reimbursed by BFET. To prevent supplanting, however, such provider must require proof that the participant applied for WCCC and was put on the wait list, or that he/she is ineligible for WCCC. Moreover, the provider must keep records of the participant’s child care bills as proof that the state didn’t pay more than the WCCC published rate. Child care is only provided to BFET participants while they are in approved activities, including Job Search, Basic Education, Vocational Education, and Job Retention.

**TRANSPORTATION/CLOTHING:** Transportation support is allowable under BFET if reasonably needed to participate in a BFET employment and training program or job

retention. Transportation supports can be issued by contractors directly to participants and are 50 percent reimbursable up to limits of \$150 per month. They can include transit tickets, passes and fuel. Clothing support is allowable if reasonably needed for job retention or program participation. It can be issued directly by contractors and may be up to \$300 per person per program year. Participants must provide receipts or estimates of costs for clothing to providers which must be kept in participants' files.

**HOUSING/OTHER SUPPORTS:** Housing may be provided to BFET participants by providers after all other resources are exhausted. Eligible housing support includes rental assistance, which can be provided when housing stability is reasonable and directly related to helping BFET participants prepare for self-sufficiency through training/other approved activity. Housing assistance may also cover awards to prevent utility shut off if all other resources have been exhausted. In addition to housing, other allowable supports under BFET include personal hygiene and medical related costs if related to employment and training. Also allowable are work/training permits and fees, work/training tools, school supplies/books, tuition and fees.

## ◀ RAMPING UP DSHS ADMINISTRATIVE STAFFING LEVELS FOR BFET

As already set forth, as a pilot BFET relied on existing DSHS regional and headquarters staffing without any additionally funded FTEs for program support. At the outset, DSHS administered the program with one dedicated FTE sited at the White Center CSO to cover eligibility review processes, complemented by two other 0.5 FTEs of Region 4 staff for program oversight and outreach functions. Local staffing was augmented by headquarters staff that provided fiscal, contracting and policy support for the program as part of their regular duties. A third FTE was added at the local level by the fourth year of the BFET program.

As BFET continued to expand additional staffing became necessary. Importantly, DSHS and partners such as SBCTC, the WCCDA and Seattle Jobs Initiative had by then had success in increasing awareness of the BFET pilot among and gaining support of key legislators, which gained momentum after BFET received the Governor's Economic and Workforce Development Award in 2006. This gave DSHS the confidence by the fall of 2009 to leverage political support to request an additional 12 FTE dedicated to the BFET program within the overall DSHS budget. That these positions could be funded through 100 percent SNAP E&T dollars was obviously critical in getting these positions approved at a time of a state budget crunch that had, in fact, led to a recent hiring freeze at state agencies.

These additional FTEs were approved by the state government for FFY 2010. The intent was not to fill the 12 approved positions immediately, but to phase them in over time to support BFET's continued growth. Even today, only 11 of the 12 positions have been filled. The additional FTEs were primarily Financial

Service Specialists (FSS) who, as described below, are responsible for reviewing and determining BFET eligibility and interfacing with providers respective to their participant caseloads. In addition, two of these FTEs were added at DSHS headquarters, dedicated fully to BFET to provide strategic and fiscal oversight of the program, including contracting, monitoring, outreach to new organizations, developing the annual state SNAP E&T plan, and interacting with FNS. DSHS estimates that today it utilizes approximately \$900,000 of SNAP E&T 100 percent funds to support its administrative functions for BFET.

## ADMINISTRATIVE FUNCTIONS OF DSHS – ELIGIBILITY & BILLING PROCESSES

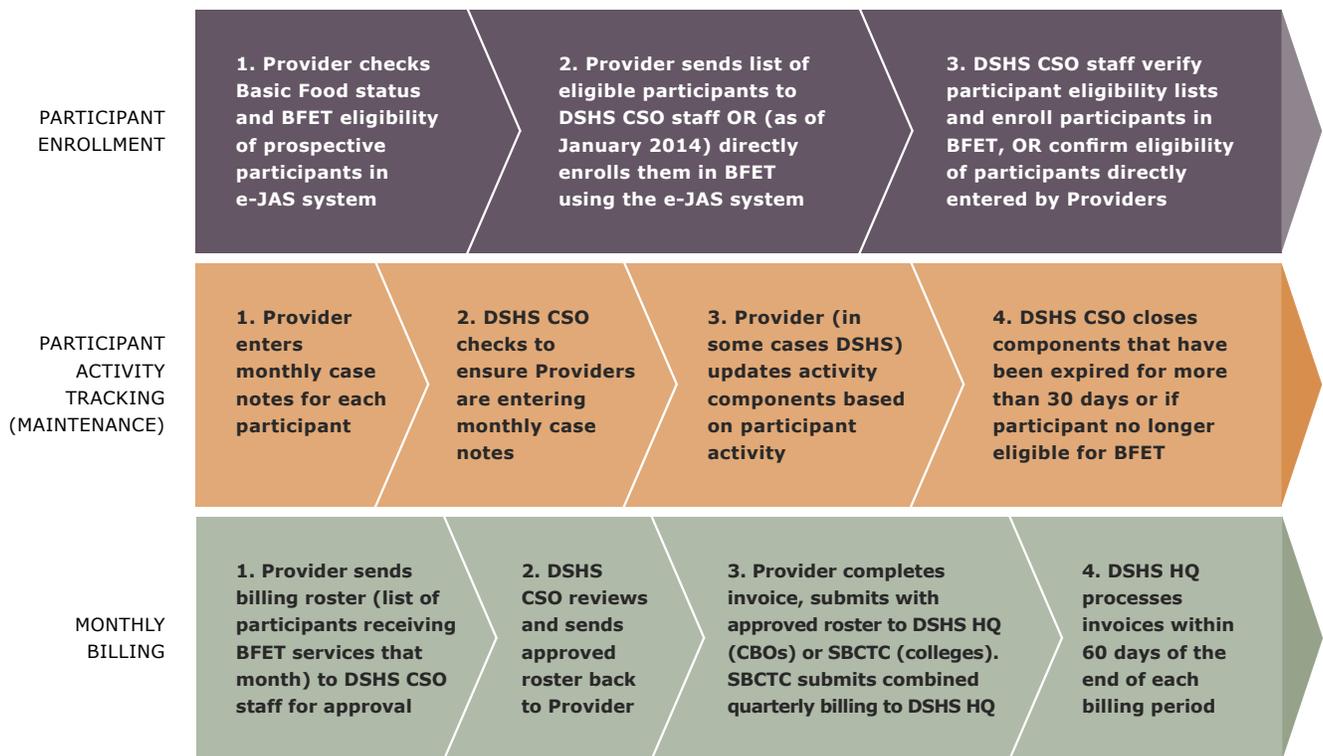
### **Overview of Eligibility & Billing Processes**

One of the primary functions of DSHS in the administration of the BFET program is oversight of the eligibility and billing processes. As mentioned, Washington had the advantage of being able to build upon an existing – though in some ways unwieldy – shared case management database system, e-JAS, for the BFET program. E-JAS had been designed for WorkFirst, so DSHS worked to adapt and streamline the system to fit the eligibility approval, client tracking and program reporting needs of BFET. Still, the eligibility and billing process has been perhaps the most difficult aspect of BFET program operations for both DSHS and contractors, and significant energy has been directed to finding ways to streamline these processes while maintaining their integrity.

At the outset of the BFET pilot, a manual eligibility process was developed based on a “reverse referral” model in which providers would first identify potential BFET participants, enter those clients on lists and sent those lists to DSHS FSS staff to review. If DSHS determined a person eligible for participation in BFET, it would approve that individual for services and enter in e-JAS both a general BFET tracking component and an appropriate initial service component (e.g. job search, vocational education, etc.) for that person. This manual process was staff-intensive for both DSHS and providers, and early on there were discussions about how to streamline the eligibility process.

One early improvement was DSHS instituting a web-based approach allowing providers direct access to e-JAS screens to determine whether a current or prospective client was on Basic Food and thus likely eligible for BFET. Much later, in January of 2014, DSHS sought to automate the eligibility process for BFET by allowing contractors to enter component codes into e-JAS themselves to eligibilize participants (contractors must still submit eligibility lists to be reviewed by DSHS). The objective of this most recent change is to get participants registered more quickly in the BFET program. This new system, however, has experienced several glitches that must be fixed. Regardless, many providers have opted to have DSHS continue to enter component codes on their behalf; they would rather have a slower eligibility process than take on the extra work of entering component codes themselves.

FIGURE 2: BFET ELIGIBILITY



For each participant approved and enrolled in BFET, the provider must enter a 30-day case note in e-JAS reflecting participation in BFET services. These notes are reviewed by DSHS staff as part of the workload of the centralized BFET team. Providers must also enter new component codes for participants – as well as starting dates and hours associated with these – if participants change, add or close components. Because BFET participants may go on and off Basic Food, providers are encouraged to use e-JAS to regularly monitor Basic Food participation among those they are serving so that they remain aware of who is eligible for reimbursement each month.

If a participant is on Basic Food at any point during a month (and not on TANF), he or she is deemed eligible for BFET during that month and a contractor can thus request reimbursement for services provided to that individual in that period. There are exceptions to this rule. Since college tuition is paid per quarter, a student need only be on Basic Food and approved for BFET when tuition is due for a college to be reimbursed for tuition (this is not true for college-based support services). Further, a provider may be reimbursed for 90-day job retention services provided to participants who are not on Basic Food, as long as they were on Basic Food and BFET eligible when placed in employment.

At the close of each month (or each quarter in the case of SBCTC), BFET contractors submit reimbursement requests to DSHS for services provided to BFET clients during that month. With their invoices, contractors are again required to attach a list (billing roster) of those individuals earlier deemed eligible for BFET services upon whom their expenses are based. The list must have again been reviewed by DSHS to ensure eligibility. It occasionally happens that an individual earlier deemed BFET-eligible by DSHS, and thus receiving BFET services from a contractor, will be later deemed ineligible for BFET upon DSHS' review of the billing roster, perhaps due to previous error, fraudulent claims, etc. This has been an ongoing challenge for providers because the result is that they do not get reimbursed as anticipated for services provided. Providers may and often do challenge the DSHS ruling of ineligibility. Once local FSS staff approves the invoices and billing rosters, these are sent to DSHS headquarters in Olympia (or to SBCTC in the case of the colleges) for processing and reimbursement.

DSHS' process of 100 percent eligibility review for both new BFET enrollees and those individuals submitted by providers on billing rosters is ultimately intended to avoid disallowed costs and to minimize the risk to providers. It has proved staff intensive for both DSHS and providers, and has had the effect of limiting how fast the program could grow. On the positive side, it has provided DSHS leadership as well as FNS a high degree of confidence with the level of program oversight. Due to the complexities of the reverse referral model, the need to verify eligibility whenever a service is provided, and the allowed levels of support services, a Partner Handbook was developed by DSHS early in the pilot to ensure consistency with program rules. The Handbook continues to be a key component for the BFET's success and is updated on a regular basis.

### **DSHS Local Staffing for Eligibility, Billing & Other Functions**

The staffing model DSHS developed to administer BFET fit well with the agency's concurrent efforts to centralize eligibility work that did not require face-to-face interactions into a call center model. The primary work at the centralized Whiter Center CSO unit is done by FSS staff. The basic FSS work includes reviewing and determining eligibility for the participants submitted on the provider enrollment rosters, sending reviewed lists back to the providers so they know who is approved for services, opening up initial e-JAS component codes for each participant, updating and changing component codes based on provider requests, reviewing cases to determine if 30-day notes are current, resolving issues with other DSHS staff not part of the BFET program (such as student eligibility and WCCC issues), reviewing and approving billing rosters, and providing some onsite services.

As the BFET program expanded beyond the White Center CSO, the centralized unit for the program continued at that location for consistency and effectiveness. Like other DSHS call center models, it became a virtual office that could cover statewide work for the BFET program. When additional staffing was approved for BFET administration, the White Center CSO expanded its role to provide some onsite services

primarily to community-based organizations and colleges within King County and Snohomish County. DSHS leadership was able to project the workload that could be covered by each FSS and this became of factor each year with both staffing the BFET program and with determining the level of program growth each year. At one point it was determined that each White Center FTE could cover 400 BFET clients. Moving forward, the aforementioned efforts to streamline e-JAS should allow for greater caseloads.

Additional work by local DSHS staff includes reviewing BFET contractors' case notes for accuracy, and communicating impending case actions affecting participant eligibility to contractors. It also includes some level of partner and community outreach around the BFET program, including program assistance and consultation to contractors on DSHS programs, training for CBO BFET staff, coordinating local BFET partner meetings, and promoting BFET services to community stakeholders and the general public.

## ◀ ADMINISTRATIVE FUNCTIONS OF DSHS – PROGRAM MANAGEMENT

### **State E&T Plan Development, Contracting & Fiscal Monitoring**

One of the chief functions of DSHS headquarters BFET staff is working with community-based organization contractors and SBCTC (on behalf of the colleges) to develop the state's annual SNAP E&T plan, which is typically submitted to FNS in mid-August. The state plan is required by FNS, and must include specific information about the services to be provided, the target population and numbers to be served, and budget. The budget materials include both an overall program budget (broken out into 100 percent funds, general and participant reimbursement 50-50 funds – both federal request and local match) as well as the budget for each program component (e.g., job search, vocational education, etc.). To develop the state plan, DSHS headquarters solicits proposed scopes of services and supporting budgets for the next FFY by mid-June from each individual community-based agency contractor, and from SBCTC and the DSHS Office of Immigrant and Refugee Affairs (ORIA, which, as described below, is an umbrella contractor for several BFET CBO providers). As fiscal monitor, DSHS negotiates with contractors to be sure the services, target number to be served and costs they are proposing for the following FFY are reasonable, achievable and aligned with the overall goals of DSHS for the program. Once DSHS approves each contractor's proposed scope of services, it combines this information to derive the required state SNAP E&T plan components. DSHS has typically included a narrative with each state SNAP E&T plan submitted to FNS that explains the overall objectives of the program and provides justification for expansion.

An important part of the state SNAP E&T plan process for DSHS has been to determine whether to develop and submit to FNS an amended plan during the FFY, which has typically been done to expand BFET mid-year by adding new providers and/or to request additional 100 percent funding. Each year, FNS allows states to request 100 percent SNAP E&T percent funds that were allocated to other states

at the beginning of the FFY but have gone unspent. In requesting these funds, DSHS works with BFET contractors beginning in January to determine whether any can utilize additional funds to serve more individuals. If this is the case, providers are asked to submit to DSHS supplemental scopes of work and budgets, which form the basis of a DSHS request to FNS for unspent funds. It is normally in March – halfway through the FFY – that FNS notifies DSHS whether additional 100 percent funds are available and, if so, the award amount. Additional funds may be made available by FNS as early as April, but often later.

Each provider's scope of services and budget becomes the basis for the annual BFET contracts between DSHS and providers. As mentioned, DSHS contracts directly with community-based agencies, with SBCTC as an umbrella for the community colleges, and with DSHS ORIA (letter of agreement). Providers must submit to DSHS the service component(s) it plans to offer and the number of participants it is targeting to serve by component. Budgets must include total FTEs, including those directly related to serving participants (direct services) and administrative staffing. They must also include administrative costs (either using a federal indirect rate or an allocation based on number of FTEs). For agencies like Seattle Jobs Initiative and King County Jobs Initiative that subcontract other agencies to provide direct services, their budgets must include these costs as "purchased services". Budgets also may include travel related to providing program services as well as participant reimbursements (for things such as supplies, books, transportation, clothing, etc.). DSHS reviews each agency's scope of services and budget, looking at such factors as a reasonable cost per client (with the realization that this can vary by service intensity and duration).

In its contracts with BFET providers, DSHS states that providers should meet a minimum of 85 percent of their projected number of participants to be served and program performance. DSHS maintains the authority to adjust a contractor's budget downward if it fails to meet this threshold for two quarters in a row. While infrequently utilized, this authority was put in place to give DSHS the flexibility to reprogram BFET dollars from agencies that are under-performing (and thus not utilizing their allocated BFET funding) to those that are over-performing and are consequently anticipating running out of BFET funding before the end of the FFY.

DSHS headquarters staff is also charged with processing invoices for reimbursement from its contractors, which are submitted monthly or in some cases – as by SBCTC for college tuition – quarterly. Invoices must include costs broken out by the same line items as included in contractors' budgets (described above), rosters of approved participants (again, billing rosters as eligibility rosters are approved by local DSHS offices), as well as a signed statement from the contractor certifying that it's match does not include any federal dollars. In any month, contractors cannot bill for greater than 10 percent of their total contract for the year, nor can they add expenses (even if allowable under SNAP E&T) for which they did not budget in their contract. DSHS tries to review invoices within a week or so of receipt and to ensure payment of reimbursement to contractors within a month.

Finally, DSHS headquarters conducts program and fiscal monitoring of its contractors on an annual (particularly for new providers) or bi-annual basis. This includes reviewing things such as contractors costing systems, case files, and participant receipts for any claimed direct participant reimbursement. DSHS does not audit individual colleges, since SBCTC is charged with fiscal monitoring of the colleges. It does audit SBCTC, itself, and in the process reviews sample materials from individual colleges.

## **Strategic Planning**

DSHS headquarters sets the overall direction for the state's BFET program, ensuring that it meets with the agency's overall goals and those of FNS for SNAP E&T. DSHS is currently operating under a five-year strategic plan (2012-16) for BFET – developed in partnership with SBCTC and community-based organizations – which focuses on the following three goals<sup>18</sup>:

- Maintaining a diverse network of knowledgeable partners who serve eligible participants in communities throughout the state.
- Creating clear and supportive pathways to success by helping participants gain essential skills and tools to transition to employment that supports a family. This is accomplished in part through program evaluation/continuous improvement; an annual training event; regular meetings of BFET work groups.
- Increasing/diversifying funding and maximizing community and state committed dollars with federal funds to stabilize program growth and increase resources to participants.

DSHS headquarters also worked with contractors to develop an outreach and marketing plan (2013-16) to meet strategic goals. It calls on providers – particularly colleges – to identify community-based organizations in their communities (those focused on job placement) and encourage these agencies to consider becoming part of the BFET program. DSHS also produced a BFET funding plan (2013-16) focused on increasing funding sources for BFET match in communities with little to no BFET services, particularly rural areas and areas of high unemployment.

## **Program Outreach & Training**

Another key function of DSHS headquarters staff has been and continues to be introducing potential new providers to the BFET program in order to expand services per the strategic and marketing and outreach plans. This work of expanding BFET through the addition of new providers is described later on. Much of DSHS' outreach efforts have focused on internal marketing to local DSHS staff to inform them about the program and encourage them to refer appropriate Basic Food participants to BFET service providers. Recently, DSHS has particularly targeted for BFET outreach those WorkFirst clients who are about to

go off of TANF (reaching the 60 month limit), as well as individuals who might best be diverted from applying for TANF.

One component of BFET's success is the training provided to partner and DSHS staff, and effort now directed by headquarters. There is a need to provide some baseline BFET training to all DSHS/CSO and call center staff so they have basic program awareness. DSHS has produced training materials for these staff as well as potential new providers on BFET, which are found on the BFET website maintained by the agency.<sup>19</sup> SBCTC provides its own BFET materials and training directed to new college BFET staff. In addition, for the past two years (2012 and 2013), DSHS has organized two statewide training conferences dedicated to BFET. These trainings offer multiple sessions on the nuts and bolts of BFET, specific program models, successes and challenges, labor market data, BFET outcomes and advocacy efforts, and much more.

## ◀ THE SBCTC UMBRELLA FUNCTION

### **SBCTC Assumes Administrative Duties for BFET Colleges**

From the launch of the BFET pilot in October 2005 until the end of FFY 2008 (September 2008), DSHS Region 4 and headquarters program and contract staff negotiated BFET contracts with community colleges on an individual basis. As with the community-based organization contractors, DSHS was charged with conducting all fiscal affairs with individual colleges, including 100 percent review of the billing rosters, resolving disputed cases of eligibility, as well as review, approval and processing of quarterly billing packets. DSHS also initially played the role of providing outreach to potential new college partners, conducting onsite meetings and program orientations to a cross-section of college leadership to help build their understanding of and buy-in to BFET. DSHS additionally conducted program monitoring visits with BFET colleges, which sometimes required corrective action.

As BFET quickly expanded the number of college (and CBO) providers, it became clear that the agency's administrative resources were reaching capacity. DSHS recognized that this might be alleviated by developing an umbrella contract with SBCTC, which provides leadership and coordination for the state's community and technical colleges. SBCTC fiscal and program staff had already been increasing their involvement in BFET as the pilot expanded, including attending monitoring visits of colleges conducted by DSHS.

In the summer of 2008, DSHS developed a proposal with the assistance of SBCTC to create an umbrella contract, which eventually was positively received by SBCTC leadership and put in place for the FFY 2009 state SNAP E&T plan.

## **Elements of the DSHS-SBCTC Umbrella Contract**

Through the umbrella contract with DSHS, SBCTC provides administrative services and program guidance for Washington's community and technical college system for BFET. Pursuant to the contract, SBCTC's BFET staff is charged with:

- Developing uniform application of operations and policy, and working to automate functions and service delivery of the BFET program;
- Ensuring clear communication, issue resolution and collaborative outreach with the colleges regarding BFET;
- Providing BFET program review and audits of the colleges;
- Developing and delivering training and technical assistance on BFET to the colleges;
- Implementing standard methods of performance measures with the colleges and monitoring their BFET program outcomes;
- Overseeing budget development by the colleges for their BFET programs, implementing standard methods for budgeting and billing by the colleges, and ensuring that college reimbursement requests are accurate and based on allowable costs;
- Actively participating in advisory teams, contractor meetings and collaborative activities of BFET partners.

SBCTC's administration of BFET is covered by SNAP E&T 100 percent funding. SBCTC staffing dedicated to BFET today includes about 2.5 FTE, including both full- and half-time staff dedicated exclusively to BFET administration, as well as small percentages of other staff who provide fiscal, research, IT and administrative support for the program.

Bringing on SBCTC as partner in the BFET program has been valuable in many ways beyond relieving some of the administrative pressures on DSHS. SBCTC has taken on an advocacy role on behalf of the BFET program, utilizing its relationships with key legislators and committee leadership within state government. Moreover, as a collaborative partner in the development of the state's BFET Strategic Plan, SBCTC committed to expand the program statewide to all 34 community colleges, which has today been achieved. SBCTC also became an active participant in the program evaluation process, utilizing its student tracking system to add a unique BFET identifier that allows quarterly tracking and reporting of student achievement data for BFET participants.

SBCTC administers BFET as a grant program for its colleges, similar to WorkFirst. As such, SBCTC has developed detailed program and fiscal guidelines for college applicants for BFET funds, which are modified each year as part of the grant application process.

SBCTC has taken over for DSHS the role of conducting program and fiscal monitoring visits of the colleges. Since FFY 2009, SBCTC has actively managed the growth rate of each community college BFET contractor through the annual award of both 50-50 and 100 percent SNAP E&T funding. Colleges have, at times, requested BFET funding at amounts that have exceeded a reasonable expansion level or their administrative capacity, so SBCTC has worked with them to make proper adjustments to their final budgets.

DSHS made an early commitment to dedicate the majority of available 100 percent SNAP E&T funds not being used to support DSHS administrative costs for the program to support community college BFET programs. This is a key component of each year's request for additional 100 percent funding from FNS. Based on a survey that is conducted by SBCTC of each community college provider on its additional funding needs for BFET students, SBCTC helps DSHS determine the size of the request from FNS. Because these funds are typically not received until late in the FFY, they are primarily utilized to support summer and fall quarter tuition, administrative costs, start-up costs for new college providers.

## ◀ OFFICE OF IMMIGRANT & REFUGEE AFFAIRS UMBRELLA FUNCTION

The Office of Immigrant & Refugee Affairs (ORIA) is a division of DSHS that functions to provide services, including employment and training, to Washington's immigrants and refugees. It is funded through state and federal allocations to provide employment and training services to this population – primarily refugees – via contracted community-based organizations. Although ORIA is part of DSHS, it was actually one of ORIA's contracted agencies that first brought BFET to its attention as a source of possible funds to expand services. ORIA spent some time researching BFET, examining specifically which portion of its target population could be served and what were its sources of non-federal match.

Once ORIA determined that BFET was a good fit, it began discussions with the division of DSHS that administers BFET. While both divisions ultimately report to the same directorship, it was determined that the two should develop a cooperative agreement – or memorandum of understanding – governing ORIA's BFET program. Uniquely in Washington, ORIA's BFET program is not a third-party match, but rather is more representative of how other states are operating their SNAP E&T 50-50 programs. This is because ORIA is utilizing the *state funds* that it deploys to support its contracted services as the match. ORIA, rather than its contracted providers, thus itself receives the 50 percent federal reimbursement, which it then uses to expand the size of its contracted services.

ORIA is now in the second year operating under the BFET agreement. It is presently utilizing BFET to support employment and training services provided by 12 contractors throughout the state, primarily in areas of heavy refugee resettlement. Its total BFET program (state and federal funding) budget is nearly

\$1 million, which it used to serve nearly 700 individuals in its first FFY. The 12 agencies supported are typically providing refugees a range of services, including job search assistance, job readiness, technical vocational training, and on-site ESL.

To gain BFET contractors, ORIA asked each of its current contractors providing appropriate services if it wished to join the program. Prospective contractors had to agree to have their current contracts reduced by an agreed up amount with the knowledge that they would receive essentially twice as much funding in return through a new BFET-supported contract. Most contractors have thus far opted to decrease their current funding by a limited amount as they are still testing out the BFET program.

## ◀ BFET AT THE COMMUNITY COLLEGES

### ◀ OVERVIEW OF FISCAL ASPECTS

For community colleges participating in BFET, expenditures on BFET students for tuition, most fees and the time and effort of staff supporting their BFET programs are all considered by FNS fiscal policy to be administrative costs that can be covered by either 100 percent or 50-50 matching funds. Books and any other direct student supports (such as clothing and transportation) are considered support services and can only be covered by 50-50 funds. This has caused challenges for colleges that may run out of 50-50 funds to cover key support services, even when they have remaining 100 percent funds available to cover tuition and staff administrative costs.

As will be set forth in more detail, below, community colleges are only allowed to receive federal BFET funds for allowable expenses that exceed the normal costs of services that they provide to their non-BFET students. Typical expenses thus include those associated with following:

- BFET Program Administration;
- Direct Services such case management, employment plan development, required reporting, monitoring, job search activities and coordination of co-enrollment with community-based organizations;
- Tuition, books, fees, required educational supplies, GED testing fees, ongoing support services, and approved indirect rate to college business office services;
- Expenditure in these areas for BFET approved students is eligible for 50 percent federal reimbursement if not funded through 100 percent SNAP E&T funding allotments.

The process by which colleges enroll students in BFET and secure reimbursement for allowable expenditures on these students involves interaction with both DSHS and SBCTC. When a college identifies a student it wishes to enroll in BFET, it works with the DSHS White Center CSO staff (via the process already described) to eligibilize that student. Since tuition is paid at the beginning of each quarter, once a student is enrolled in BFET the college can expense that student's tuition for that quarter to BFET, even if the student later drops out of school or off Basic Food. Expenses categorized as participant reimbursement costs, such as certain fees, textbooks, and support services must be expensed by the colleges in the month in which expenses are incurred. Accordingly, students must be eligible for BFET (on Basic Food) at some point during the month in which expenses were incurred for colleges to expense these to BFET. Either monthly or the end of each quarter, colleges must submit their BFET student rosters again to the White Center CSO to ensure eligibility for billing. Invoices are then submitted by colleges with these approved rosters to SBCTC for reimbursement. SBCTC, in turn, invoices DSHS on a quarterly basis.

BFET is used by many colleges to provide tuition, books and fees as a bridge to the student eventually receiving Pell (if eligible) or other financial aid. This means for most students one to two quarters of program funding from BFET prior to receiving Pell funding, though most students remain categorized as "BFET students" so they can still receive consistent support from BFET staff and possibly support services through the program.

As the reader will learn from the interview responses given by Washington's BFET community colleges (page 42), perhaps the greatest challenge of BFET participation for the colleges is identifying and tracking matching dollars for each student and meeting other fiscal and administrative requirements of the program. Washington State has the advantage of having significant non-federal sources of matching funds available to community colleges. At the same time, the sources of match are limited by the funding

levels for these state sources and mature BFET colleges at some point during the FFY max out on their matching sources and are unable to further expand their BFET programs.

Beyond this, it can be tricky and burdensome for Workforce Education Departments within the colleges to pull all of their potential matching sources together for each BFET student. One development that has helped colleges to braid funding sources for students is instituting a common front end college intake program for low-income students, such as the “Start Next Quarter” program at Green River Community College and the four Seattle colleges. A key aspect of these programs is to help students identify and co-enroll in eligible funding streams such as BFET and state-funded sources.

Colleges must develop an internal fiscal process for tracking all BFET expenditures for eligible students and for tracking staff time spent. This must be transparent and available for SBCTC program and fiscal monitoring purposes. Colleges utilize time and effort tracking to capture staff time for these staff (usually a percentage of FTE) as well as any BFET dedicated staff support provided by their Workforce Education Department and Financial Aid and Business Offices. All colleges must also utilize a unique BFET student identifying code so students can be tracked and student achievement outcomes for them reported.

## ◀ OVERVIEW OF STAFFING NEEDS

All of the fiscal and administrative processes BFET requires of colleges equates to the need for them to support more staffing for the program. Community colleges tend to initially build their programs on a foundation of staff and resources already supporting their Opportunity Grant and Worker Retraining programs/students. Over time, as their BFET programs grow, colleges are typically able to fully fund one or more BFET direct student support staff. Some colleges have opted to follow this route, and others have opted to continue partially funding several current positions that have absorbed BFET responsibility.

SBCTC developed guidance for prospective new community college BFET providers to give them a realistic picture of the additional BFET-related workload that accrues to each college department, as well as how to augment their staffing over time to meet this workload. This workload was the primary concern for colleges in weighing whether to become BFET providers, and SBCTC’s guidelines made clear that the program is not a simple one to administer and requires stretching staffing capacity. SBCTC’s guidance reminded prospective colleges, however, that many colleges were already successfully running BFET programs and that colleges and students are greatly benefited by it.

Typically, colleges’ WorkFirst, Opportunity Grant and Worker Retraining staff are responsible for the bulk of BFET administrative and program duties. This includes establishing policies, guidelines and student applications for the BFET program; accepting and reviewing student applications; incorporating

BFET in conversations with their current and potential students who might qualify; verifying in e-JAS whether or not a student is on TANF (and thus disqualified from BFET); assessing students for initial eligibility for BFET (which is verified by DSHS); communicating and coordinating with DSHS to enroll students in BFET and Basic Food (if not already on); monitoring BFET students' academic progress and documenting this in e-JAS monthly; providing student case management and support services to students as needed and available, including required Individualized Employment Plans (IEPs); verifying student financial need according to FAFSA; verifying remaining unmet student need according to awards already processed through the college's financial aid office prior to awarding BFET; coordinating with all Workforce Education grants staff to best leverage student support; managing BFET caseloads and budget; coordinating outreach efforts around BFET; and providing SBCTC with quarterly reports on how many students have been served.

Student Financial Aid staff are typically responsible for entering and adjusting awards for students in which awards show as actual expenditures (as opposed to additional aid that can simply be mailed to the student in a check); communicating with WorkFirst, Opportunity Grant and Worker Retraining staff about students' financial aid status; communicating with students with questions about their awards; and directing students to the BFET office when they inquire about the program.

Colleges' Business Offices are typically responsible for communicating with Workfirst, Opportunity Grant and Worker Retraining staff to compare records to ensure that only eligible expenditures are being requested for the 50-50 reimbursement; verifying that reimbursement requests are actual expenditures; billing SBCTC quarterly for BFET reimbursements; managing BFET reimbursement funds that come back to the college; and educating college staff on efficient ways to track and spend the reimbursement funds. In addition, colleges' Registration staff are typically responsible for working with Opportunity Grant, Worker Retaining and WorkFirst staff to properly code students; run reports as needed to verify BFET students are being captured; and correctly code students' program intents at their request.

**How were you introduced to the BFET program and what things did you consider in deciding whether to participate?**

Colleges interviewed first learned about the BFET program from SBCTC. Each spent considerable time learning more about how the program functions and weighing the reward (additional funding) against the risks. Colleges had to understand where their match would come from and how to track this. Importantly, they had to understand – and this was reinforced by SBCTC – that BFET is a funding model unlike their other funding sources: they would be required to intentionally redirect their current resources to a specific population of students in order to receive reimbursement, and there was a risk inherent in that. There was a further risk in having to manage expenses at the speed at which students would come to them. There was concern on the part of some that BFET would be administratively burdensome, particularly working with DSHS, and whether BFET would pay for itself given this investment of resources.

On the other hand, colleges also understood that they would be able to increase access and serve students using BFET that they weren't currently able to serve. One college noted that there was particular eagerness about gaining access to childcare (WCCC) for students through BFET, which was not funded for their other low-income students. Colleges typically involved multiple staff in weighing the pros and cons of launching BFET programs at their campuses, from workforce education deans to financial aid and business offices. All needed to be involved to consider the fiscal and administrative processes that would need to be put in place to make the program work. Some colleges spoke highly of the value of a system of peer-to-peer support established by SBCTC, in which colleges already participating in BFET provided technical assistance to colleges new to the program. Despite the challenges, in retrospect the colleges interviewed agreed that the rewards well outweigh the risks of BFET participation.

**What types of programs does BFET primarily support?**

Community colleges in Washington State are primarily utilizing BFET to support students in their non-transfer, professional-technical programs, as well as in Adult Basic Education, GED and ESL. As the intent of SNAP E&T is to help individuals move relatively quickly into the workforce, BFET has typically been utilized to support students in short-term programs of less than a year.

However, colleges have sought to expand BFET students' options to include longer-term training (up to two years), recognizing that the changing economy is demanding higher-level credentials of students if they are to obtain living-wage jobs. Colleges like the upfront flexibility that BFET provides to students in supporting their preferred pathways compared to other funding sources, such as WorkFirst, which place a host of complex restrictions on students that don't comport with their real-life situations.

**Describe the students that receive your BFET services (are they different than others you serve?)**

Colleges interviewed differed in their assessments of whether BFET serves a different student demographic than do their other workforce programs, and this seemed to be contingent on variations in the demographics of the colleges' overall student bodies. For example, there was no agreement as to whether a BFET student has higher barriers than typical professional-technical students, who tend to be lower-income, have limited past educational achievement and face other challenges. BFET students, like these students, are often individuals who were not successful in K-12 or in college previously and are returning to college because they have experienced very limited job prospects and realize they need to secure additional skills.

One college noted that one great advantage of BFET compared to other programs like TANF/WorkFirst is that, because it is voluntary, students supported by BFET actually want to be there to improve their skills and labor market prospects (i.e., they are not being mandated to be in training programs in order to keep their benefits). They therefore tend to be higher achieving. Another college, however, reported that its TANF/WorkFirst students tend to need less intervention and staff support than its BFET students, finding the former to have more stable family situations and the latter to be its poorest students (with access only to food benefits as opposed to TANF-based cash benefits).

**How are you using BFET funds along with other sources of financial aid?**

Community colleges in Washington State have a variety of sources of state-based, college-based and federal financial aid available to their students, with BFET one more tool in the toolkit for supporting their low-income students. Typically, colleges require students to complete files with their financial aid offices prior to qualifying for BFET funding. In so doing, colleges can create a

profile for individual students mapping out all of the sources of financial aid, including BFET, for which they qualify. Some colleges, such as those in the Seattle Community College District, offer programs like *Start Next Quarter* that introduce prospective students to the sources of financial aid, such as BFET, for which they qualify, and get them started on completing the necessary forms.

One of the most valuable applications of BFET funding by colleges is supporting qualified students' tuition, books and fees during their first quarter or two of studies before other sources of financial aid – most typically Pell – kick in. This “bridge” role is important because the lack of immediately available financial aid can mean the loss of prospective students. It allows colleges to enroll these students, get them started in classes, and simultaneously work with them to line up other sources of funding to commence in their second or third quarters. BFET is also utilized for students who don't qualify for other appropriate sources of financial aid. Edmonds Community College, for example, utilizes BFET for students who have no resources available to them because they have defaulted on their student loans. BFET supports these students for one or two quarters while the college works with them on loan repair.

Colleges' Workforce Education departments often have dozens of funding sources available to them that they are braiding together to support their students for as long as they can with as little resulting debt for students as possible. BFET is thus utilized by colleges as equitably as possible as part of a continuum of funding sources to meet this objective. One of the challenges with BFET funding at the colleges is how it operates within colleges' often siloed funding. Students and their funding sources are often not “shared” among different departments on the campus. Because BFET only works if a college department “gives up” some of its resources to serve as match, some within the colleges believe that any reimbursement needs to come back to department that committed the match. The BFET program does not require this, however: once a college receives reimbursement there is flexibility with how it is applied as revenue at that college.

### **What is your BFET funding picture and what are your sources of match?**

The BFET program benefits from the fact that Washington's community colleges have many sources of state and college-based funding for low-income students that can serve as match. The primary sources include the following:

- State-funded Opportunity Grants
- State-funded Worker Retraining
- College private foundation resources
- 3.5 percent tuition set-aside resources
- State Need Grants
- Other non-federal grants

While these sources are relatively abundant, most colleges' BFET administrators spend a significant part of their time to find, apply and track appropriate matching funds for each BFET student every quarter. Running out of matching funds is a frequent occurrence at the colleges, particularly as they approach the end of the spring quarter, and is the chief factor limiting the growth of their BFET programs. As mentioned, DSHS has prioritized providing any 100 percent funds it has available to support the colleges as they run out of match sources. This amount has been augmented by any additional 100 percent funds unspent by other states that Washington has been able to secure from FNS. Some colleges have found it challenging to forecast their BFET budgets because of the unknown size and late arrival of these additional 100 percent funds. One attempt at resolving this timing issue by the colleges has been to apply 100 percent funds received late in the FFY to the first quarter of the following program year, while accumulating matching sources during that (fall) quarter to start applying beginning in the second quarter of the academic year. Regardless, it remains a major challenge for colleges to make decisions on how to pace (and whether to limit) enrollment of students into BFET to ensure the program can be funded throughout the program year.

One funding challenge faced by community colleges in managing their BFET finances relates to the fact that 100 percent funds cannot be utilized for support services. Because many colleges run out of their available matching funds before the end of the FFY they cannot access additional federal 50 percent funds. At this point, they may still have additional 100 percent funds available, but cannot apply them to support services. Colleges state that one of the biggest drivers of this imbalance is the costs for textbooks. Some colleges have argued that books should be considered an educational expense, as opposed to a support service, and thus eligible to be covered by 100 percent dollars. This would not only help ensure that BFET students' books are covered, but it would free up more match dollars for other much-needed supports for students, transportation foremost among them. That said, federal regulations governing SNAP E&T categorize books as a support service, not an educational expense, so this is currently not an option for BFET.

### **How does your college administer your BFET program?**

Colleges interviewed were in general agreement that BFET is one of the more difficult programs to administer, despite its great flexibility compared to other funding sources in terms of what it can support. Significant efforts must be made by colleges to identify matching sources within their campus. Further, the processes set up by DSHS to ensure that all students for whom reimbursement is requested are BFET eligible requires a significant investment of staff time to

submit BFET rosters twice (once upon student enrollment and again upon submitting an invoice for reimbursement). Because it sometimes occurs that students initially deemed eligible for BFET by DSHS at enrollment are later deemed by them to be ineligible, colleges end up spending a good amount of time ensuring this is actually the case (sometimes there are errors).

The staffing levels for BFET at the colleges vary. As an example, one college with a mature BFET program that now serves up to 450 BFET students annually utilizes three full-time program managers/advisors charged with working directly with BFET students (intake, assessment, planning, connection to resources, support, etc.). Because students are funded through multiple sources, the college employs a “triage” system in which the primary funding source for a student dictates his or her lead advisor. The college also has a director level staff dedicating about 75 percent of time to oversight of its BFET program. It also has a newly-created administrative budget director that spends at least 50 percent of time on tasks such as tracking matching sources, monitoring expenses, and working with DSHS. Finally, an additional half-time staff works on BFET eligibility. These last two positions are performing functions once held by the BFET program managers/advisors. The new positions were created to free up advisors to spend their time working with students rather than administrating.

### **Has BFET led your college to partner with community-based organizations?**

Particularly in areas with higher concentrations of community-based organizations that are contracted BFET providers, participation in BFET has incited community colleges to strengthen their partnerships with these CBOs. BFET has created a framework for facilitation of cross-referral between colleges and CBOs both participating in the program, where the CBOs are providing support services, college/career navigation and case management, as well as supporting students that are transitioning into the work place during or after completion their training programs at the colleges. Students who are co-enrolled at colleges and CBOs tend to have better outcomes in terms of college persistence and completion, as well as employment. At some colleges, CBOs are co-located on campus, making it easy for a team of college and CBO staff to work together to ensure BFET students’ success. Once colleges master the administrative challenges of BFET (or at least get these under control), it tends to free up BFET staff at the colleges to reach out to CBOs and begin to forge partnerships.

## What are the challenges of BFET participation to your college and your students?

From a student perspective, BFET is one of the more seamless programs in which to be enrolled because of its flexibility in terms of allowing for multiple courses of study as well as assisting with tuition, books, fees and support services. Further, becoming eligible for BFET is fairly simple compared to other sources of financial aid: a student must meet income requirements for and enroll in Basic Food, which can be done online through Washington Connections (an online benefits portal used in the state). Through orientation and other intake processes as well as individualized education planning, colleges are proactive in making students aware of BFET and its qualifications, along with all other sources of financial aid. One of the challenges for students is that BFET has not been allowed for those aiming to move toward transfer degrees, leaving colleges to explain to these students why they cannot access BFET as a source of support for their specific educational goals. Further, participating in BFET means that students must meet the state requirements for remaining on Basic Food along with meeting other requirements for financial aid at the colleges. Colleges have worked hard to help students navigate these complexities.

As mentioned, the biggest challenge for colleges participating in the BFET program is the administrative burden associated with identifying and tracking a wide variety of match sources for students and working through eligibility rosters. More than one college stated with regard to the match that if there was one single source of stable funding provided by the state to the colleges as a match source it would eliminate or significantly reduce the burdens of identifying match and running out of match. And while colleges generally understand the need for DSHS to check eligibility rosters twice, they find it frustrating when students are approved for BFET enrollment but are later found ineligible during the invoicing processes, meaning they cannot be reimbursed as they anticipated and must scramble for other resources. It happens sometimes that the later ineligibility is in error so colleges spend time in discussions with DSHS to determine whether someone is indeed ineligible. One suggestion from the colleges is for the state to also create a stable source of dedicated funding to help cover students who are deemed ineligible for BFET after funds have already been expended.

Another difficulty for the colleges with the BFET eligibility roster system pertains to the timing of the process. Because of the time it can take for DSHS to approve eligibility rosters, some colleges try to submit rosters to DSHS at least two weeks prior to the start of each quarter so they will know whether students are eligible for BFET by the time the quarter starts. This means that they have to cut off prospective students from enrolling into BFET two weeks prior to the quarter start, which in turn may prevent additional enrollment of students during those final weeks if there are no other appropriate funding sources available for them. A faster turn-around time for eligibility might solve this dilemma.

### **Other than additional funding, how has BFET benefited your college?**

One of the key benefits colleges have reported in being part of the BFET program besides more resources for low-income students is partnerships with CBOs. This has brought college navigation and support services, and increased access to many students through jointly discovering ways to make college more accessible. Other colleges have found BFET has helped increase their enrollments, not only through referrals from DSHS and community-based BFET providers but also by giving colleges themselves a vehicle to reach out into the community. BFET has also captured the attention of state policymakers and increased the visibility of the need to invest in skills development for low-income individuals. An enormous benefit has been the availability of childcare for students through the program. It has bought everyone on same page – whether CBO, college, state government agency – to help people move toward self-sufficiency. Clear and shared goals under BFET has made it easier for colleges to forge relationships with other organizations to support their students' success.

### **What are your recommendations to colleges in other states about participating in SNAP E&T?**

Interviewed colleges were asked what recommendations they would provide to community colleges in other states with opportunities to participate in SNAP E&T third-party match programs developed in those states. Colleges agreed that SNAP E&T is a great funding source that truly works to serve the target population and generate outcomes that exceed those of other programs in terms of persistence and completion of programs. The BFET program in Washington State has met and even exceeded the impacts of programs such as WorkFirst and WIA in terms of providing skills to low-income and low-skill adults. A well-designed program like BFET is a must, but even in such a program the administrative burden of tracking matching sources and ensuring eligibility of students will be high. Colleges should be mindful of their match. Washington State has ample sources of non-federal match that other states may not currently have.

Colleges should know that SNAP E&T also can increase enrollments, which is especially important in times where local economies are strong and enrollments are declining. There will likely be more demand for SNAP E&T funding than capacity. That said, colleges that do not typically serve very low-income individuals with multiple barriers should be aware that SNAP E&T participation can increase the number of these individuals in attendance and mandate additional resources for supporting them. Colleges should start slowly and ramp up after putting in place the administrative

structures to manage the program and meet its requirements. Another recommendation is for colleges to build off their current programs by co-enrolling students in worker retraining or other workforce development grants already in place. Colleges should work with their peers – colleges in other states or in their own states that are already participating in SNAP E&T. BFET has benefited from a strong sense of mentorship among the colleges and between SBCTC and the colleges that has made on-boarding new colleges and meeting program challenges easier.

### **What are your recommendations to state governments about SNAP E&T?**

States should build on their current client tracking systems as happened in Washington State with e-JAS – it serves as an anchor point, though it is not without its flaws. It gives partners access to the same information that DSHS sees. Communication with contractors is key for state governments, as is treating them as partners, rather than simply contracted agencies. This helps build a program that works for all providers and thus their participants. States should also commit heavily to training. SNAP E&T is not necessarily intuitive and is different from most of the funding streams that colleges are using to support their students. Colleges may be particularly wary of the risks of a reimbursement program. BFET has had the benefit of training provided by DSHS and SBCTC, but even with this in place, some colleges with more mature BFET programs have been asked to take on extra work in training their peers.

## ◀ COMMUNITY-BASED ORGANIZATION BFET PROGRAMS

Because community-based organizations participating in BFET operate a wide variety of programs, this paper will include examples of a few different organizations' programs in order to supply the reader with an overview of some possible models. A discussion will follow of some of the challenges, opportunities and recommendations the community-based organizations interviewed made about the BFET program and SNAP E&T in general.

### ◀ A NOTE ON MIXED VERSUS "BFET-ONLY" PROGRAMS

Community-based organization BFET partners have the option of operating programs that serve exclusively BFET participants or including BFET participants in programs that also serve their other, non-BFET clients. The former are much simpler to administer. This is because in mixed participant programs, agencies must maintain costing systems that allow them to separate out those costs associated with BFET participants from those associated with non-BFET participants. While this is simple enough with regard to direct participant reimbursement expenditures, it can be difficult when accounting for expenditures on staff or other costs associated with the program as a whole and thus impacting both BFET and non-BFET participants. For these programs, an organization may derive BFET reimbursable costs by determining the percentage of BFET participants in the program and applying this percentage to the total allowable program expenditures.

## **FareStart**

FareStart became a BFET provider beginning in October 2007 (FFY 2008) after learning of the program from current contractor, Seattle Jobs Initiative, which encouraged and assisted FareStart to initiate its program. It was clear to FareStart from the outset that BFET was a good match because it was already serving a similar population to that targeted by BFET and the organization had already been planning for expansion.

FareStart provides onsite culinary training and housing support for low-income individuals, many of whom are recently incarcerated or coming out of treatment for chemical dependency. Many are also homeless or otherwise lacking housing stability. Most have spotty employment histories and very limited educational attainment, and all have significant barriers to employment. FareStart provides participants hands-on job training in the food industry combined with wrap around supports, such as case management, life skills training and support services needed to ensure their success in training and preparation for employment. While many participants gain jobs in the food industry after completing training, the overall objective of FareStart is to help participants become job ready and use their training as a first step toward career development and wage progression.

FareStart marks the success of its BFET participants – as with all of its clients – using measures of job placement, job retention and wage progression. BFET presented a unique opportunity for FareStart, working through DSHS, to approach the state’s Employment Security Department to directly access UI wage data for its past clients. This has allowed FareStart to garner information about the employment and wage outcomes of its past cohorts of participants with whom – like most community-based organizations and colleges – it had lost touch. With this data access FareStart has been able to learn, for example, that participants enrolled in its BFET program who became employed in 2010 had a 64 percent placement rate and an average wage of \$11.26 per hour two years later.

FareStart has utilized BFET to significantly expand its regular programmatic services for its target population. It uses primarily private philanthropic dollars (foundations, corporate contributions) and social enterprise revenue as its source of local match for BFET reimbursement. FareStart has grown substantially as a result of BFET. It began with a \$500,000 BFET program in its first year (\$250,000 of federal reimbursement dollars), and this has grown to nearly \$1.2 million in the current FFY (\$600,000 of federal reimbursement dollars) to provide about 200 clients with intensive services.

FareStart has one staff person who dedicates less than full-time hours to managing BFET eligibility lists, entering e-JAS case notes and managing the participant reimbursement process. This individual works with the organization's finance team to keep accurate files and ensure costing mechanisms are in compliance with BFET requirements. A third member of the staff oversees relationships with other BFET partners and DSHS. All told, FareStart estimates that it takes just over one FTE to provide the administrative support for its BFET program.

FareStart has found the challenges of participating in BFET to be fairly minimal after getting past a steep learning curve when first starting its program and working to ensure compliance with the rules governing BFET. FareStart's BFET program operates seamlessly for its clients: students are simply asked to maintain their Basic Food status and they are supported to do this. Students are not mandated to be on Basic Food/BFET to participate in FareStart's program, but they are encouraged to enroll and most do so willingly. For FareStart, the benefits of being a BFET provider have far outweighed the administrative burdens. The organization was able to double its enrollment very quickly after joining the program. It also finds the partnerships with other BFET providers to be invaluable.

### **Seattle Goodwill Industries**

Seattle Goodwill Industries (Goodwill) was one of the original BFET pilot partners, beginning with the program in its inaugural year, FFY 2006. Goodwill dropped out of the pilot after a couple of years after an assessment of its billing formula raised concerns about the organization's ability to realize the full return of the match. Goodwill subsequently rejoined the program beginning in FFY 2012 after establishing greater efficiencies in managing the client tracking and invoicing processes and developing a formula to accurately capture the services being provided to BFET students. Today, Seattle Goodwill utilizes BFET at all ten of its training sites throughout the region.

Goodwill utilizes BFET to support its low-income students with barriers to employment in its adult basic education classes, which include ESL, computer literacy, and GED. BFET also supports adults in its customer service training and career pathways programs, as well as some of Goodwill's young adult programs. Like FareStart, Goodwill does not operate programs exclusively for BFET participants; rather, these participants are mixed into Goodwill's regular training programs. Goodwill utilizes BFET to provide students with support services such as transportation, clothing, GED testing fees, and some medical care. It does not provide childcare or housing support.

Goodwill's BFET program currently serves about 1,068 clients annually with an approximate \$825,000 budget (half of which is federal 50 percent reimbursement). It utilizes funds developed

through its social enterprise (its retail business) as its match source. The organization is expecting to grow the program through an “in-reach” process where it will be more actively encouraging appropriate clients to enroll in Basic Food and qualify for BFET.

Goodwill utilizes a 0.5 FTE staff to coordinate BFET eligibility processes, such as interfacing with e-JAS, submitting eligibility and billing rosters, submitting quarterly reports, and filing case notes. The organization made a considerable effort to build a specialized database to help track its BFET participants and apply a cost allocation based on the number of BFET participants at each of its sites as a percentage of the total training participants at those sites. Support services costs are tracked independently because – as for all BFET contractors -- they must be linked to specific individuals participating in BFET. Goodwill asks clients upon enrollment if they are on Basic Food; if so (and not on TANF) they are activated in the BFET database. This automated system has significantly reduced what was a substantial administrative burden on the agency to accurately track costs.

## **Port Jobs**

Port Jobs is another of the original community-based organization contractors in the BFET pilot and thus commenced BFET services at the start of FFY 2006. Port Jobs is affiliated with the Port of Seattle and operates the Airport Jobs program – a high-volume job center based at SeaTac Airport that assists low-income individuals to secure and advance in airport-related jobs. It helps connect jobseekers directly to airport employers and access community-based supports. Port Jobs also operates Airport University in partnership with two local community colleges. The University provides flexibly-scheduled, credit-bearing, job-related courses to airport employees to help them advance to better-paying jobs. Port Jobs has served as a hub for Basic Food outreach and access because of the high volume of individuals it serves who are qualified for Basic Food.

Port Jobs utilizes BFET to support its Airport Jobs program. BFET has not been an easy program to administer for Port Jobs over the years because Airport Jobs is a relatively light touch program: participants enter and exit the program fairly quickly after being connected to employment opportunities. This model has presented a challenge because in the time it takes for Port Jobs to complete the eligibility roster process with DSHS that is necessary to qualify participants for BFET, participants may have already received services and moved on. Early on in the BFET pilot when the SNAP E&T fiscal rules were still developing, Port Jobs addressed this challenge by running scans of all of its participants each month to determine the percentage of individuals already on Basic Food, and requesting reimbursement based on this percentage. New federal guidance on

cost principles for BFET was issued in 2010 (described below) that disallowed this practice. Port Jobs subsequently had to redesign its program on different occasions during the next few years in order to come into compliance with federal regulations. It has been helped immensely by improvements to e-JAS that have significantly sped up the eligibility processes. Port Jobs is now deliberate in identifying, assessing and referring specific clients who walk in its doors for BFET services, which include intensive employment-based case management that is not received by non-BFET participants of Airport Jobs.

Port Jobs currently operates a \$260,000 BFET program (\$130,000 federal reimbursement) serving about 600 individuals annually. It requires the organization roughly two FTEs to administer the program. Most of this staff time is spent working with e-JAS, tracking participants, generating eligibility and billing rosters as well as invoices. Because Port Jobs devotes the time of several different staff to BFET, DSHS has recently required Port Jobs to move to a “real-time” billing system in which staff log their time spent on BFET in 15-minute intervals rather than utilizing historical staffing levels. This has placed an additional burden on Port Jobs.

### **YWCA of Seattle–King–Snohomish**

The YWCA of Seattle-King-Snohomish is another of the original pilot BFET contractors, commencing its BFET program in FFY 2006. The YWCA initially developed a dedicated program serving exclusively BFET participants, a program design that avoided many of the challenges faced by other agencies operating programs serving both BFET and non-BFET participants. This is because, as stated, in a “BFET-only” program, all costs can be charged to BFET; whereas in a “mixed-client” program, organizations must be able to delineate those costs spent on BFET versus non-BFET participants. The YWCA’s initial program supported one case manager to provide case management and support services and training for clients in the White Center area.

The YWCA’s BFET model has changed over time. The BFET-only program was first expanded from White Center to include two more geographic areas. This led to establishing community college partners for these programs in which the YWCA is providing students with college navigation, support services, job readiness and job search skills and colleges are providing vocational skills training. In this role, the YWCA is focusing mostly on the beginning of participants’ training pathways as well as the end, helping them transition from training to employment. The YWCA’s case managers – of which there are now three at each site – are co-located on the college campuses to conveniently provide these functions to students and facilitate working in tandem with colleges staff.

Two years ago, the YWCA further expanded its BFET program to support students in its BankWork\$™ program. Funded by several large area banks, the program provides training for entry-level bank-related jobs as well as navigation and support services. This has been the YWCA's first foray into utilizing BFET to support participants in a program that is also open to non-BFET students, complicating its tracking and costing systems. The YWCA does encourage participants in BankWork\$™ to enroll in Basic Food but being BFET-eligible is not mandated for participation. The YWCA has also recently utilized BFET to support some participants in its Employment and Housing stability program, funded by a King County levy initiative. In this way, BFET has moved from being a driver of program design at the YWCA to a source of support for appropriate participants in its regular array of programs.

The YWCA's BFET programs currently have an approximate budget of \$400,000 (\$200,000 federal reimbursement) and serve about 320 individuals annually. The YWCA utilizes primarily foundation, corporate philanthropic and municipal funding as its sources of local match for BFET funding, and has found success attracting these funds by letting prospective funders know that their dollars will be matched by BFET and thus go further. The YWCA finds the administration of BFET to be fairly simple, with most work dedicated on the front end to enrolling appropriate clients in Basic Food (if not already participating) and BFET through the DSHS eligibility process. It has found its administrative workload to have decreased significantly after DSHS allowed more provider access to the e-JAS system. The YWCA estimates that one finance staff spends about 15 percent of time on administering BFET, with most duties of BFET covered by case managers, who may each spend as little as 5 hours per week on these tasks.

The major challenge of BFET participation from the YWCA's perspective is matching up deliverables and reporting requirements from BFET with those associated with the sources of matching funds. The YWCA finds that the BFET program requires substantially more work reporting and managing financial systems than do their other programs. There is also some concern about equity among clients because BFET-supported participants often receive more robust supports than non-BFET participants. According to the YWCA, benefits of BFET participation to the YWCA (besides additional funding to increase their services) include incenting CBOs to work better with one another and with the colleges to target those most in need of more skills and better-paying jobs. The YWCA also finds BFET very beneficial in providing its participants access to state-funded childcare. Unlike other programs such as WorkFirst, the YWCA believes the real benefit of BFET is that it's a "hand-up" program, not a "hand-out" program.



## CBO RECOMMENDATIONS TO OTHER STATES CONSIDERING SNAP E&T PROGRAMS

The community-based organizations participating in BFET that were interviewed for this research were asked what recommendations they would make to other states considering third-party SNAP E&T programs, and/or to their community-based organization counterparts in those states considering participating in such programs. Some common themes that emerged include:

- Reach out to states or agencies that have done this before for advice and technical assistance. SNAP E&T programs can be complicated to administer and there is no need to reinvent the wheel. States administering SNAP E&T programs can set up training tools and information, networking and learning opportunities to facilitate the on-boarding of new agencies.
- States should start off involving a skilled technical and fiscal team to put the processes of eligibility and billing in place early that facilitate ease for both the state and contractors in meeting these requirements. Early on, systems should be put in place to collect robust data as this is key for continuous improvement and justification for the federal government continuing to support SNAP E&T. States should build off their client data systems that they already have in place. A quick turnaround time is essential in letting organizations know whether participants are eligible for SNAP E&T programs.
- For CBO contractors, if it is your first experience working with federal dollars, be sure to become well-familiar with federal fiscal requirements to ensure clean audits. Ensure that your state plays a proactive role in helping contractors to comply as Washington's DSHS has done. Ensure that your local matching sources do not contain federal funds, as these can often be hidden.
- Key to Washington's success with BFET is the close working partnership between DSHS and contractors in designing and continuously improving the program. The state has taken a collaborative approach, has communicated openly, and has listened to contractors' suggestions.
- CBOs considering becoming contractors for SNAP E&T programs should ensure that their fiscal/accounting staff are on board at the outset to ensure their agencies have the capacity to administer these programs. They should also consider whether they have the capacity and comfort level to gather income-based information from clients.
- For both states and CBOs, consider starting with limited programs to ensure systems are working before making measured expansion. This worked well in Washington State.

## ◀ BFET ADVOCACY: FEDERAL- & STATE-LEVEL CHALLENGES

Since its inception, the BFET program has been shaped by federal policy and administrative decisions. At the same time, due to the importance of SNAP E&T to Washington State and the uniqueness of BFET in the national landscape, Washington and BFET have also played an important role in helping to influence these decisions. A few key providers of BFET services in Washington have stepped into an advocacy role to support the preservation and improvement of SNAP E&T at the federal level, as well as to support improvement and expansion of BFET at the state level.



### **2008 – Changes to the 120-Hour Rule and the Addition of Job Retention Services**

One challenge to the provision of BFET services that emerged in program's second year was the "Maximum Hours Rule", also called the "120-Hour Rule".<sup>20</sup> The rule essentially capped participation in SNAP E&T activities among voluntary participants at 30 hours per week, or 120 hours per month, with time spent working for unsubsidized pay counting against this time limit. While the intent of the rule may have been to prevent states from mandating excessive participation requirements, it had the effect of preventing participation in intensive training programs that were at or near full-time, or in any training program while also working a job 30 or more hours per week. In Washington State, DSHS came to adopt a strict interpretation of the 120 Hour-Rule with guidance from FNS that disqualified from SNAP E&T 50-50 matching support any services or activities exceeding the time limit in their entirety. Prior to this clarification, BFET providers had interpreted the rule as allowing services exceeding the time limit because participation in more than 120 hours was done on a voluntary basis.

In 2008, Washington State BFET program representatives supported efforts by the National Skills Coalition and others to repeal the 120-Hour Rule, which happened with the passage of the Food, Conservation, and Energy Act of 2008.<sup>21</sup> The Act made another critical change to SNAP E&T strongly supported by Washington State: allowing SNAP E&T funds to support post-employment job retention services for up to 90 days for those participants who become employed. Prior to this, retention services were not eligible for 50-50 matching funds. Under this new law, job retention support can only be provided to SNAP E&T participants who receive other employment and training services through SNAP E&T programs, such as job search or vocational education. In Washington, DSHS did not allow job retention services as part of BFET until FFY 2012, because it was unclear prior to that time what FNS considered a retention service and who was eligible to receive such services.

### **2009–2010 – New Federal Guidance on SNAP E&T Cost Principles**

The spring of 2009 saw an administrative notice issued by FNS Western Region expressing concern over states utilizing SNAP E&T funds to supplant their own employment and training investments, and in particular scenarios in which community colleges were running computer matches of student rosters against SNAP participant roles, considering these matched students to be SNAP E&T "volunteers" and then claiming 50-50 matching funds through SNAP E&T.<sup>22</sup> FNS contended that this practice failed to comply with participant confidentiality requirements of the Food and Nutrition Act of 2008 as well as with federal cost principles against supplanting. While community colleges participating in BFET were not following this practice of "fishing" for SNAP E&T participants, they would soon be caught up in FNS' concerns over supplanting.

In March 2010, FNS issued new guidance clarifying the cost principles of SNAP E&T programs, spurred primarily by the community college practices described.<sup>23</sup> FNS formally concluded that SNAP E&T programs, including Washington's BFET program, were not in compliance with federal regulations prohibiting supplanting. Speaking specifically to community colleges in other states that were fishing for SNAP E&T participants, FNS stated that providers of SNAP E&T services should make a deliberate effort to provide individuals on SNAP – or eligible for SNAP – an assessment and individualized plan first and only then, if appropriate for SNAP E&T, enroll them in appropriate programs or components, including programs run by non-assessing agencies (FNS was concerned that 100 percent self-referral by providers would also be self-serving). In essence, retroactively enrolling individuals in SNAP E&T who were already receiving the same services funded by the state or other funding sources was a case of supplanting in that its effect was merely to charge to the federal government activities previously funded by others.

For Washington's BFET program, the primary challenge of the FNS ruling was the way that participating community colleges were evidencing their costs paid for serving students in the program. Until that point, colleges were including the full "cost of instruction" – the actual cost to the college for instructing a program participant. Per the federal guidance, however, colleges should not have been charging costs to the BFET program that they were not charging to other, non-BFET students. Non-BFET students were not charged the full cost of instruction, but only a portion of that in the form of tuition and fees, with the state picking up the rest of the costs (state FTE funding). Thus, the argument followed, colleges should only charge the BFET program exclusively for BFET students' tuition and fees (along with eligible support services, and BFET-specific administrative and direct services). The case for BFET community-based organization providers was even more unclear, as they did not charge any costs for services to any of their participants.

It is important to note that the cost system utilized by BFET providers up until the time of this FNS ruling had been part of BFET since the inception of the third-party match program in October 2005, meeting with the approval of FNS Western Region. Now, however, this new directive issuing from FNS headquarters stated that the cost methodology such as that used by Washington's BFET program ran counter to federal regulations barring supplanting per 7 CFR 273.7(d)(ii)(C) and OMB Circular A-87 and A-133. These measures essentially hold that: 1) federal funds cannot replace existing state or local funds, but are intended to supplement existing funding levels ("maintenance of effort"); and 2) the federal government cannot be charged more for services than the general public is required to pay for those same services ("consistency of treatment"). For BFET, it was the second aspect of the supplanting rule that came into play in 2010.

In its communication with Washington State, FNS informed DSHS that it had until June 30th of 2010 for BFET providers to amend how they were charging costs to the program in order to demonstrate compliance or no longer participate in the program. DSHS immediately requested all of its contractors to submit amended plans in May to apply to the fourth quarter of the federal fiscal year, showing how

they would be in compliance with the new fiscal guidance. In the meantime, representatives of the BFET program, led by Seattle Jobs Initiative and the State Board for Community and Technical Colleges, commenced working on strategies to preserve BFET in light of this ruling, soliciting the help of national advocates as well as Washington's Governor and representatives to Congress. FNS also conducted a site visit to learn more about the BFET program's operations, and FNS Undersecretary Concannon met with BFET program leaders in Washington, D.C. to do the same.

FNS first agreed to allow BFET to continue unchanged through the remainder of the federal fiscal year, giving Washington another quarter to work with FNS to determine how to bring the program into compliance. In July of 2010, FNS made the following determinations with regard to the BFET program that would apply to SNAP E&T programs elsewhere as well. First, community-based organization providers could continue to charge allowable services to BFET for BFET participants even though they did not charge their participants in general for their services. FNS interpreted the fiscal regulations against supplanting as stating that the federal government cannot be charged for services provided to E&T participants more than is charged to the general public or to foundations/other private contributors. Second, FNS held that community colleges could no longer charge to BFET the full cost of instruction, simply tuition, books, fees and specific administrative expenses associated with running their BFET services.

The impact on Washington State's BFET program of this ruling took effect for the 2011 federal fiscal year. DSHS estimated that collectively, the colleges' BFET programs were reduced by 37 percent from what was planned (reducing the state's overall BFET program from approximately \$18 million to \$12 million for the year). One positive for BFET's colleges was that FNS allowed DSHS to utilize unexpended 100 percent SNAP E&T funds from both FFY 2010 and FFY 2011 to mitigate some of the cuts to the 50-50 funds engendered by the new fiscal guidance. And the state was encouraged to request additional 100 percent funds that were available nationally from states that had not fully utilized their allocations. Without these mitigation efforts, DSHS estimated that BFET would have been reduced by another \$1.3 million in FFY 2011.

## **2012 – Reporting Measures; Threats of SNAP E&T Elimination**

The Farm Bill was coming due for reauthorization in October 2012 just at the time when deficit hawks in Congress were in a mood to find "efficiencies" within federal programs equating to substantial cost savings. In December of 2011, the House Education and Workforce Committee introduced a WIA Reauthorization and job training consolidation bill that proposed to eliminate SNAP E&T altogether as part of rolling up more than thirty job training programs across several federal agencies as part of a single \$4.3 billion "Workforce Investment Fund". Although this consolidation bill never progressed, it did engender concern among SNAP E&T advocates about a potential lack of support for SNAP E&T within U.S.D.A. leadership. On the other hand, FNS broadly as an agency seemed to be showing more interest in SNAP E&T, again

sending several representatives to Washington State to meet with DSHS and a handful of BFET providers to learn about how BFET operates and its well-documented outcomes.

Advocacy efforts began in earnest in Washington State to counter efforts to potentially eliminate SNAP E&T through consolidation. Led by Seattle Jobs Initiative working in tandem with and under the guidance of the National Skills Coalition, these efforts focused on demonstrating that SNAP E&T was not duplicative of other workforce programs (that SNAP recipients tend to be extremely low-skilled and in need of intensive services if they are to obtain meaningful employment), and that other job training programs do not well serve this population. Efforts included enlisting the support of Washington's representatives to Congress and attending a national conference of SNAP Directors to raise awareness of BFET and the value of the SNAP E&T program.

These efforts paid off. The Senate passed a Farm Bill that preserved funding for SNAP E&T. While an amendment was offered that would have eliminated SNAP 50-50 funding, this was rejected. More surprisingly, the House passed a version of the Farm Bill that also kept SNAP 50-50 funding intact, while reducing 100 percent funding from \$90M to \$79M. Part of the reason for SNAP E&T's success in the House was an effort led by the National Skills Coalition – again working with Washington State – proposing specific reporting metrics be included to make SNAP E&T more accountable. These metrics were already being tracked by Washington's BFET program. The metrics (described in more detail earlier in this research) were adopted in the House bill (and eventually the final Farm Bill) and include a focus on skill attainment as well as employment. Importantly, the metrics are only reporting requirements: they are not performance requirements and thus carry no fiscal penalty. Each state must submit an annual report and the Secretary can require the state to modify its plan if they feel the state's outcomes are inadequate.

Because the Senate and House could not agree on a sweeping new Farm Bill, an extension of the current law was passed as part of the fiscal cliff deal that included the House bill SNAP E&T measure reducing 100 percent funding but not codifying the proposed reporting requirements.<sup>24</sup> Given the potential elimination of SNAP E&T faced throughout the year, this was a very positive result.

### **2013 – SNAP E&T Again Under Threat**

Because the Farm Bill was simply extended in 2012, it was clear that the House and Senate would take up the Farm Bill again in 2013 for reauthorization. In Washington State, Seattle Jobs Initiative partnered with the National Skills Coalition to work with freshman Congresswoman Susan Del Bene from Washington State to develop and support an amendment to the Farm Bill to expand SNAP E&T through a three-year, \$30 million national pilot to fund efforts similar to BFET. By the end of the summer, the House Agriculture Committee had passed a Farm Bill not only preserving SNAP E&T, but including the Del Bene amendment. The fate of SNAP E&T became much more tenuous by the end of the summer as a new Farm Bill was

offered by House Republicans that was divorced from SNAP in order to get quick passage. A separate bill was proposed by this same group on SNAP that would have cut \$40 billion over 10 years, forcing millions off of SNAP and imposing significant new restrictions on SNAP E&T. These restrictions posed a major threat to BFET because states would have had to choose between adopting new punitive work requirements for their SNAP recipients and giving up their 50-50 funding. Once again, working with the National Skills Coalition, Washington State BFET leaders (led by Seattle Jobs Initiative) worked to oppose this proposed legislation. Despite best efforts, the House SNAP bill passed on an extremely close vote. Yet with the Senate far away from the House on SNAP and a government shutdown looming, U.S.D.A. continued to administer SNAP E&T under existing law throughout the remainder of 2013 while the House and the Senate continued to work on the Farm Bill.

The government shutdown itself posed a threat to the continuation of BFET, occurring in the first month of FFY 2014 (October 2013). Fortunately, FNS set aside a prorated share of the state's FFY 2014 SNAP and SNAP E&T allocations for the month of October that covered program costs until the shutdown was concluded, such that BFET was able to continue uninterrupted. Had the shutdown persisted, it is likely SNAP E&T funding would have been curtailed.

#### **2014 – Major New SNAP E&T Initiative Passed; Reporting Requirements Enacted**

In January of 2014, the House and Senate reauthorized the Farm Bill.<sup>25</sup> Not only was SNAP E&T 100 percent funding restored to its 2012 level (up to \$90 million from \$79 million), but Representative Del Bene's amendment on the House side to fund SNAP E&T pilots modeled on the success of BFET was passed at an increased level of \$200 million over three years. The Farm Bill also codified earlier language from 2012 adding metric reporting requirements for states' SNAP E&T programs.

## STATEWIDE LEGISLATIVE & REGULATORY CHANGES TO BFET

### **Improvements to E-JAS, Eligibility and Billing Processes**

In early 2007, Seattle Jobs Initiative and other providers were beginning to advocate for ways to make the administrative burden of BFET participation lighter. Included were the following improvement ideas: 1) Allow agencies to bill based on a percentage of participants in their programs that were BFET eligible, rather than filing a claim for each individual on a roster basis; 2) Allow agencies to directly input data into the e-JAS system on their participants, rather than subject them to a lengthy back-and-forth, manual process with DSHS entering all data; 3) Consider designating a single administrative entity – one point of contact with DSHS on behalf of other providers.

With regard to the second idea, it has been mentioned that the verification of Basic Food status and entering BFET activity components via the then current manual back-and-forth exchange between providers and DSHS was very cumbersome, taking up to 5 to 7 business days to complete. Advocates sought to encourage DSHS to streamline the verification process by giving providers access to the DSHS database (e-JAS), allowing providers to directly verify Basic Food status and to directly input BFET activity components. The current process as well as other administrative challenges were not only burdensome to providers but to DSHS as well.

At a meeting in June 2007, Seattle Jobs Initiative presented a series of more specific recommendations to DSHS leadership:

- Streamline e-JAS to eliminate time consuming navigation required of DSHS and providers. DSHS responded that technical redevelopment of e-JAS would be required and had been discussed at top levels of DSHS. This recommendation was ultimately implemented.
- Allow providers to directly enter component codes into e-JAS (then a function of DSHS). DSHS responded that it had brought this up with its leadership some time earlier and it was thought not possible because of security/confidentiality concerns to give up this function outside of the agency. But DSHS agreed to consider, and this recommendation was ultimately implemented.
- Allow providers access to the Basic Food database to determine who among those they were serving were on Basic Food. DSHS stated it was already moving forward with a web-based system that would allow access to this information, and this recommendation was ultimately implemented.
- Allow non-college providers that offer longer-term training programs to bill once per participant (based on average cost per client) as do the colleges. DSHS believed the FNS regulations would permit this and it would be reviewed. However, this recommendation was not implemented.
- Speed up statewide expansion.

### **New changes to e-JAS January 2014**

Previous to January 2014, providers compiled lists of their participants they considered eligible for BFET in files and sent these to DSHS via encrypted e-mail, whereupon DSHS would check for eligibility and open the BFET enrollment component and other components requested by the BFET contractor, in e-JAS. These lists were then notated and returned to providers to get clients enrolled in BFET and set up with appropriate e-JAS components. Beginning in January 2014, however, a new portal was added to e-JAS to automate the process of checking for BFET eligibility by eliminating the step of DSHS staff checking for case status

from manually-submitted lists sent by providers. Now, providers themselves can check status themselves and select the initial component to eligibilize their participants for BFET. This system still has multiple bugs and is thus not as useful to providers as it will be when these are ironed out. It also requires more work of providers, so some prefer to continue to submit lists to DSHS even though it may cause delays.

### **Changes in Income Eligibility for Basic Food Expands E&T**

In 2008, the state's Supplemental Operating Budget increased Basic Food income eligibility in the state from 130 percent of the Federal Poverty Limit to 200 percent.<sup>26</sup> Accordingly, BFET eligibility broadened, and the demand for services increased significantly.

### **Gaining Support for New DSHS Staffing to Administer Expanding BFET**

By 2008, DSHS reported that it was struggling to administer the BFET program due to limited staffing capacity. Providers were experiencing delays despite administrative improvements in terms of getting problems addressed and billing turn-around times. DSHS and providers anticipated these delays would only get worse due to ballooning Basic Food rosters (due to the recently legislated change in Basic Food eligibility from 130 to 200 percent Federal Poverty Level, described, the worsening economy as well as the elimination of the 120-Hour Rule at the federal level). Other providers continued to request to become BFET contractors, but DSHS was hesitant to expand in large part because of its lack of staffing.

DSHS submitted to the state's Office of Financial Management (OFM) a request for additional FTEs to increase its capacity to administer the BFET program. This request was staunchly supported by BFET providers via letters and phone calls. Both DSHS and supporters stressed to OFM that these staff could be paid for through SNAP E&T 100 percent funds, so there would be no additional outlay required by the state.

In October 2008, Seattle Jobs Initiative met with OFM and DSHS about the progress of the DSHS request for additional FTE support for BFET. OFM had recently approved an additional 26 FTEs to manage Basic Food within the CSOs, beyond the FTE cap, so there was a precedent for expanded FTEs for BFET. However, a recent hiring freeze instituted by the Governor indicated a possibility that regular turnover at DSHS might have netted out these new positions. The specific request for 12 new FTEs for BFET had not been considered at this time, as the Governor was waiting until after the fall election. The request was then considered as part of the 2009 legislative session and was, in fact, approved at that time.

### **Legislative Endorsement of BFET Expansion**

In June 2007, Seattle Jobs Initiative and Seattle Goodwill met with DSHS leaders on several issues related to improvement and expansion of BFET (the administrative improvements requested at this

meeting are describe above). DSHS stated at that time that there existed three primary obstacles to statewide expansion. First, DSHS stated a desire to fix the glitches in Region 4 (King County pilot area) prior to considering further expansion. DSHS stated that it would therefore not consider expansion for FFY 2008 (in the state SNAP E&T plan to be submitted that summer) but would for the FFY 2009 plan.

Second, DSHS had concern regarding the fact that it currently had waivers from FNS in all regions of the state except Region 4 from offering SNAP E&T services to Basic Food recipients (services independent of the BFET program). The state's currently mandated E&T program required DSHS to provide services (mainly job search) through ESD at the WorkSource Centers to Basic Food recipients. In non-waiver regions, Basic Food recipients were required to participate in E&T or else lose their Basic Food benefits. DSHS requested waivers because the relatively high unemployment and diffuse populations in these regions would mean that it would be difficult for many people to access E&T services (meaning they would often fail to do so) and if they did, many would not gain employment. The result would be that many people would lose their Basic Food eligibility as well as remain unemployed. Accordingly, DSHS did not want to remove the waivers. DSHS stated that while there was nothing strictly preventing them from offering BFET in regions with E&T waivers, it believed that it was a "gray area" – that it would be hard to justify the claim that E&T cannot be offered in a region but that BFET could. In later conversations with FNS Western Region, DSHS discovered this concern to be unjustified. The third obstacle to expansion was DSHS staffing capacity which, as discussed previously, was addressed by the state legislature in early 2009.

The Washington State legislature gave official endorsement of BFET's success in 2010 by passing a law requiring its expansion. Prior to this, the BFET program's growth was an administrative decision left to DSHS, which had been measured in its approach. As part of the state's Security Lifeline Act<sup>27</sup>, the legislature called for the expansion of BFET through the addition of three new colleges in 2010 to the program, growing the program within already participation colleges, and expanding CBO-college partnerships to provide participants with wrap around services.

## ◀ BFET PROGRAM GROWTH & OUTCOMES

### ◀ PROGRAM EXPANSION

#### **DSHS Philosophy of Expansion**

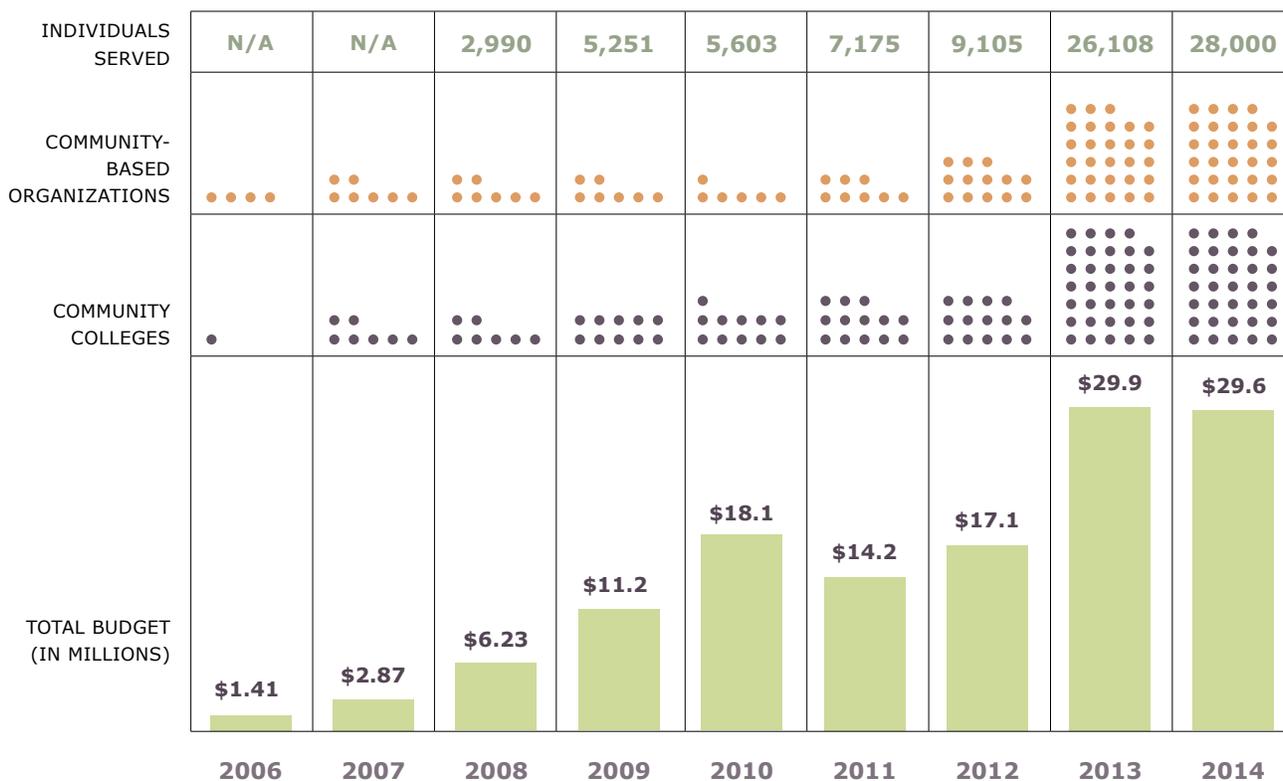
After the initial pilot year of BFET (FFY 2006) was concluded, the program began a slow and steady expansion that has continued to date. The slow pace of expansion was intentional, initially because DSHS wanted to ensure that the program was stable and effective and that it could be administrated with current staffing capacity levels at the agency. Beyond this, a measured growth was, as mentioned, initially based an unfounded concern that expanding BFET into areas with waivers based on limited accessibility to services and high unemployment might jeopardize those waivers. In addition, DSHS wanted to take the time necessary to ensure that prospective new providers were clear that BFET was not an attempt to recreate WorkFirst: the goal of BFET was not to move participants off assistance into poor-paying jobs as soon as possible but rather a voluntary program to help them advance to living-wage jobs through skills attainment.

While DSHS has performed outreach to prospective new providers, particularly early on, it has been more typical for prospective providers to have learned of BFET from currently-participating organizations

and approached DSHS about joining. DSHS has been and remains more proactive about reaching out to prospective new providers when those providers are serving a geography or population group that is particularly in need of services. DSHS is intentionally mindful of not adding more capacity than a specific geography needs; hence, it is currently not soliciting new BFET partners in the Seattle/King County area, for example, unless the partner meets a specific need in that geography.

As of April 2014, there are 31 community-based organizations and all 34 of the state’s community colleges participating in BFET. Having now reached capacity with the state’s community colleges, DSHS is focusing today on possible expansion via the addition of new community-based organizations, particularly those that might be able to partner with community colleges through co-enrollment of BFET participants. **Figure 3** illustrates the growth of the BFET program from inception through the current FFY (2014), in terms of number of individuals served, number of CBO and community college contractors, and total program budget, which includes federal 100 percent and 50 percent reimbursement dollars in combination with local investment. Note that for FFY 2014, still in progress, the categories of “individuals served” and “total budget” remain estimates based on the state’s SNAP E&T plan for the year.

FIGURE 3: BFET PROGRAM EXPANSION



SOURCE: Washington State Department of Social & Health Services

## **DSHS Procedures for Adding New Providers**

Agencies that are interested in becoming BFET providers are referred to the “Partner Agency Capacity” Checklist on DSHS’ BFET website<sup>28</sup>, where they can get an overview of the BFET program, including who is eligible, eligible services, program restrictions, reporting requirements, and more. Prospective agencies are then asked to review a set of questions to gauge whether they can meet the administrative requirements of program participation (e.g., “assess and enroll participants in appropriate activities; track and record participant progress; and track costs and invoice a federal program”).<sup>29</sup> Prospective new agencies are specifically evaluated by DSHS under the categories of “service capacity” (do they provide appropriate and effective services to the target population), “data recording/reporting capacity” (do they have the capacity to track participant Basic Food eligibility, electronically enter case notes and outcomes) and “financial capacity” (do they have appropriate match funding, sufficient cash flow, a cost allocation system, and the ability to meet financial audit requirements).

An agency that believes it meets the requirements of the Capacity Checklist then must submit a Letter of Interest (the template for which is available on the DSHS BFET website) that provides a summary of the services to be provided and the agency’s ability to meet the capacity requirements described above, estimates of the number of participants to be served annually by the proposed BFET program, a projected one-year budget for the program, and the sources of the agency’s matching funds. DSHS will subsequently review the Letter of Interest and, if it believes the agency meets the requirements for participation, will conduct one or two follow up meetings with the agency to ensure fit, and then work with the agency to prepare a formal BFET proposal that will become part of the state SNAP E&T plan. Proposals from new providers are reviewed by DSHS just as they are for continuing contractors (reviewing elements such as services to be provided, total costs for services and administration, and costs per participant).

There are essentially two times per year that DSHS will on-board new agencies. By early June, new agencies can be included in the state SNAP E&T that is then being prepared for its annual submission to FNS in mid-August. Additionally, an agency may submit a proposal by December 31 for potential BFET contracts that begin mid-year (April – September) if DSHS identifies additional funds to amend the state plan.

## **On-Boarding New Community Colleges – The Work of SBCTC**

As SBCTC promoted expansion of BFET to community colleges not currently participating in the program, it would send out an annual notice to these colleges that included a “Notice of Interest” form to be completed and submitted by the colleges’ Workforce Education staff. Interested colleges were required to respond to questions about their proposed BFET services and capacity and to develop a startup budget plan with the assistance of SBCTC. For new colleges, there was great success utilizing peer support provided by current BFET colleges, which were paired with them early in their planning processes.

SBCTC also promoted the expansion of BFET to new colleges via site visits and quarterly Workforce Education leadership meetings. SBCTC quickly discovered that in these outreach meetings it was essential to have leadership from a variety of college departments in the room to learn about BFET. In addition to Workforce Education leadership, this included leaders from Financial Aid, Student Services and Business Offices, and ideally college Vice Presidents and/or Presidents. Coordination between these groups has been key to the colleges in operating successful BFET programs.

College interest in joining the BFET program was strong from the beginning. It increased in strength after SBCTC worked on streamlining the colleges' administrative burden in offering BFET to the point where fewer colleges were being brought on each year than wanted to join (leaving SBCTC to prioritize which colleges to add first). Colleges were obviously excited about a new funding opportunity for an under-served population but saw BFET as a core student service that could allow their low-income students to attend school full-time and still receive critical support from Basic Food and child care. This was particularly true because, as mentioned, WorkFirst reductions meant that colleges were no longer able to serve low-income families. BFET would allow them to do so, giving colleges the ability to support students who had either timed out from TANF or who had voluntarily put their TANF on hold while attending training.

Colleges newly added to BFET were asked to develop startup budgets and were provided approximately \$12,000 in 100 percent funds for their first quarter of operating their BFET programs, and an additional, slightly smaller allotment in the second quarter to help them get started. These 100 percent funds were utilized by colleges to get their internal staffing and student flow processes in place and to serve a small number of BFET students for the first two quarters before fully ramping up their 50-50-funded programs, typically accomplished by spring quarter. For their first full year as BFET providers, colleges were encouraged to begin with a realistic level of services and to plan for growth to their full potential over the course of two or more years. As with newly-added CBOs, colleges were encouraged to start their BFET programs by determining which of their students were on or were eligible for Basic Food (eligibilizing the latter group through the DSHS process), and using their 50-50 reimbursement for serving those students to grow their programs and create access for new students.



## SUMMARY OF BFET OUTCOMES

Early in the BFET pilot DSHS included ESD staff as well as SBCTC staff to scope out the cross-match processes for both the UI wage files as well as for student achievement reporting. This has allowed for a high level of data collection and analysis, particularly starting in FFY 2008 when a larger and more comprehensive data set became available. The availability of data to demonstrate the effectiveness of BFET – in the hands of strong advocates for BFET in Washington State – has been critical in efforts to sustain and grow BFET and preserve SNAP E&T at the federal level.

The Annie E. Casey Foundation commissioned two reports authored by Bob Watrus focused on studying the outcomes of Washington’s BFET program. These reports were largely intended to provide evidence of the effectiveness of the program in assisting participants to obtain employment and wage gains in the face of legislative challenges to the SNAP E&T program in 2010 and again in 2012-2013 as described earlier in this research. While these reports should be referenced for more detailed explanation of program outcomes, a summary of the outcome data that they provide is adapted here.

### June 2010 Outcomes Report <sup>30</sup>

The June 2010 report examined results for an estimated 14,000 participants served from BFET’s inception until the date of the report. Of these participants, about 11,000 individuals received education and training services from community colleges, including vocational education, basic education and high school completion/GED preparation. More than 6,400 received wrap around supports and support services – and in some cases vocational education and training – from community-based organizations.<sup>31</sup> The chief outcomes reported for these 14,000 individuals are found in **Figure 4**.<sup>32</sup>

FIGURE 4: BFET OUTCOMES

	JUNE 2010 REPORT	AUGUST 2013 REPORT
 <b>INDIVIDUALS IN SAMPLE</b>	14,000 served	Cohort of 21,400 (of 56,800 served)
 <b>EDUCATION &amp; TRAINING COMPLETION RATE</b>	70% - 80%	Not reported
 <b>OVERALL ENTERED EMPLOYMENT RATE</b>	57% one year post-BFET*	<ul style="list-style-type: none"> <li>• One year post-BFET: 58%</li> <li>• Two years post-BFET: 69%</li> <li>• 12,350 individuals received jobs.</li> </ul>
 <b>MEDIAN HOURLY WAGES</b>	\$10.20 – \$10.63*	<ul style="list-style-type: none"> <li>• One year post-BFET: \$10.15 - \$10.66 (\$10.50 - \$11.44 for vocational education participants)</li> <li>• Two years post-BFET: \$10.42 - \$11.08</li> </ul>

\*Sub-cohort of BFET participants in Quarter 4, 2007, through Quarter 4, 2008, for which more comprehensive data is available.

The June 2010 report also examined the cohort of 8,557 BFET participants who were enrolled in the program between the fourth quarter of 2007 and the fourth quarter of 2009, because more detailed data was available for this period. Among this cohort, 24 percent received job search assistance; 54 percent received education and training services alone (basic education; GED preparation; job readiness training; vocational education); and 22 percent received multiple services.<sup>33</sup> Within this group, those participating in job search had the highest overall entered employment rate of 68 percent, compared to a low of 48 percent for those receiving basic education alone.<sup>34</sup> Individuals receiving vocational education had the highest wage range, with median wages ranging from \$10.50 to \$11.17 per hour.<sup>35</sup>

The report also found that BFET participants at community colleges were reaching critical student achievement milestones, such as making basic skills gains, becoming college ready and achieving 15, 30 or more college credits.

### **August 2013 Report**<sup>36</sup>

Because of the rapid expansion of the BFET program, the most recently-completed AECF BFET outcomes report had, of course, a much larger sample size to analyze – 56,800 participants served since the program’s inception. With this additional data and longer program history, the report’s analysis focused on the longer-term employment and wage outcomes of BFET participants and also sought to compare BFET to WIA and TANF in terms of populations served and services provided.

The report found that of the 56,800 served by BFET, more than 42,200 received education and training services at community colleges (including the same types of programs listed above).<sup>37</sup> About 17,650 participants received wrap around supports – and in some instances, vocational education and training – from community-based organizations.<sup>38</sup> Among all participants, 49 percent received vocational education; 23 percent multiple services; 19 percent job search assistance; 7 percent basic education; and 1 percent each for high school completion/GED preparation and job readiness training.<sup>39</sup>

The August 2013 report also examined in greater detail a cohort of 21,400 participants served from the end of 2007 to the end of 2011 (again, because this cohort had more outcome data attached to it). The chief outcomes reported for these 21,400 individuals are portrayed in **Figure 4**.<sup>40</sup>

The report noted that employment and wage rates were distinctly affected by the Great Recession, with both rates higher prior to the Recession, subsequently decreasing then leveling off.<sup>41</sup> A regression analysis included in the report examined the likelihood of BFET participants keeping their jobs during the recession compared to a similar demographic and geographic cohort of individuals on Basic Food but never enrolled in BFET. The analysis found that BFET participants were 34 percent more likely in 2009

and 42 percent more likely in 2010 to keep employment than the statistically similar group who received Basic Food alone.<sup>42</sup>

Another finding of the report was that many more BFET participants had begun hitting student achievement milestones compared to the 2010 report, and more than 950 BFET participants had obtained postsecondary certificates and degrees or completed apprenticeship training during just the 2011-12 academic year.<sup>43</sup>

Finally, the August 2013 report made some comparisons between BFET participants and services and those of WIA and WorkFirst (TANF). Some of the key findings included<sup>44</sup>:

- BFET participants were much more likely than Workfirst participants to be men (49 to 23 percent); they were also more likely to be older (median age of 38 vs. 32 for WorkFirst);
- BFET participants were much more likely than either WorkFirst or WIA participants to be homeless (24 percent vs. 12 percent and 5 percent, respectively);
- BFET participants were more likely to represent one-adult households than either WorkFirst or WIA participants (79 percent vs. 60 percent and 19 percent, respectively)
- BFET participants were much more likely to receive vocational education than WorkFirst participants (53 to 15 percent).

## ◀ RECOMMENDATIONS & CONCLUSION

One of the most indispensable features of SNAP E&T is the flexibility it provides states in designing and implementing employment and training services that best meet the needs of their SNAP populations and that are integrated into their distinctive infrastructures and workforce system objectives. Accordingly, there is no single “best” SNAP E&T model for every state. An initial recommendation is simply for states making minimal use of SNAP E&T to give strong consideration to building more robust and effective programs that can undoubtedly help fill an urgent need among their under-served and low-skilled SNAP populations for the skills required to advance to living-wage employment. The messaging necessary to

build support for expanded SNAP E&T programs within states is clear and should appeal to both sides of the aisle. Job training and skills-building helps people advance out of poverty to live better lives through access to better-paying jobs; simultaneously, helping these individuals secure better, more stable employment turns them into taxpayers, moves them off SNAP and other public benefits, and helps meet the needs of local employers for skilled workers.

The extent to which SNAP E&T programs can deliver on these measures of success, however, depends on the form these programs take. As mentioned, Washington State operated a small SNAP E&T program prior to BFET that did little to move people to self-sufficiency. BFET did more than simply expand the state's SNAP E&T services, it made a major shift from workfare to skills-building intended to lead to *meaningful* employment gains for participants; from a vehicle for mandatory SNAP populations to meet their participation requirements to a voluntary program serving individuals prepared and motivated to improve their skills and job prospects; and from a stand-alone program with a compliance feel to an employment and training program connected to the state's workforce system.

SNAP E&T's flexibility presents states with important and inter-related choices in program scope and design, including which populations to target for participation, the balance to strike between support services and purely employment and training services, and whether to focus on moving participants immediately to any available jobs or on building their skills for living-wage employment. BFET has resolved these questions by placing skills at the center. Its goal is to achieve positive long-term employment and wage gains for participants, and it holds contractors accountable for these metrics. As such, BFET targets participants that are prepared to succeed in employment and training programs, even if they require fairly robust supportive services. It is not designed to serve individuals who are not ready for unsupported employment simply to give them an activity to do to remain on Basic Food or punish them if they fail to participate. Though states may think to utilize SNAP E&T to support services similar to those provided by TANF or WIA, SNAP E&T might best be deployed (as with BFET) to *complement* these programs by offering what they typically do not. Unlike TANF, SNAP E&T can focus on skills and education that will allow SNAP recipients to compete for jobs that will help them advance to self-sufficiency; unlike WIA, it can provide a more robust, flexible set of training and support services for a population with multiple barriers to employment.

States should strongly consider adopting third-party match SNAP E&T models. As mentioned, this model allows states to build on the efforts of employment and training providers – community colleges and CBOs – already operating in their states and expert at providing services to low-income/low-skilled populations with barriers to post-secondary and employment success. It allows states to leverage investments being made in these organizations to serve as match for federal reimbursement, while limiting their own investments. In utilizing this model, SNAP E&T can also serve as a vehicle to better align the goals and services of providers with one another (and with the state) to offer participants a more seamless continuum of services.

Beyond these general themes, some important lessons learned from Washington's BFET program can guide states as they contemplate building out their SNAP E&T programs:

- **Consider Starting "Small" Through Pilot Programs:** As was true for BFET, the complexity of administering a SNAP E&T program may mean states are better off starting relatively small by focusing on specific populations of SNAP recipients, specific geographies (as with BFET), and/or specific groups of providers (e.g., community colleges). Starting small minimizes risk. In Washington, this approach allowed BFET to work out many of the kinks in program operations, and eliminated the need for new administrative staffing until the program proved a worthwhile endeavor. It also afforded time for BFET to begin to demonstrate success prior to growing to a size that attracted a significant level of attention. And it allowed time to build up sound procedures, as well as develop expertise among key state-level and contracted agencies who were subsequently able to provide technical and political support to help grow the program. For these reasons, and because the program created its own momentum through peer-to-peer networks, starting small actually facilitated faster growth of the program.
- **Build a Strategic Partnership Between State and Providers Based on Common Goals:** BFET's success has been largely attributable to its development as an equal partnership between the state that administers the program and the community colleges and CBOs that deliver program services. State and providers have worked in tandem to initially set and subsequently revisit and refine clear and mutually-agreeable goals for the program and its participants. The willingness of the state (DSHS) to listen and respond to contractors both in building the program and administering it has resulted in BFET's continuous improvement and led new colleges and CBOs to want to join the program. States should consider how they can build their expanded SNAP E&T programs on strategic partnerships that may already be in place, as Washington did with the Making Connections effort in the Seattle area.
- **Foundational Elements - Strategic Plan, Fiscal Expertise, Technical Assistance & Tools:** In Washington State, BFET was driven from the outset by a business plan that included a set of agreed-upon program objectives and a plan for meeting these. This was followed up a few years later by a five-year strategic plan that refined the program's strategic priorities. Both plans have been invaluable in the growth and success of BFET. In addition, Washington quickly learned with BFET that SNAP E&T programs in general – and third-party match programs in particular – can be quite complex from a fiscal and contracting standpoint for both the state administering agency and for contractors. Fiscal expertise should be brought in early and often, whether at the state in developing its SNAP E&T program procedures, or at the provider level in determining whether and

how to participate as a SNAP E&T program contractor. What has also worked well in Washington is peer-to-peer (college to college, CBO to CBO) and state to contractor fiscal support for new providers, helping them quickly get the financial systems in place necessary to participate. In a similar vein, technical assistance and tools for current and especially new providers have been key to BFET's growth and success. DSHS, for example, has created tools for new providers to determine their capacity to participate in BFET, as well as a detailed program manual that covers all aspects of participation. These tools are supported by regular convening of providers by DSHS to discuss challenges, successes and potential improvements to BFET.

- **Integrate SNAP E&T into the State's Workforce System:** An effective SNAP E&T program complements and is tied to other key parts of a state's workforce development system, such as TANF, the one-stop system (WIA), the community college system, etc. As stated, this should be done keeping in mind that a critical part of SNAP E&T's value lies in its flexibility and ability to fill gaps in these systems, so integration does not mean trying to duplicate these programs or apply their often restrictive elements. SNAP E&T, as with BFET, can be utilized as a bridge from TANF (or to help keep people from going on TANF in the first place). It can link to WIA as well. In Washington, WIA one-stop centers are aware of BFET and can connect appropriate individuals to BFET providers who would be better served by BFET than by WIA. Overall, SNAP E&T can be part of career pathway development – as the first rung on the skills ladder or providing post-employment wage and skill progression for low-income workers. BFET has also demonstrated the value of integrating SNAP E&T specifically with states' community college systems. Student debt is a huge issue, and SNAP E&T can help alleviate this by serving as bridge funding for students while they qualify for other sources of financial aid, and by providing student supports for those students who may not be Pell eligible.
- **Integrate Support Services into SNAP E&T:** States should consider how to match up state-supported social services with their SNAP E&T programs in order to provide more comprehensive and seamless services to SNAP E&T participants. In Washington, aligning BFET with the state-run childcare program has been critical for BFET providers, even though childcare is eligible for SNAP E&T 50 percent reimbursement. In general, allowing support services that specifically support SNAP E&T participants' ability to enter and complete training programs and secure and retain employment is imperative for the SNAP population. States' concerns about costs for childcare, transportation and other support services are legitimate, but can be controlled, as in BFET, through capping these costs.
- **Build Upon Existing Administrative Structures/Capacity:** In building SNAP E&T programs, states should consider how they may build upon systems already in place

rather than recreating/duplicating what exists. Inherent in a third-party match model is the utilization of existing community college and CBO infrastructures and programs. Beyond this, states may utilize the systems they have in place to administer public benefit programs such as TANF and SNAP for SNAP E&T, such as systems for tracking participants. Washington's adaptation of its shared case management database for TANF – e-JAS – was critical to the success of BFET. Similarly, states should consider how to creatively deploy current staffing (fiscal, contract, program and policy) to develop and administer their SNAP E&T programs. Again, this is a reason to start small. Once programs are ready to expand, additional administrative capacity can be added utilizing SNAP E&T 100 percent funds.

- **Consider All-Voluntary Programs:** When Washington moved to an all-volunteer model with BFET it made a substantial improvement in the program and gave more flexibility to partners. SNAP E&T rosters actually increased, not decreased as might have been anticipated. Moreover, participants enrolling in programs were individuals who truly wanted to be there to improve their skills and opportunities for good jobs – they had not been forced. As a result, the quality of programs offered by BFET providers has not been diminished by the inclusion of individuals who have limited interest in the program activities offered. Further, mandatory participants in SNAP E&T programs remain subject to the 120-hour rule (described above), limiting the types of employment and training programs in which they can enroll as well as their ability to work and simultaneously receive training. Mandatory participants also trigger a significant level of tracking to ensure that they are meeting participation requirements, placing a heavy burden on third-party providers.
- **Encourage Community College/CBO Collaboration and Co-Enrollment:** Central to BFET's success is the ability for participants to benefit from both the training and education services provided by community colleges (e.g., vocational education, basic skills) and the wrap around supports (college/career navigation, case management, coaching, support services) and connections to employers and employment opportunities provided by CBOs. Co-enrollment of BFET participants by colleges and CBOs has afforded individuals with multiple barriers the best opportunity to complete their training pathways and transition successfully to employment. Beyond co-enrollment, SNAP E&T programs should consider the use of an honest broker model in which contractors cross-refer participants to other providers to ensure the most appropriate services are offered. This is not only creates a more seamless and effective set of employment and training services for SNAP E&T participants, but it helps to ensure that contractors are not running afoul of federal cost principles by self-referring one hundred percent of participants who come through their doors.
- **Streamline Eligibility and Billing Systems:** As outlined in this paper, one of the major challenges of BFET has been developing procedures to determine whether participants are

eligible for BFET services - and whether providers may thus seek reimbursement for providing these services – that are as streamlined yet as accurate as possible. Giving providers access to a shared case management system – e-JAS in the case of Washington State – is very important to make this process more efficient for both providers and state administrators. The more automated and “real-time” this process can be made, the better for all parties.

- **Include Outcome Measures, Data Collection and Reporting:** BFET has made rigorously-tracked outcome metrics a central feature, and so should other SNAP E&T programs. For BFET, metrics, data collection and reporting have been keys to continuous improvement of the program, and also to show evidence of impact to support program growth and continuance. States should be sure that, at minimum, the level of outcome reporting that is integrated into their SNAP E&T programs meets federal regulations, already described. With the trend toward requiring higher levels of accountability in public programs, states should consider how they might include an even higher level of measurement within their SNAP E&T programs. For BFET, this opportunity is afforded by the use of the share case management system (e-JAS), enhanced by linkages to UI wage match data and community college data from ESD and SBCTC, respectively. These linkages allow a more comprehensive look at long-term employment and wage data, as well as student achievement milestones (e.g., basic skills, credit and credential attainment) met by BFET participants at the community colleges.

Washington State’s BFET program has been a great success on many levels. It has been designed as a true workforce development program, one that benefits low-income and low-skilled individuals by focusing on skills attainment needed to help people advance to living-wage jobs. Unlike some mandatory programs, it was never conceived as a way to force those living in poverty to simply do something to meet requirements. BFET has utilized the flexibility inherent in SNAP E&T regulations to focus on training, provide individuals a range of options that meet their needs, and allow services to be provided by the agencies – colleges and community-based organizations – that are expert in providing these services successfully to the target population. It has given the state and providers the ability and resources to truly focus on the hardest to serve – individuals who are not often a target of other workforce and education dollars.

Moreover, because BFET is based on leveraged funds, its success is in part driven by the fact that multiple players – the federal government, the state, the community college system and individual colleges, community-based organizations, local government and philanthropic organizations – all have a stake in the program’s success. BFET has helped to drive a more cohesive plan in Washington State for helping low-income individuals secure employment and training, and to facilitate partnerships between agencies, particularly colleges and community-based organizations, that engender participant success. ■

## ◀ **APPENDIX A: SNAP E&T PROGRAMS IN OTHER STATES**

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### CALIFORNIA

Cal Success Programs were community college SNAP E&T programs. Counties developed Cal Success contracts, or MOUs, with community colleges to provide employment and training services. The 50/50 match funding went primarily toward the cost of instruction. Cal Success offered student reimbursements for textbooks, supplies, and transportation. The programs also provided the following services to students enrolled in career and technical education classes:

- Career and job counseling
- On-the-job training
- Job search and job placement

Cal Success programs derived their match primarily from the cost of instruction, which was initially approved but denied two years later by FNS. Therefore, lacking additional match in adequate proportions, California's Cal Success Programs were closed in 2010. Nineteen community colleges had agreed to participate in the program and four had been implemented prior to the federal revision. Outcomes for the program were very positive. Ninety-five percent of participants reported that Cal Success allowed them to take more units in college and 90 percent said it allowed them to stay in college. Cal Success programs were implemented with the support of the Insight Center for Community Economic Development in collaboration with federal, state, county, and college stakeholders.

New funding for community colleges may create an opportunity for California to revisit these programs.

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### RHODE ISLAND

In Rhode Island, the Local Initiatives Support Corporation (LISC) is under contract with the State Department of Human Services (DHS) to administer the statewide SNAP E&T program. LISC partners with Rhode Island adult education and workforce development agencies and organizations which are subcontracted to provide approved services to eligible individuals – LISC does not provide direct services. LISC manages the subcontracts, monitors subcontractor compliance with SNAP E&T rules and provides technical assistance and support to subcontractors. LISC also collects program outcome data from the subcontractors, analyzes it, and reports it to the Rhode Island DHS. There are nine subcontractors on in Rhode Island, each offering some or all of the following employment training services:

- English as a Second Language
- Adult Basic Education
- GED
- Vocational Training
- Job Readiness Training
- Job Search Assistance
- Financial Coaching
- Employment and Internship Opportunities
- Transportation and dependent care reimbursements

Rhode Island has had to revise its strategy for finding eligible recipients of subcontractor services. During the program pilot phase, the state used a referral process whereby organizations would identify individuals interested in enrolling in an E&T component and do a preliminary assessment to determine if they were likely eligible to enroll. Subcontractors sent the names of these individuals to LISC, who sent them to DHS for eligibility determination. The Food and Nutrition Service has since directed that this type of process is not allowable. All referrals have to come from DHS directly. As a result, DHS recently revised the referral policy as per FNS guidance, and assigned a staff exclusively to E&T to manage referrals. LISC, DHS and the subcontractors have been able to get everything off the ground and running, and are now hoping to get enough participation.

Given Rhode Island has one of the worst unemployment rates in the country, outcomes have been positive with a 24 percent participant employment rate. Rhode Island's budget was \$1.4M in FFY 2013 and in FFY 2014 it is \$700,000.

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## MINNESOTA

Greater Twin Cities United Way (GTCUW) is collaborating with the Minnesota Department of Employment and Economic Development (DEED) to implement a pilot project that leverages SNAP E&T 50 percent reimbursement funding to establish a sustainable funding model for workforce development providers using the Minnesota Adult Career Pathways training framework. In order to meet the growing need for skilled workers over the next 15 years, the state's workforce will need to attain higher levels of education (beyond high school) and gain additional training. These skilled jobs pay well and offer opportunities for advancement throughout one's career. By focusing on high-demand fields, Minnesota Adult Career Pathways meets the needs of businesses while ensuring that participants find well-paying jobs with room for advancement through an emphasis on industry-credentialed skills training.

The pilot project builds upon learning from and success of the Minnesota FastTRAC program, specifically seeking to expand the availability of wrap-around “Navigator” services. Navigators are case managers currently working at the designated workforce development providers. Navigators are responsible for assessment, placement, counseling, and day-to-day case management. Navigators work with participants from enrollment through education and to employment placement and retention. While Minnesota Adult Career Pathways serves individuals at or below 165 percent of poverty, this pilot focuses on service to SNAP E&T recipients within the target population.

Using its own philanthropic dollars, in addition to funds provided through a third-party match, GTCUW provides reimbursement to the contracted agencies at a pre-established rate for serving participants to three key milestones: credential attainment, employment placement, and employment retention; these organizations are not reimbursed for services but rather receive performance-based payments. All activities related to the attainment of the key milestones are documented in the state workforce database, Workforce One (WF1). At the end of each quarter, DEED determines which individuals in each program are SNAP eligible. GTCUW is then reimbursed for 50 percent of the expenditures provided to the programs for the SNAP eligible participants. In order to create a sustainable model, GTCUW puts the 50 percent reimbursements back into each organization’s grant pool.

Outcomes for the pilot project have been successful so far. They are as follows:

- Credential attainment: 81 projected, 55 actual to date
- Job Placement: 92 projected, 69 actual to date
- Job Retention: 70 projected, 48 actual to date

Two quarters remain in the pilot project to meet the projected numbers, so they are hopeful.

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## TEXAS

Texas Workforce Commission (TWC) is the state agency charged with overseeing and providing workforce development services to employers and job seekers of Texas. The Commission is the governing body of the Texas Workforce Commission comprised of three commissioners appointed by the Governor, one each representing employers, labor and the public. The Agency is presided over by the Commission and administered by the Executive Director to operate an integrated workforce development system and administer the unemployment benefits program in Texas.

TWC is part of Texas Workforce Solutions, a local and statewide network comprised of the agency, 28 workforce development boards, and their contracted service providers and community partners.

This network gives customers local access to workforce solutions and statewide services at numerous Workforce Solutions offices. TWC provides unemployment benefits services through six Telecenters and administers unemployment tax through numerous local tax offices.

Most of the TWC budget is funded through federal sources, including Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T). At least 80 percent of the SNAP E&T funds available to the Commission are allocated to the workforce areas using a need-based formula. The Commission is allocated a supplement to be used as SNAP E&T 50/50 funds. In fiscal year 2013 the commission's 50/50 supplementation was \$805,000 and in fiscal year 2014 it is \$576,930.

Texas has recorded positive outcomes for SNAP E&T programs. They are close to their 75 percent target for participants entering employment and retention of employment is at 87.6 percent. According to Larry Temple, Executive Director of TWC, recipients of SNAP services in Texas do not generally require training to be placed in employment.

## ◀ END NOTES

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- ◀ 10. Agricultural Act of 2014; H.R. 2642, 113th Congress.
- ◀ 11. *Id.* pp. 415-16, 418.
- ◀ 12. *Id.* pp. 416-17.
- ◀ 13. U.S. Department of Agriculture, Food and Nutrition Service. 2011. *Supplemental Nutrition Assistance Program, Employment and Training Toolkit*, p. 33.
- ◀ 14. *Ibid.*
- ◀ 15. *Id.* p. 40.
- ◀ 16. GA-U, or General Assistance for the Unemployable, was a Washington State program providing cash and medical benefit assistance to those with temporary incapacities preventing them from working. It was renamed the Disability Lifeline Program in 2010. SSI is the federal Supplemental Security Income program, administered by the Social Security Administration. It provides cash benefits to low-income individuals who are over age 65, blind or disabled.
- ◀ 17. Washington State Department of Social and Health Services (DSHS). 2013. *Basic Food Employment & Training (BFE&T) Program Partner Manual/Contractor Handbook*. Olympia, Washington: DSHS. <http://www.basicfoodet.org/wp-content/uploads/2012/10/BFET-Handbook-2013-11-271.pdf> (accessed April 21, 2014).
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- ◀ 20. Then found within 7 CFR 273.7(e)(3)(ii) and 7 CFR 273.7(e)(4)(iii) and WAC 388-444-0005(8).
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- ◀ 36. Watrus, Bob. 2013. *The State of Washington's Basic Food Employment and Training (BFET) Program and Its Results: 2013 Update*. Report for the Annie E. Casey Foundation. Seattle, Washington: White Center Community Development Association.
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- ◀ 40. *Id.* pp. 2-3.
- ◀ 41. *Id.* p. 4.
- ◀ 42. *Ibid.*
- ◀ 43. *Id.* p. 3.
- ◀ 44. *Id.* pp. 4-5.