

Updated: September 2014

Elizabeth Lower-Basch and Helly Lee

SNAP Employment and Training Pilots Offer Opportunity for Innovation

In February 2014, Congress reauthorized the Supplemental Nutrition Assistance Program (SNAP, also known as food stamps) as part of the Agricultural Act (the Farm Bill). This legislation included \$200 million to create and evaluate threeyear pilot projects testing innovative SNAP Employment & Training (E&T) strategies in up to 10 states designed to help SNAP recipients get into the workforce, increase their earnings, and ultimately reduce their SNAP participation. Lawmakers and advocates will look to the pilots to inform future policymaking about SNAP work requirements and services at both the federal and state levels.

For states, this is also an opportunity to obtain significant new funding to develop and test innovative strategies that will help SNAP participants succeed in the workforce. These pilots have the potential to encourage state SNAP E&T and other workforce programs to collaborate with each other, as well as local community-based organizations, on a shared agenda to get individuals into jobs that support their families' needs. By bringing together the most promising workforce programs with a funding stream that is focused on low-income people-and that brings with it supportive services such as transportation and child care—an opportunity exists to make a real difference in the lives of vulnerable individuals and their families. The lessons from these pilots may also help influence TANF

program design; states will be able to experiment with what work-focused services are most effective in helping low-income individuals succeed in employment without having to worry about whether participants' activities are countable toward TANF work participation rates.

FNS posted the Request for Applications (RFA) for the pilots on August 25.¹

Key Dates for SNAP E&T Pilots:

August 25, 2014 – RFA posted

September 19, 2014 – Applicants may submit questions regarding the RFA to FNS by this date. Responses to questions will be posted online by October 6, 2014.

September 26, 2014 – States are asked to submit a letter of intent to FNS by this date (see Attachment A of <u>RFA</u>).

November 24, 2014 – Application submission date.

February23, 2015 – Anticipated award date.

October 1, 2015 – Pilot projects are generally expected to be in effect by this date.

April 1, 2016 — Evaluation expected to begin, including the start of random assignment, evaluation sample enrollment, and baseline data collection).



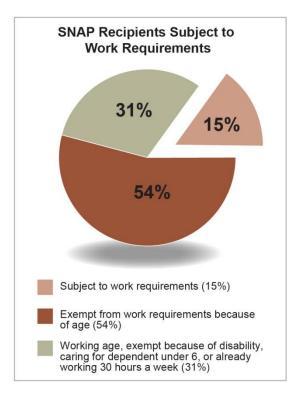
Updated September 2014

E&T Programs Provide Employment Services to SNAP Recipients

Most SNAP recipients are either already employed or not expected to work based on their age or disability. The majority of SNAP recipients (68 percent) are not expected to work because they are children, elderly, disabled, or are caring for a disabled family member. But among households with at least one working-age, non-disabled adult, more than half (58 percent) work while receiving SNAP.²

As a condition of SNAP eligibility, those who are neither working nor otherwise exempt are subject to work requirements that include registering for work, participating in a SNAP E&T or workfare program if mandated by the state, providing information on employment status, reporting to an employer if referred by the state agency, accepting an employment offer, and not voluntarily quitting a job.³ As the chart below indicates, only 15 percent of SNAP recipients fall in this category. Those subject to work requirements include "able-bodied adults without dependents" (often referred to as ABAWDs), who may only receive SNAP for 3 months in a 36-month period unless employed or participating in SNAP E&T.⁴

Congress created the SNAP E&T program to encourage states to offer employment-related services to SNAP recipients. While SNAP recipients may also be eligible under other workforce development programs, few of these focus on low-income workers, who often face significant barriers to employment. Moreover, general workforce programs only have funding to serve a small fraction of those who could benefit from training.⁵ At the federal level, SNAP E&T is administered by the Food and Nutrition Services (FNS) at the U.S. Department of Agriculture (USDA). At the state level, SNAP E&T funding flows to SNAP agencies, who may contract with state or local workforce agencies and adult education providers, community colleges, community based organizations, or others to provide services.



Source: Employment and Training Toolkit, A Toolkit to Help States Create, Implement and Manage Dynamic E&T Programs, Supplemental Nutrition Assistance Program, Food and Nutrition Service, United States Department of Agriculture, 2013, http://www.fns.usda.gov/sites/default/files/ET_Toolkit_2013.pdf.

Existing E&T Programs Vary in Intensity of Services

States are required to run SNAP E&T programs but have the flexibility to spend funds on any number of activities related to job search; job



Updated September 2014

search training; work experiences or workfare; and education and training, including basic skills instruction. States may operate mandatory programs, under which work registrants may be sanctioned for non-participation, or offer services to SNAP recipients on a voluntary basis. States are required to provide participants with necessary supportive services, such as child care and transportation.

States may receive a share of additional funding if they commit to offering a SNAP E&T component to all ABAWDs at risk of losing eligibility due to the time limit, but for baseline funding, there are no requirements regarding the number of SNAP recipients served in E&T. States are not currently required to collect and report data on SNAP E&T employment outcomes, but the Farm Bill requires FNS to develop such performance measures.

Each state receives a capped allotment of 100 percent federal funds with which to operate E&T programs. If a state does not use its full allotment, these funds are reallocated to other states. States may also draw down additional funds by spending non-federal money on SNAP E&T activities and receiving a 50-50 match on such expenditures.⁶ Total federal E&T funding was nearly \$287 million in FY 2013.⁷

Many states currently provide low-intensity services under SNAP E&T, primarily focused on job search and on activities needed to ensure that individuals subject to the ABAWD time limit are offered an opportunity to participate in an activity. Supportive services for E&T participants cannot be funded with 100 percent federal funds—only with the 50 percent reimbursement funds. Given high unemployment rates and the many demands on state services during the recent recession, some states operated E&T programs only in select areas or restricted them to individuals who did not need child care to participate. At the same time, some states have leveraged the funds available under E&T to provide more intensive services to participants. These are often designed to wrap around and leverage existing investments in employment and training programs. In these cases, SNAP E&T can provide a key funding stream for case management, academic supports, and supportive services to ensure that SNAP recipients succeed. These programs have typically been voluntary, in order to target limited resources toward recipients who are motivated to participate.

For example, Washington State has operated Basic Food Employment and Training (BFET), a SNAP E&T program with a third-party match, since 2005. The program includes partnerships between community colleges and community-based organizations (CBOs) that provide participants with support services.⁸ Minnesota is now exploring using SNAP E&T funding to provide wraparound supportive services to SNAP recipients enrolled in FastTRAC, its career pathways program.⁹

Pilot Program Requirements

Under the RFA, roughly \$165 million will be awarded to up to 10 pilot projects. Award grants are expected to be between \$5 million and \$25 million each. The remaining \$35 million will be reserved for USDA activities and the independent evaluation.

Eligible applicants for the SNAP E&T pilots may be any of the 53 states and territories that administer SNAP (this includes the District of Columbia, Guam, and the Virgin Islands). In areas where there are county-administered SNAP agencies, state agencies may submit an application on behalf of those programs. Project areas must be large enough to meet minimum requirements for



Updated September 2014

number of participants served to ensure they can be meaningfully evaluated. State agencies may submit more than one application for different project ideas or on behalf of several counties.

States applying for the pilots must commit to maintaining at least as much funding for SNAP E&T as was expended in the previous fiscal year (2013). Applicants must also ensure that any pilot funds they receive will supplement, not supplant, non-federal funds already being used for their E&T activities.

By statute, USDA is required to select projects based on the following criteria:

- Degree to which the pilot project would enhance existing E&T programs in the state;
- Degree to which the pilot project would enhance employment earnings of participants;
- Whether there is evidence that the project could be replicated; and
- Whether the state agency has demonstrated capacity to operate high-quality E&T programs.

The pilots are to include a broad range of strategies, such as those:

- Targeting individuals with low skills or limited work experience;
- From different geographic areas;
- Emphasizing education and training, rehabilitative services for individuals with barriers to employment, and mixed approaches; and
- Pilots that include both mandatory and voluntary SNAP E&T participation.

As CLASP has advocated, states must also commit to collaborating with the State workforce board and other local job training programs. This partnership is critical to ensure the efforts of both workforce programs and SNAP E&T are aligned to provide adequate training and resources for participants. FNS encourages, but does not require, partnerships or consultations with employers, community colleges or other higher education institutions, local chambers of commerce, state or local education agencies, American Job Centers, State Economic Development Agencies, and CBOs. A letter of commitment from all partners must be included with the application.

An independent evaluation will be conducted to measure the pilots' impact; it will assess the ability of participants to find and retain employment that increases income and reduces reliance on SNAP and other programs. All grantees will be required to work with the contractor selected to evaluate the pilots. Applicants should assume that the evaluation will involve random assignment and must demonstrate both the capacity to operate such a procedure and robust data systems. A separate Request for Proposals (RFP) has been posted for those looking to compete for the evaluator role.¹⁰ FNS plans to award the evaluation contract in time for the selected evaluator to participate in reviewing pilot applications.

Maximizing Effectiveness of the E&T Pilots

The pilots provide an opportunity to develop innovative partnerships between SNAP and workforce programs. They also allow stakeholders to learn about innovative and effective local strategies that help eligible SNAP participants secure jobs and increase their earnings. These partnerships could also potentially be replicated in other areas. Over the coming years, lawmakers,



Updated September 2014

program administrators, and advocates will look to the pilots, including implementation and evaluation data, to inform future program design and policymaking at both the federal and state levels on work requirements. Based on CLASP's knowledge of both income support and workforce programs, we offer the below recommendations for maximizing these pilots' effectiveness.

The pilots offer multiple opportunities to strengthen SNAP E&T. The new funding

and flexibility provided by the pilots allows states to try new approaches to SNAP E&T. The increased interest in SNAP E&T also creates opportunities to improve programs through technical assistance and shared learning that bring together SNAP E&T program operators and their peers in welfare and workforce programs, community colleges, and CBOs. And ultimately, the evaluation findings will help shape the next generation of programs. By selecting pilots that are implemented in a diverse range of states and settings, FNS can make the findings as relevant as possible to other programs.

The pilots should fund and test innovations that are promising based

on what we know now. This means they should reflect a thoughtful use of experience and evidence and should be intensive enough that they could plausibly impact clients' employment outcomes. The RFA lists several specific approaches that FNS, in consultation with other federal agencies, has identified as being of interest: activities or services targeted to individuals with significant barriers to employment, case management, career pathways, work-based learning, including pre-apprenticeship programs and on-the job learning, and public-private partnerships. However, the RFA does not limit pilots to these approaches, and does not give states extra selection points for including them. Rather, applications must make a case for why the proposed strategy makes sense for the targeted population, drawing on evidence from past evaluations and clear logic models.

With few exceptions, this implies that the pilots should not simply be a test of what states are currently doing under their SNAP E&T programs. Most SNAP recipients who could potentially benefit from E&T services are not currently offered the opportunity to participate. Only a handful of states have determined how to combine SNAP E&T funding with other resources to support programs that reflect the cutting edge of workforce training. There is no reason to spend limited demonstration and research funding on rigorous evaluations of programs that cannot reasonably be expected to have substantial impacts on participants' employment outcomes. Promising opportunities will likely arise if pilots represent collaborations between SNAP E&T administrators and others with experience in intensive, well-designed programs for low-income and low-skilled individuals. For example, the RFA suggests that pilots might adapt existing programs or curricula that are new to the SNAP work registrant population or are being implemented in an area where they were not previously offered.

Learning and future improvement will be greatest if the pilots have the best possible chance to succeed. Given the

current starting point, states will have to move quickly to identify the types of programs they want to run and develop needed partnerships accordingly. Moreover, even thoughtful, wellintentioned pilots are likely to encounter design and implementation problems. Overcoming these challenges to generate successful pilots (or at least pilots that are grounded in promising ideas and implemented successfully) will require federal



Updated September 2014

agencies—including the Departments of Labor, Education, Health and Human Services, and Agriculture—to undertake active outreach to ensure that a range of quality proposals are submitted and to provide ongoing technical assistance and implementation support after sites are selected

The timeline laid out in the evaluation RFP states that random assignment is not expected to begin until April 2016—at least six months after the pilots begin implementation. This is a thoughtful choice, as no one will benefit if effective programs are found wanting because they were studied during an early start-up phase.

Given the diversity of SNAP recipients, it is important to include models that reach a variety of needy groups within

SNAP. Because the stated purpose of the pilots is to increase employment and earnings among SNAP recipients who are work registrants, the RFA requires that at least 85 percent of the participants in each pilot must meet the definition of a work registrant. This definition excludes SNAP recipients who are already working 30 hours per week or who are not expected to work based on their age, disability, or parenting responsibilities.¹¹ Up to 15 percent of participants may be SNAP recipients who are exempt from SNAP work requirements but volunteer to participate in the pilot program services.

Not every pilot needs to include services that are appropriate for every kind of recipient, but those that include a single type of intervention should propose a thoughtful way to target services so that they are provided to the recipients who can most benefit while ensuring others are not hurt by any changes. Moreover, the set of pilots as a whole should utilize a range of approaches. To that end, at least some pilots should offer a mix of services that can be tailored to participants' needs and interests. The evaluation should capture a range of outcomes and subgroups to assess whether the effect of programs varies across populations.

The pilots—and any lessons drawn from them—should not undermine the critical statutory protections that ensure SNAP provides nutritional and income support to needy individuals and families. From the TANF experience, we know that mandatory work programs can make obtaining benefits difficult or impossible for families who would choose to participate if they could but who face personal, family, and logistical barriers. This is a particular problem when state programs fail to assess participants for such barriers, fail to provide adequate support services to address these barriers, include excessively

complex or difficult-to-follow procedures, and/or fail to provide actual work or training opportunities in a labor market without private sector alternatives. In the RFA, FNS is clear that existing protections for SNAP applicants and recipients continue to apply. For instance, agencies may not impose requirements that would delay the eligibility determination or issuance of benefits to eligible households, and E&T programs must reimburse participants for transportation, child care, and other expenses directly related to participation. Moreover, because subsidized and unsubsidized employment are newly allowable components under the E&T pilots, the RFA is clear that recipients cannot be sanctioned for failure to participate in these activities unless the Stage agency establishes "willful misconduct." In addition, the evaluation should capture information about the ways in which participants might be adversely affected by mandatory programs (including entry effects), as well the ways in which they might benefit.



Updated September 2014

Next Steps

States have a unique opportunity to strengthen their SNAP E&T programs and highlight effective strategies through these pilots. This is the time to consider what mixtures of programs and services are appropriate for different populations, how to identify target populations, and which interim and final outcome measures to track. States should reach out to workforce and community service providers to gather ideas and best practices and incorporate them into their application. Advocates may wish to reach out to states to learn what they are considering and to share their own ideas. A diverse pool of applications with well-thought out programs and ideas will be needed to ensure that the pilots provide results that advocates and decisionmakers can learn from.

² Dottie Rosenbaum, *The Relationship Between SNAP and Work Among Low-Income Households*, Center on Budget and Policy Priorities, January 29, 2013, <u>http://www.cbpp.org/files/1-29-13fa.pdf</u>.

http://www.fns.usda.gov/sites/default/files/ET_Toolkit_2013.pdf.

⁴ Guide to Serving ABAWDs Subject to Time-limited Participation, Food and Nutrition Service, United States Department of Agriculture, 2013, Social Policy, March 2014, <u>http://www.clasp.org/resources-and-publications/publication-1/SNAP-ET-Overview.pdf</u>.

⁷ In FY 2013, Federal Funding for SNAP E&T totaled nearly \$287 million which consisted of \$78.3 million allocated to all states as 100 percent funds, \$19.6 million in "pledge funds" to states that offered E&T services to all ABAWDs, \$150.8 million in 50% match to states for E&T program costs, \$7.7 million for 50% match to states for dependent care, and \$30.4 million for 50% match to states for transportation and other supportive services for E&T participants. These figures are unpublished FY 2013 Federal SNAP E&T Outlays data provided by FNS. This data does not include information on the amount of funds states contributed toward their 50% match or about any additional funds beyond their 50% match. States may also use SNAP E&T funds to leverage other non-SNAP E&T dollars which are not reflected here.

⁸ Lavanya Mohan, SNAP Education and Training: Washington's Basic Food Employment & Training Program (BFET), http://www.clasp.org/resources-and-publications/publication-1/Washingtons-Basic-Food-Employment-Training-Program-BFET-1.pdf

⁹ Lavanya Mohan and Helly Lee, SNAP Employment and Training: Minnesota's Pay-for-Performance Pilot Program,

http://www.clasp.org/resources-and-publications/publication-1/SNAP-ET_Minnesotas-Pay-for-Performance-Pilot-Program.pdf ¹⁰ Evaluation of Pilot Projects to Promote Work and Increase State Accountability in the Supplemental Nutrition Assistance Program (SNAP), http://www.fns.usda.gov/sites/default/files/SNAP-ET-

Pilot-Evaluation-RFP.pdf

idx?SID=dcc52d47c388acd6ef8d6512c0e0df90&node=se7.4.273 1 7&rgn=div8

¹ USDA SNAP E&T Request for Application, August 25, 2014, <u>http://www.fns.usda.gov/sites/default/files/SNAP-ET-Pilot-RFA.pdf</u>

³ See the SNAP Employment and Training Toolkit for detailed information on who work requirements apply to, who is exempt from work requirements, and the difference between "work registrants" and "mandatory E&T participants": *Employment and Training Toolkit, A Toolkit to Help States Create, Implement and Manage Dynamic E&T Programs*, Supplemental Nutrition Assistance Program, Food and Nutrition Service, United States Department of Agriculture, 2013,

http://www.fns.usda.gov/sites/default/files/Guide to Serving ABA WDs Subject to Time Limit.pdf.

⁵ A New Look at the GAO Report on Workforce Funding: Spending on Seven Largest Workforce Programs Cited in the Report Has Fallen By More Than 1/3 Since 2009, Center for Postsecondary and Economic Success, Center for Law and Social Policy, November 7, 2013, http://www.clasp.org/resources-and-publications/publication-1/A-New-Look-at-the-GAO-Report-on-Workforce-Funding.pdf.

⁶ Technically, these funds are a reimbursement rather than a match. See CLASP's SNAP E&T brief for more information about the program: Elizabeth Lower-Basch, *SNAP E&T*, Center for Law and

¹¹ For details on who is a work registrant, see 7 CFR §273.7, available at: <u>http://www.ecfr.gov/cgi-bin/text-</u>