

# **San Francisco County CalFresh Employment and Training:**

## **Program Model and Third-Party Funding**

**Jerald Sams**

### **EXECUTIVE SUMMARY**

Recent federal legislation requiring states to design and implement SNAP employment and training programs has inspired California to issue related policies to its 58 counties. These policies outline requirements and options available for design and implementation of a SNAP employment and training program. One available option allows counties to build on internal capacity to administer and operate an employment and training program, while another option allows counties to administer the program by entering into an agreement with a college foundation for the design and operation of the program. Contra Costa County has selected the option of providing administration by entering into agreement with the Foundation of California Community Colleges to design and operate its program leaving Contra Costa County with the primary responsibility of referring eligible participants to Community-Based Organizations (CBOs) for employment and training services.

San Francisco County, having successfully operated a voluntary employment and training program since 2005, has elected to continue using its same model to comply with these recent regulations. It is a model that takes advantage of the benefits derived from Washington State's third-party funding model and makes use of additional dollars from the General Fund.

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## **Background**

CalFresh Employment and Training found its beginning with the Food Security Act of 1985.

This federal legislation, which later became known as the Supplemental Nutrition Program Employment and Training (SNAP E&T), came with an offer of improved prospects for participant employment by providing funding to support employment and training requirements.

This legislation included the following:

- Established an implementation date for states
- Defined employment and training components to include job search, workfare, employment/training experience and other preapproved activities
- Required states to establish nonexempt participant requirements and limited the activity hours a participant can serve
- Provided operational funding through 1990
- Provided 50% federal funding for the states' employment and training expenses

(USDA Food and Nutrition Service, n.d.)

Following this initial legislation, revisions further defined the scope and requirements of the program, including changes to funding and prioritization of populations to be served. This led to

the 2014 revision that restored 100% SNAP E&T funding to 2012 levels and added \$200 million for pilot programs. This revision also added metric report requirements for the program (Kaz & Krauss, 2014).

The SNAP E&T program allows for 100% funding for a state's employment and training program administration using a formula-based allocation that considers the number of non-exempt Able Bodied Adults Without Dependents (ABAWD) within the state. This funding allocated \$90 million for state administrative costs with a \$50,000 minimum guaranteed reimbursement, which can be reallocated between states if funds were unused. Also, funded at 100% are expenses incurred by pledge states that provide work or training opportunities to all of the ABAWD population in the third month of SNAP E&T eligibility (Kaz & Krauss, 2014).

In addition to the 100% administrative funding, the SNAP E&T program allows for a 50% match reimbursement for administrative costs that exceed the 100% grant. Other eligible expenses for a 50% match funding include dependent care and participant activity expenses. Funding for this 50% match are uncapped and require that the state match not be federal funds and that these funds are not being used to support other federal match requirements (Kaz & Krauss, 2014).

Washington State's employment and training program built on this legislation to design and implement its model for employment and training known as the Basic Food Employment and Training (BFET). This model leverages third-party funding for an employment and training program. Using this method, Washington State increased overall funding available for the 50% match; thus, enabling it to increase the total number of participants served by using in third-party funds. There are a couple of models using this method: a) The state contracts for its job services from community colleges and CBOs; however, the state retains responsibility for recruitment,

assessment and referrals of participants; b) The second model, while similar to the first model, has the state passing on responsibility for providing a majority of the employment services provided to the participant to a third-party including recruitment, assessment and placement. This second model, which allows service delivery to pass on to third parties, brings the benefit of increased funding, in-turn, increasing federal draw-down; thus, making it a more expansive program.

While Washington State is the service provider for its citizens, California passes this responsibility onto its 58 counties. Hence, California serves as the pass-through administrator for the counties' 100% reimbursement and 50% matching reimbursement, placing third-party contracting for services under the control of each county.

### **San Francisco's Current Model**

San Francisco County, located in Northern California, is the 12<sup>th</sup> most populous county in California with an estimated population of 870,887 in 2016. As of June 2016, San Francisco County's average CalFresh caseload was 31,841 individuals (State of California; Health and Human Services, 2016). Learning from the Washington State model in the design and implementation of its CalFresh employment and training program, San Francisco County's current employment and training model uses this third-party funding approach and uses its internal resources for recruitment, assessment and referrals to serve its single adult population. Participants are deemed eligible for the County Adult Assistance Program (CAAP) and are also evaluated for CalFresh eligibility; subsequently, making available employment and training funding for the county's ABAWDs programs. From here, participants are referred for orientation at the Tenderloin Workforce Center where they are evaluated for an appropriate

activity. Participants ready for employment are referred directly to the county's Jobs Now program. Participants who are not ready for employment and need employment preparation are referred for Group Employment Preparation. Others who are observed as not being ready for employment are referred to appropriate intensive service resources.

Components of San Francisco County's CFET program include the following:

- CAAP - provides cash assistance for single adults.
- Personal Assisted Employment Services - provides evaluations and access to Jobs Now, ESL and language immersion, vocational training, behavioral health support, career counseling and youth services.
- Supplemental Security Income Pending - provides services to participants with disabilities that will last or have lasted beyond 12 months; this service provides case manager assistance with SSI applications.
- Cash Assistance Linked to Medi-Cal - provides services to aged or disabled individuals who are Medi-Cal eligible.
- Voluntary Intensive Employment Services - provides for weekly job interviews, ability to apply for public and private jobs, provides staff who are available to assist participants with employment needs and other services that are scheduled around workfare/job preparation schedules.
- Jobs Now Program - provides employment services in three tiers.
  - Tier one provides work experience with non-profits through the Community

Jobs Program. Activities include mentoring and case management; this tier is for the least job ready participants.

- Tier two is for participants with some skills and experience. This tier provides a 6-month wage subsidy to non-profits who hire participants through an Individualized Training Internship Program, along with offering internships at city and county agencies.
- Tier three is for participants with current job skills. This tier offers 6-month subsidized private-sector employment and unsubsidized private-sector employment with private-sector employers willing to hire job-ready participants.

(San Francisco Human Services Agency, 2017 pg. 10)

### **Contra Costa County's Future Model**

Contra Costa County, also located in Northern California, had an estimated 2016 population of 1,123,429 and ranked as the 9<sup>th</sup> most populous county in California. As of June 2016, Contra Costa's average CalFresh caseload was at 32,410 individuals (State of California; Health and Human Services, 2016). Contra Costa County recently implemented an employment and training program, defined in Contra Costa County's Federal Fiscal Year 2017 Employment and Training plan. Under this plan, Contra Costa County will partner with two CBOs for direct participant service delivery. The CBOs selected are Rubicon Programs and Opportunity Junction, both organizations bring with them decades of experience supporting the low-income residents of Contra Costa County. The service agreement between Contra Costa County and these organizations includes case management, career advising, job readiness, job training, job

search, job placement and job retention services. Program oversight and partial administration will be the responsibility of the Foundation for California Community Colleges which is a statewide intermediary agency known for its Fresh Success model. The Fresh Success model is a statewide voluntary, third-party reimbursement program. This agency is under contract with the California Department of Social Services.

### **Foundation of California Community Colleges**

Fresh Success shares a common goal of assisting CalFresh recipients to become more employable. Currently offered in two other counties (Santa Clara and Sacramento), the Foundation has responsibility for Fresh Success oversight, partial administration, claiming, reimbursement, audit and evaluation of the CBOs. The two CBOs are responsible for providing allowable services, participant assessments, submission of participation data, reporting measures, participant reimbursements for transportation and other administration tasks.

Under the Contra Costa County agreement with the two CBOs, each has been designated a service area and target population to serve. This agreement defines the annual number of participants expected to receive services. Each of the CBOs will enter into contract with the Foundation to delineate responsibilities and expected outcomes.

Rubicon is expected to serve an estimated 185 participants annually with participant-centered services designed for low-income Contra Costa individuals who are recently released from incarceration. Rubicon's geographic service area is West and East County.

Opportunity Junction is expected to serve an estimated 61 participants annually with a comprehensive suite of employment services for low-income job seekers with a focus on those

interested in administrative careers and disconnected youth, aged eighteen to twenty-four years of age. Opportunity Junction has a geographic service area of East County.

Although the initial estimated annual participant count is low, the Contra Costa model reflects a best practice from Washington State, which recommends beginning small and expanding at a very measured rate.

### **San Francisco CFET Outcomes**

San Francisco examined the results of its Job Now participants for the period of July 2011 through June 2015 (San Francisco Human Services Agency, 2017). This analysis included data from the California Employment Development Department, reviewing participants' employment before, during and after completion of the Job Now Program, Job Now Data and CalWIN data.

In brief summary, the report highlights the following:

- 3,151 participants were served.
- 516, or 17%, of the 3,151 participants were still employed 6 months after their Jobs Now program exit.
- Average quarterly earnings in the first and second quarter after exiting the Jobs Now program were \$4,899 and \$5,457 respectively.
- Participants who had earnings 6 months after exiting Jobs Now were twice as likely to be off cash assistance. This represents an total of 875 of 1,544 participants, 57%.
- Of the 2,341 participants included in the first and second quarter of Jobs Now



attendance, 56%, or 1,310, were still reporting earnings 18 months after exiting the program.

## **Recommendations**

Although the models currently used in San Francisco County and Contra Costa Counties are somewhat different, Contra Costa can benefit from some of the practices used by San Francisco. This includes San Francisco County's most recent change that moves towards more rapid access to Jobs Now. By allowing participants to self-determine readiness for employment, San Francisco County is able to increase participation by fast-tracking participants between activities; thus, reducing dropout rates. Another feature of the San Francisco County model involves recruitment of private industry employers and its availability of internal county departments to hire participants. Having this large pool of employers increases the number of available positions and provides greater employment options for participants. Subsequently, as Contra Costa County's employment and training program grows, it is important to the success of the program to have as large an employment pool as possible in order to support as many placements as possible. Ensuring that Contra Costa County's third-party agreements include employer recruitment as a core requirement to the service delivery model, would add to the overall success of the program.

While not an option for some counties, San Francisco County's ability to supplement employment and training program with general funds provides opportunities beyond the basics. This funding allows the additional component of subsidized employment, which for San Francisco County participants lasts 5 to 6 months and has an expectation that the employer will retain the participant after the subsidy ends. Should Contra Costa County find additional funding

to add this component to its employment and training program, the resulting increase in employment rates would have a positive impact on the program's overall success.

A change in regulation allowing those who attend college and participate in the CalFresh employment and training program potentially eligible for CalFresh benefits also is expected to increase CalFresh participation. An assumption can be made that the Foundation of California Community Colleges will at some point begin reviewing its current college enrollment, searching for previously ineligible students who can be referred for CalFresh benefits. An initial minor impact on the Contra Costa County's eligibility staff could be anticipated if there is an increase in applications for benefits as the program grows. Similarly, managing churn for those currently participating in the employment and training program who lost benefits for failing to meet CalFresh program requirements can be expected to have an impact on Contra Costa County's eligibility staff. Given these considerations, Contra Costa County should plan appropriate referral procedures that acknowledge this extra workload.

Other items to consider include incorporating training for CBOs in the use of Benefits CalWIN for referring new applicants, future part-time assignment of out-stationed eligibility staff and assigning specific eligibility staff to handle CBOs and enrollee's inquiries and applications. Finally, considering the close relationship between Contra Costa County Employment, Human Services and the Workforce Development Board (WDB), having the WDB as one of the agencies working with the Foundation to enhance the job placement and retention would add additional value to the program.

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