

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
May 6, 1987



ALL-COUNTY LETTER NO. 87-67

To: ALL COUNTY WELFARE DIRECTORS
SUBJECT: FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

The purpose of this letter is to provide counties with currently available information about the statewide implementation of the federally required Food Stamp Employment and Training (FS E&T) program. It will be necessary for each county to develop and submit a plan of operation for the program by June 5, 1987. The county plans will be compiled into a state plan that must be approved by the Food and Nutrition Service (FNS). Attached are the FS E&T Planning Guidelines (Attachment I) which contain detailed descriptions of the FS E&T program requirements and plan formats.

Background

The Food Security Act of 1985 (Public Law 99-198) made extensive changes to the work requirements of the Food Stamp Program. States are now required to engage certain nonassistance food stamp recipients in employment and training activities. States may determine the categories of persons to be served and design program components which meet the federal participation requirements. Prior to the law change, the Food Stamp Job Search (FSJS) program was an option available to each State and in California was operated in selected counties.

The 1985 law change requires that each State implement no later than April 1, 1987 an FS E&T program which has been approved by the FNS. However, final regulations published by FNS on December 31, 1986, allow interim implementation from April 1 through September 30, 1987. In order to provide more time to counties for the statewide implementation, the State Department of Social Services (SDSS) submitted an interim implementation plan involving only those counties that wished to continue FSJS and were willing to make the necessary program and statistical reporting changes.

Initially the interim plan was not approved by FNS. Two reasons were cited: (1) failure to provide participant reimbursement during the April 1, 1987 through June 30, 1987 period, and (2) inadequate justification for exempting most of California from implementation of FS E&T. FNS allowed one month's funding for the counties in the interim implementation plan and required submittal of a revised plan in thirty days. FNS also gave advance notice of the proposed disallowance of ten percent of the federal share of the quarterly certification activity administration funds. We have taken steps to provide for the participant reimbursement and have provided additional justification for our plan to limit the April through September 1987 implementation to the current FSJS counties, thereby resolving FNS concerns.

Statewide Implementation

We have conferred with a special county task force established by the County Welfare Director's Association (CWDA) on issues involving design of California's FS E&T program. Based on feedback from that task force, we have decided to allow counties to design FS E&T programs which best fit local needs within the parameters of the federal requirements. However, we strongly encourage counties to provide job search services to applicants. Such a requirement is an effective way to encourage applicants to work and avoid long-term dependency. Additionally, federal performance standards include an incentive for the provision of services to applicants. For these reasons, counties must provide strong justification to obtain approval of plans that do not include job search services for applicants.

Consistent with federal regulations, it may be appropriate to exclude certain counties from the program. If a county wishes to be exempt from the operation of an FS E&T program, justification regarding the impracticality of operating a program must be provided in the county plan. Factors that could contribute to a finding of impracticality include a depressed economy and long travel distances in sparsely populated areas. The lack of funds or conflict with the county GAIN plan will not be viewed by FNS as acceptable reasons for impracticality.

Although the federal deadline for submitting state plans is August 15, 1987, we plan to submit an FFY 1987-88 plan to FNS by the end of June 1987. It is hoped that early approval from FNS can be obtained, thereby improving our ability to meet the required implementation deadline of October 1, 1987.

Mandatory Participants

Individuals who must participate in the FS E&T program include those Food Stamp applicants and recipients not exempt from work registration (see MPP Section 63-407.2) and those work registrants not deferred from participation.

A work registrant may be deferred for a variety of reasons which include, but are not limited to, lack of child care or transportation, unreasonable distance from the FS E&T program site, family or legal difficulties, temporary unemployment, and physical or mental problems not discovered prior to registration. Work registrants also may be deferred from FS E&T participation if they are participating in another program which has requirements that exceed those for FS E&T.

Mandatory participants who fail to participate without good cause are subject to a two-month Food Stamp disqualification. Participants must be reimbursed for transportation, child care, or other costs that are reasonably necessary and directly related to participation up to \$25.00 per month.

Funding for the FS E&T Program

FNS provides a 100 percent federal allocation for the administrative cost of the program. Allocations are based on each state's percentage of the nationwide caseload. California's share is eight percent. Estimates of California's allocations, based on the eight percent figure, along with nationwide funding follow:

Federal Fiscal Year	Nation	California
FFY 1986-87	\$50,000,000	\$3,800,000
FFY 1987-88	60,000,000	4,800,000
FFY 1988-89	75,000,000	6,000,000
FFY 1989-90	75,000,000	6,000,000

If a State wants to provide services at a level which exceeds the 100 percent allocation, additional funding may be available at the 50 percent federal financial participation (FFP) level. Since the 100 percent funding level may not be sufficient in some counties to provide their desired level of service, SDSS is pursuing inclusion of additional funds at 50 percent FFP in the state budget. This will allow counties to offer additional services with the additional costs being shared at the normal 50 percent federal/25 percent state/25 percent county ratio.

Counties may request approval from SDSS to operate a program which has costs in excess of the 100 percent federal allocation. To the extent that proposed services are consistent with federal requirements and that required funding is within the budgeted amount, requests will be forwarded to FNS for approval as part of the state plan.

Attachment II contains preliminary county allocations for the period of October 1, 1987 through June 30, 1988 which have been developed for county planning purposes. This allocation represents each county's proportionate share of the 100 percent federal allocation. The allocation was based upon the percent of nonassistance Food Stamp recipients in each county compared to the statewide total. In the event that some counties become geographically exempt, their allocations will be redistributed to counties that are not geographically exempt.

The FFP rate for the mandated \$25 participant reimbursement is 50 percent. Because this is a federal mandate, counties will be reimbursed for the \$25 per participant per month costs at the usual 50 percent federal/25 percent state/25 percent county ratio.

Federal Performance Standards

FNS will impose performance standards beginning with the October 1988 to December 1988 period. The Secretary of Agriculture has established performance standards for states based on a percentage of those expected to participate (denominator) who either participate or are sanctioned for nonparticipation (numerator). Favorable treatment in achieving the performance standard is provided to states (and counties) that serve

applicants. All applicants who participate or are sanctioned are counted in the numerator but only those who later become certified are counted in the denominator.

The percentages have been specified as follows:

-	October 1988 - December 1988	35 percent
-	January 1989 - September 1989	35 percent
-	FFY 1989 - 1990	50 percent

Fiscal sanctions may be imposed by FNS to the degree that the performance standard is not met. Along with the flexibility to design their FS E&T programs, counties also have the responsibility to meet the performance standards. Where counties fail to meet the performance standard and FNS imposes fiscal sanctions, they will be expected to share in the fiscal sanction. The specific methodology for determining the state and county share in any fiscal sanction will be determined at a later date. We will conduct detailed discussions with CWDA in the near future relating to this methodology.

Federal determination of whether or not a state has met the performance standard will be largely based on the required quarterly statistical reports. These reports include data on the number of work registrants, notices of adverse action, reasons for exemptions, and placement of individuals in components.

PROGRAM OPERATIONS

As indicated above, each CWD has the flexibility to choose the type of FS E&T component(s) it will operate. Components include job club, job search, workfare and work experience. The CWD may operate the program or contract with another organization to operate the program.

Counties that operate their own programs may establish independent FS E&T components and/or use existing components of other work programs in General Assistance, the Refugee Employment Services Program or GAIN. If existing components are used, the following conditions must be met.

- o Participation and sanction requirements are consistent with FS E&T.
- o The components are described in an approved county plan.
- o Activities associated with the delivery of services to FS E&T participants are time-studied and claimed to the FS E&T program. Claiming instructions for the Quarterly Administrative Expense Claim which affect the FS E&T program will be provided in a separate letter by the SDSS Fiscal Policy and Procedures Bureau (FPPB).

CWD staff are encouraged to contact three of the counties currently operating FS E&T for information useful in the planning process. Counties which may be contacted are Fresno, San Diego, and Santa Clara.

Electronic Data Processing (EDP) Systems

Counties planning to operate an FS E&T program may need to develop or modify a current EDP system. The State has been given an allocation for the interim period of April 1, 1987 through September 30, 1987 which FNS has indicated can be used to cover such costs. Subject to FNS approval, there may be 100 percent federal funding available to the State for the development and purchase of EDP systems. For planning purposes we are asking that counties who anticipate incurring such expenses include that amount in their county plans. We plan to submit an amendment to the interim implementation plan formally requesting approval to utilize the 100 percent funding for this purpose.

To receive approval on the actual system modifications proposed, procedures governing prior notification/approval contained in Division 28 must be followed. In addition, requests should be made to the SDSS County Approvals Section. Development and/or modification proposals exceeding \$200,000 will require prior FNS approval. Further instruction on county approvals for FS E&T EDP systems will be issued under separate cover.

County Plan Submittal

Attachment I contains the format for completing county plans. Counties desiring geographical exclusion in total need only complete Part 5 of the county plan.

Please send your FS E&T plan and/or request for geographical exclusion by June 5, 1987 to the Employment Services Bureau, 744 P Street, M.S. 12-38, Sacramento, CA 95814.

If you have any questions, please have your staff contact the Employment Services Bureau at (916) 323-5206.



LINDA S. McMAHON
Director

Attachments

cc: CWDA