

## **The SNAP Employment & Training Program: Opportunities to Expand Work Supports for Low-Income People in Massachusetts**

By Luc Schuster

### **Overview**

The Supplemental Nutrition Assistance Program Employment & Training program (SNAP E&T) was created in 1985 to support people receiving SNAP (formerly called food stamps) in building skills to succeed in the workplace. SNAP recipients are low-income – in Massachusetts, about 90 percent are below 130 percent of the federal poverty line, or about \$26,000 a year for a family of three (more info [HERE](#)).

Funded largely with federal money, state SNAP E&T programs generally provide support during the job search process, direct job opportunities through workfare (e.g. community service paid for by the state), adult basic education, and traditional workforce training.

For many years, Massachusetts has leveraged only small amounts of available federal employment and training funding compared to other states. Just this spring, however, the state was chosen to receive SNAP E&T technical assistance through a US Department of Agriculture contracted project called SNAP to Skills. Massachusetts and nine other states were chosen to learn from model SNAP E&T programs in other states and ultimately to develop a plan for growing its E&T program. The greatest opportunity for leveraging more funding is through the 50/50 reimbursement program (described below), which can be used both to expand direct training services and to reimburse costs that participants incur when enrolled in a training program, like transportation and child care. Massachusetts has not leveraged any matching money for transportation and child care costs since at least 2008.

Ultimately, there's an opportunity for the state to save the money for training we're already providing for SNAP recipients and for us to expand these supports for new trainees at lower cost, since new spending can be 50 percent reimbursable. We describe these opportunities in greater detail below.

### **Federal Funding for SNAP Employment & Training Programs**

The federal government supports state SNAP E&T programs through a few different funding streams:

- **100 percent grant funding**
- **Grants for states pledging to serve all Able Bodied Adults Without Dependents (ABAWDs)**
- **50/50 reimbursement funding**
- **Pilot program grants and technical assistance**

### **100 percent grant funding**

Every year the federal government distributes a regular pot of money to fund baseline SNAP E&T programs. The total amount distributed nationwide has been roughly \$90 million per year since at least 2008. States use this money to administer their programs and to support SNAP recipients doing job searches, job search training, adult basic education, and workfare (direct state-funded jobs like coordinated community service). Some states have also used this money to support longer-term skill development through workforce training programs. States don't need to provide any local funding in order to get this money. In 2014, Massachusetts received a \$1.1 million grant.

In 2016, virtually all of this funding in Massachusetts has gone towards supporting a specific category of SNAP recipients called Able Bodied Adults Without Dependents (ABAWDs). On January 1, 2016 most states, including Massachusetts, lost their statewide ABAWD time-limits waivers. Federal rules limit the length of time that these SNAP recipients can receive benefits to three months in a 36-month period before they must begin working or enroll in a qualifying education or training program.<sup>1</sup> Support for ABAWDs includes enrollment in job training or education programs (e.g. English or high school equivalency classes). It may also include direct job search support, but only if it's one portion of a broader job training or education program.

### **Grants for states pledging to serve all Able Bodied Adults Without Dependents (ABAWDs)**

Every year the federal government also distributes a smaller pot of money – \$20 million nationwide – to states that pledge to provide job training supports to all ABAWDs in their state. In states that don't make this pledge, some of these able bodied adults who aren't working receive no support from SNAP E&T programs and often end up losing their SNAP benefits after a certain period of time.

States can also pledge to serve all ABAWDs within a certain region of the state, and Massachusetts plans to do this for all ABAWDs living in the Greater Boston area starting in FY 2017. Roughly half of the state's ABAWDs live in the Greater Boston and, if approved, the state would receive a portion of this national funding to provide job training and other supports to these adults. Many ABAWDs in other parts of the state would still be eligible for training support, but this support wouldn't be guaranteed through the state's SNAP E&T plan.

### **50/50 reimbursement funding**

In addition to the baseline grant allocation, the federal government offers states 50/50 reimbursement funding for SNAP E&T programs that are funded through local sources. This means that the federal government pays for half of the cost of eligible expenses – including expenses we may be incurring already. In 2014, the national total for this funding was \$195.6 million, with Massachusetts claiming only \$678,000, which is lower than many states of similar size. The most Massachusetts has claimed in any of the last seven years in which we have good data was \$2.0 million in 2008.

Because states vary so much by size and by SNAP caseload, it is difficult to compare the relative impact of 50/50 funding leveraged by each state. One rough way to do this is to look at how much 50/50 funding they bring in compared to their baseline SNAP E&T grant (the state's portion of the \$90 million grant funding described above). In 2014, Massachusetts brought in \$678,000 in federal 50/50 funding compared to \$1.08 million in its baseline grant. By contrast, sixteen states (including DC) brought in more federal 50/50 funding than their state baseline grant allocation.

Another instructive comparison is with Washington State. Its SNAP population is just a bit larger than Massachusetts’ but it runs a model SNAP E&T program that accesses millions more in federal funding than Massachusetts and most other states. Specifically, Washington’s SNAP caseload is 20 percent larger than ours in Massachusetts and yet it leverages more than ten times as much federal 50/50 match funding, as shown in the table below.<sup>2</sup> Beginning about a decade ago, a broad group of state and non-profit leaders in Washington helped develop a plan for growing its program to serve more people; Washington’s program grew from providing employment and training supports to 2,990 people in 2008 to providing these supports to 28,000 in 2014.<sup>3</sup> The final section of this brief details lessons learned from this and other model state programs.

**Washington State Leverages Significantly More Federal Funding**

	Households on SNAP	% difference	Federal 50/50 \$ for Job Training Programs	Federal 50/50 \$ for Participant Expenses (e.g. transportation and child care)	Total Federal 50/50 Funding	% difference
Massachusetts	489,039		\$678,172	\$0	\$678,172	
Washington	585,105	20%	\$9,443,351	\$2,396,094	\$11,839,445	1646%

*Federal Fiscal Year 2014. MA program has grown in recent years, possibly closing some of this difference.*

The above data is for federal fiscal year 2014. Both state programs have grown in the couple of years since then, but we do not have good uniform data for more recent comparisons.

Technically, the federal portion of this funding is a reimbursement, not a grant. States must initially support program operations before then getting reimbursed for 50 percent of the cost. Piecing together sufficient local funding before the federal reimbursement kicks in can be a real challenge.

Local funding can come from state resources or from private or non-profit funding. States can even count funding for community college programs focused on SNAP recipients. Importantly, this local funding cannot be federal pass-through money (e.g. federal child care funding that’s administered by the state).

Further, SNAP E&T plans must avoid double dipping on federal maintenance of effort requirements. Currently, some state spending is already being counted towards maintenance of effort requirements associated with other federal programs, such as Temporary Assistance for Needy Families. State spending on a particular program cannot be used for leveraging federal support more than once. So even if the state can identify existing local spending on training or education for SNAP recipients, this spending can only be claimed as reimbursable for SNAP E&T purposes if it’s not already being used towards other federal maintenance of effort requirements.

But it’s likely that some state spending on low-income supports is not currently being used for other maintenance of effort requirements. The state could then shift around which local spending is counted towards meeting different federal requirements, freeing up existing spending on SNAP recipients to count towards federal matching funds. Finally, there are other areas where state spending has recently increased, such as through this year’s increase in the Earned Income Tax Credit. This new spending

could be used as maintenance of effort spending towards other federal programs for low-income people and, if so, may free up other existing spending to be claimed towards a more ambitious SNAP E&T plan.

The federal SNAP program offers reimbursements for 50 percent of the costs of two types of spending (referred to as 50/50 funding):

1. Providing employment and training programs, either by expanding upon those offered through baseline 100% grant funding or those funded with other local resources. These services can also include outreach to potential training participants.
2. Reimbursing participant costs, such as child care and transportation, associated with attending a training program. Other participant costs can include purchasing uniforms or getting dental work done if it is required to help make a person look presentable on the job.

Massachusetts has not been claiming any 50/50 funding for child care or transportation. In 2012, Massachusetts was one of only three states to receive no transportation funding to support E&T participants. In 2012, twelve states received child care support.

Recognizing a missed opportunity, both the Governor and Senate included in their FY 2017 state budget proposals plans for leveraging 50/50 funding for transportation. Specifically, both budgets proposed spending \$2.6 million on transportation for SNAP recipients to attend job training or education programs, with half of this funding (\$1.3 million) reimbursed by the federal government. Ultimately, however, this funding did not make it into the Legislature's final budget for FY 2017.

#### **Pilot program grants and technical assistance**

In addition to 100 percent grant funding and 50/50 reimbursement funding, USDA recently rolled out two new initiatives to support improvements to state SNAP E&T programs: 1) pilot program grants; and 2) technical assistance grants. These grant programs reflect a recognition that existing supports have not proven sufficient to get SNAP recipients into sustainable jobs. According to a National Skills Coalition report, in FY 2010 "four out of five SNAP households did not include anyone with education beyond high school, while an estimated one-third of households did not even include a high school graduate."<sup>4</sup>

Pilot program grants were created through the 2014 Farm Bill and currently fund ten states to test and evaluate innovative employment and training strategies. Massachusetts did not receive one of these pilot grants. Awardees are using these grants, which range from \$9 million to \$23 million, to expand direct training programs as well as to pilot innovative the delivery of support services like child care and transportation.<sup>5</sup> Projects will be funded for three years, with their effectiveness evaluated by outside researchers. The hope is that successful ones will be expanded and replicated in other states.

Additionally, in March of 2016 the USDA awarded SNAP E&T technical assistance support to ten states through the SNAP to Skills project (more detail [HERE](#)). Massachusetts was chosen as one of the ten states to receive technical assistance, which is intended to help states develop SNAP E&T plans that better support long-term skill development. As a national model for providing skills training, partnering with local providers, and leveraging significant federal support through 50/50 matching funds, staff from the Seattle Jobs Initiative, a key partner of Washington State's Basic Food Employment and Training (BFET) program, are providing this technical assistance to all recipient states.

**What has Washington State's Basic Food Employment and Training program done so well?**

In late 2005, a cross-section of government staff, private training providers, and community colleges came together in Seattle to develop a plan for leveraging additional SNAP E&T funding so that they could better provide workforce training programs for SNAP recipients in Seattle. This program grew over the intervening years to become their statewide Basic Food Employment and Training (BFET) program.<sup>6</sup> BFET grew in size from \$150,000 in 2005 to almost \$30 million in 2014 and has become a national leader for its reach and effectiveness (these totals include federal and local spending). Below are some key lessons learned from their success, which are core to the support that Seattle Jobs Initiative staff are providing to states receiving technical assistance (including in Massachusetts).

- **Maximize 50/50 reimbursement funding to help in two key ways:**
  - To leverage additional federal funding based off of existing, qualifying local spending. Several states have expanded their SNAP E&T programs in part by putting together financing plans that include existing local support for programs already in operation. Without requiring any new local spending, this can bring in additional federal funding that had previously been left on the table.
  - To expand programs at 50 percent of the total cost.
- **Focus on skills development.** Many states use their SNAP E&T programs to provide basic social service supports and to place recipients in the first available jobs. While still providing some of these supports, Washington State has focused more on broader skill development so that trainees are equipped to succeed in the workforce over the long-term.
- **Partner with local training providers, ensuring that training is relevant to local job market.** In Washington, the state has worked in close partnership with local training providers, helping ensure that the training offered is directly relevant given the local labor market. This also helps ensure that SNAP E&T supports are not duplicative of existing training efforts but rather are used to expand upon them.
- **Develop careful funding plan that includes “third party matches.”** In addition to using public funding towards meeting the 50/50 funding match requirements, Washington State has been effective in using existing private spending through non-profit training providers as “third party matches.” Developing this somewhat complex funding arrangement took time and effort but has paid off in terms of significantly higher federal reimbursement rates.
- **Work closely with community colleges.** Community college programs that are specifically for SNAP recipients can count towards local 50/50 matching requirements. Washington has worked closely with local community colleges and included them in their detailed SNAP E&T plans.
- **Include support services for trainees.** Washington included in its program support services like child care and transportation for SNAP trainees. Not having these supports can be a real barrier to success, especially for longer-term skill building programs like those at community colleges. Fortunately, SNAP E&T includes transportation and child care as costs that are 50 percent reimbursable.

### Next steps in Massachusetts

Over the past year, a group of staff from the Department of Transitional Assistance, workforce training providers, community colleges, and grassroots advocates has come together to develop a plan for leveraging more 50/50 funding in order to expand and improve our existing SNAP E&T program. And with the new SNAP to Skills technical assistance project this group now has support from the Seattle

Jobs Initiative and the USDA Food and Nutrition Service Office of Employment and Training (OET). Developing such a plan won't be easy as it requires ongoing cross-sector collaboration, detailed financial planning, and likely some up-front state and local investments. But there is a real opportunity here to better support low-income SNAP recipients in developing the skills to succeed in our state's ever-changing economy.

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<sup>1</sup> USDA Food and Nutrition Service's ABAWD webpage: <http://www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds>

<sup>2</sup> SNAP caseload data from USDA Food and Nutrition Service's SNAP caseload webpage: <http://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>. SNAP E&T spending information from USDA administrative spreadsheet, in response to request.

<sup>3</sup> Seattle Jobs Initiative report, [Washington State's Basic Food Employment & Training Program](#), June 2014. Page 67

<sup>4</sup> National Skills Coalition 2014 Farm Bill Summary, [Supplemental Nutrition Assistance Program Employment & Training \(SNAP E&T\)](#), February 2014. Page 1

<sup>5</sup> USDA Food and Nutrition Service [Annual Report to Congress: SNAP Employment and Training Pilot Projects](#), 2016. Page 3

<sup>6</sup> Seattle Jobs Initiative report, [Washington State's Basic Food Employment & Training Program](#), June 2014. Page 67