Moving Low-Skill SNAP Recipients Toward Self-Sufficiency
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ABOUT NATIONAL SKILLS COALITION

National Skills Coalition is a broad-based coalition working toward a vision of an America that grows its economy by investing in its people so that every worker and every industry has the skills to compete and prosper. We engage in organizing, advocacy, and communications to advance state and federal policies that support these goals—policies that are based on the on-the-ground expertise of our members.

National Skills Coalition was founded in 1998 as The Workforce Alliance in response to a series of federal policies that signaled the end of national investments in the skills of America’s workers at a time when skill gaps were growing in key U.S. industries. Since then, we’ve demonstrated that investments in skills work. We’ve shown that diverse stakeholders can find agreement around specific reforms that will improve a variety of workforce education and training policies. And we have documented that the American public is strongly supportive of a deeper investment in the skills of America’s workers. We continue to mobilize support for a new national skills agenda that cuts across public policies, and simultaneously serves a wide range of U.S. workers and industries.

National Skills Coalition is governed by a Board of Directors and advised by a national Leadership Council drawn from the ranks of business, labor, community colleges, community-based organizations, and the public workforce system.

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This guide is meant to help the workforce development field better understand Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T, formerly Food Stamp Employment & Training or FSET). It provides a basic overview of the program and highlights certain issues that are important to consider when designing or implementing an E&T component. The goal of this publication is to help ensure that SNAP participants have access to high-quality employment and training services that help them gain the necessary skills to obtain stable, family-supporting employment.

It is extremely important that education and training providers interested in providing SNAP E&T services fully understand all state and federal regulations governing the program, as well as any requirements that impact SNAP participants; E&T providers must take care to never unintentionally do something that could impact a SNAP participant’s benefits eligibility. From the beginning, any employment and training provider interested in designing or implementing a SNAP E&T component should work closely with the state agency responsible for administering the SNAP program.

Nothing in this publication should be taken as an official representation of state or federal regulations.
SNAP E&T was instituted in 1985 to help individuals exit SNAP by achieving economic self-sufficiency through work.

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SNAP E&T is one of the only federal programs designed solely to provide targeted employment and training resources to help extremely low-skilled, low-income adults achieve economic self-sufficiency. In Fiscal Year (FY) 2010, nearly 2.6 million individuals participated in SNAP E&T. Nearly 1.5 million used the program to pursue a secondary diploma or GED, while the number of individuals using the program to pursue postsecondary credentials more than doubled between FY 2009 and FY 2010.

Program Administration

Within broad federal guidelines, states have the flexibility to set the size, scope and type of employment and training activities they wish to offer to SNAP participants. Each state designs a plan to best utilize available resources to satisfy unmet needs in the state.¹ States may delegate some or all administrative functions to sub-state agencies, typically cities or counties.² Similarly, E&T functions may be contracted to public or private entities, such as CBOs or community colleges. However, the state remains responsible to FNS for the administration of the program.

Each state must submit an Employment and Training plan to FNS for approval every August, although the state may request modifications at any time during the year. States that delegate administration of E&T may set earlier deadlines for sub-state agencies. As a result, after developing a plan with their city or county, a CBO or community college interested in providing SNAP E&T services may need to negotiate further with the state agency and then respond to concerns raised by FNS.

¹ Unlike the Temporary Assistance for Needy Families (TANF) program, SNAP does not have federally mandated work participation rates. This frees the state to focus its resources on the most effective programs, even if resources are not sufficient to serve all eligible SNAP E&T participants. The state may prioritize participants according to whatever criteria best meets the state’s goals.

² For purposes of this publication we will use “state agency” to refer to the governmental agency responsible for actually implementing the SNAP E&T program in a locality.
State Strategies

States not only decide which populations to serve (for example, parents in families with children or unemployed childless adults) but also what types of employment and training activities to provide from a list of allowable activities. At one time, most SNAP E&T funds could only be used to support individuals subject to time limits on the receipt of SNAP benefits. Those programs traditionally relied heavily on job search, “job clubs,” or other light-touch employment services. Many jurisdictions offered “work placements,” where participants were assigned to do volunteer work that simulated employment circumstances.3 These programs enabled states to serve a large number of individuals; however, their effectiveness has been questioned, particularly in light of the significant barriers faced by many SNAP participants.

A number of states have recently adopted more innovative strategies to increase the effectiveness of SNAP E&T. Skyrocketing unemployment, coupled with increasing skill demands in the labor market, has meant that job search and other light-touch interventions are not enough to address the employment needs of very low-skill individuals. As a result, a growing number of states have recognized the importance of using SNAP E&T to connect SNAP participants with meaningful education and training opportunities, enabling them to obtain industry-recognized degrees and credentials with real value in the labor market. For example:

- In Washington, sixteen community colleges participate in the state’s Basic Food Employment & Training (BFET) program, serving nearly 11,000 SNAP recipients since 2005. At South Seattle Community College—the largest community college BFET program—completion rates for short- and long-term training participants exceeded 75 percent in Program Year (PY) 2008–2009, while the overall employment placement rate for BFET participants was 70 percent.

- In Connecticut, Capital Community College has served 930 students through SNAP E&T just since 2009, including graduating more than 300 certified nurse aides over that time period.

- Eighty-three percent of graduates of Maine’s Competitive Skills Scholarship Program—which supports targeted training in high-demand industries within the state—were employed as of June 2011. Full-time workers earned an average hourly wage of more than $16, an increase of 51 percent over average wages before program entry.

- Iowa’s Kirkwood Community College serves SNAP recipients through its Gap Tuition Assistance Program, which helps working adults obtain occupational training and credentials. More than 400 students have participated in the Gap Program since 2007, with an overall employment rate of 90 percent.

Program Funding

FNS gives each state a grant for the administrative costs of a SNAP E&T program. These grants are often called “100 percent funds”—because it is 100 percent federal funding—and must be used on the planning, implementation and operation of a state E&T program. In FY 2010, FNS allocated $90 million in 100 percent funds (the amount of 100 percent funds available is established by law). This money may be used for salaries, planning, overhead, and case management, as well as the direct costs of providing services to individuals, such as paying tuition or contracting for seats in a class. These costs together are referred to as “administrative costs.” One hundred percent funds cannot be used to reimburse participants’ expenses, such as transportation or childcare. The allocation of these funds is based on a formula dictated by federal regulations. If a state does not spend its allocation, FNS can reallocate the unobligated, unexpended funds to another state. However, a state’s grant is not reduced in subsequent years if it does not spend its entire allocation.

In addition to the 100 percent funds, SNAP E&T will also reimburse states for 50 percent of their remaining “allowable” costs. This money is often referred to as “50-50 funds” because half of the state’s expense is reimbursed with federal funds. These costs include administrative costs, as identified above, as well as participant reimbursements. Thus, states that use more than their federal grant on administrative costs can serve additional participants using 50-50 funds. According to FNS, SNAP E&T spending has steadily increased since 2003. Since 100 percent funds have remained capped at $90 million during that time, the increase in spending is due to a rise in 50-50 reimbursements. In 2009, SNAP E&T used 50-50 funds to leverage more than $200 million in state, philanthropic, and other private funds.

4 A few states get a little more 100 percent funding—$20 million is made available—in exchange for a promise to serve all time-limited adults who are in danger of losing benefits (sometimes called “pledge funds”). Also, some states may get additional funds that are redistributed from states that do not spend their entire allocations.
SNAP E&T USERS’ GUIDE

Essential Program Characteristics

The purpose of Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) is “to assist SNAP participants in gaining skills, training, work or experience that will increase their ability to obtain regular employment.” SNAP E&T consists of “components”—i.e. training activities—designed to help a SNAP client move promptly into employment. While state agencies have great flexibility in designing their E&T programs to meet the needs of their participants and anticipated employment opportunities, all E&T plans must comply with certain federal requirements.

In addition to direct training and education components, SNAP E&T services include individualized assessments, case management, and supportive services (sometimes referred to as “wrap around” services) such as tutoring, reimbursement of the participant’s transportation expenses, and post-employment follow-up. These services can be provided by the state SNAP administering agency, a local SNAP agency, or an education and training provider such as a community-based organization (CBO) or community college.

Essentials of a SNAP E&T Program

Participants must be Eligible for SNAP E&T Services

SNAP E&T funds can be used to provide services to any SNAP participant who does not receive ongoing monthly cash assistance through the Temporary Assistance for Needy Families (TANF) program. In the past, people working more than thirty hours per week were ineligible for SNAP E&T. However, this provision was eliminated in the Food and Nutrition Act of 2008, and these individuals can now participate on a voluntary basis in SNAP E&T.

Individualized Assessment

A SNAP client must be assessed prior to placement in an E&T component. This can be done by a SNAP agency employee or another E&T service provider, such as a CBO or a community college. Assessment should include an in-depth evaluation of, at a minimum, the individual’s education, skills, labor market attachment, and supportive service needs, to determine what E&T components will best help the person get and keep a job.

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6 A SNAP client must be work-ready in order to participate in SNAP E&T, so E&T services are not appropriate for children or teenagers.

7 Four states (Colorado, Utah, Vermont, and Wisconsin) have received exceptions to this rule, permitting them to use limited amounts of SNAP E&T money to serve TANF participants. Generally, people receiving TANF cash assistance may receive similar services through the states’ TANF programs. However, a SNAP participant who does not receive TANF cash assistance may receive services, even if other household members do receive TANF cash assistance.

8 See the Food and Nutrition Act of 2008, P.L. 110-246, Section 4108. In rare circumstances, some SNAP participants are ineligible for E&T services if someone in their household has lost SNAP benefits due to non-compliance with program rules.
“ASSESSMENT” CAN MEAN TWO DIFFERENT THINGS

The term “assessment” in SNAP is sometimes confusing because it refers to two distinct activities.

Program caseworkers must assess each SNAP applicant to determine whether the individual is exempt from mandatory E&T assignment. This assessment is part of the certification process and is not reimbursable with SNAP E&T funds. However, it can be reimbursed as part of the state’s regular SNAP administrative costs.

The assessment to determine what component is most appropriate for a SNAP E&T participant is an entirely different process, and is typically done by an E&T specialist or a CBO contracted by the state. That assessment is an E&T administrative activity and can be paid using either 100 percent funding or state 50-50 funds.

The primary goal of an assessment is not to determine whether the participant is subject to SNAP work requirements. That is part of the SNAP certification process. If the assessment is performed by an E&T service provider it should not be designed simply to determine the individual’s eligibility or appropriateness for that provider’s services. The provider should do a complete assessment to determine what services are most appropriate for the individual, even if those services are offered by a different provider. The goal is always to place participants in the component that will best help them to secure and retain employment.
INDIVIDUALIZED ASSESSMENTS: THE BASICS

What is an assessment?

An assessment is a process by which critical information about the participant’s abilities, barriers, goals, and service needs is collected. This information can then be used to help determine the most appropriate SNAP E&T component in which to place the individual.

An assessment can be completed in a variety of ways. It may range from simply having the individual complete a one- or two-page questionnaire on paper or online to conducting a lengthy interview supplemented by skills tests or work-readiness exams. Some state agencies capitalize on the expertise that exists within the workforce community by having comprehensive assessments performed by partners, such as Workforce Investment Act (WIA) One-Stop Centers or CBOs that already provide E&T services.

The assessment must be comprehensive enough to place the participant in the most appropriate E&T component, even if that placement is not with the organization doing the assessment. Importantly, placement into an E&T component should be based on the needs of the SNAP E&T participant, and organizations that perform E&T assessments should not simply refer SNAP E&T participants into their own programs.

Who is responsible for completing the assessment?

As with all aspects of SNAP E&T, the state SNAP administering agency is ultimately responsible for ensuring that the state SNAP E&T plan explains how assessments will be accomplished, and that the standards set out in the plan are followed by all E&T programs in the state. However, the state may delegate the assessment to community partners.

SNAP E&T program contracts and Memoranda of Understanding (MOUs) can ensure consistent assessments across all providers by including details of what will be assessed, what methods may be used, and standardized reporting mechanisms.

What must be Assessed?

States have considerable latitude in deciding what and how much to test. However, FNS suggests the following measures (and identifies potential assessment tools):

- **Literacy Level**—Standardized test, one-on-one interview/observations (i.e. client’s ability to read and complete forms in a case file)
- **Communication Skills (including English proficiency)**—Standardized test, one-on-one interview
- **Education**—Questionnaire, resume, or one-on-one interview
- **Employment History**—Questionnaire, resume, or one-on-one interview
- **Employment-Related Skills, Abilities and Interests**—Questionnaire, one-on-one interview, or online assessment
- **Employment Barriers and Steps Necessary to Overcome Barriers**—Questionnaire or one-on-one interview

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Placement
An individual must be placed in or assigned to one or more components in order to be a SNAP E&T participant. The assessment provides the basis for a decision as to which E&T component an individual should be placed in, based on a state agency’s criteria. Since states have limited funds to serve E&T participants, they may establish priorities for placements or limitations on how many participants to serve with the available component activities. The state may also prioritize certain demographic groups over others. For example, a state may wish to target young single parents because they have a very low likelihood of success in traditional training programs due to a lack of supportive services in other work initiatives.

Tracking Participation
States must track the number of SNAP E&T participants they serve each month, as well as the hours individuals participate in E&T components. Therefore, each E&T provider must report this data to the state. This information is then reported to FNS. States are not rewarded or penalized based on the number of people participating in SNAP E&T, and states have a great deal of flexibility in determining satisfactory compliance with an E&T component. The goal of the program is to prepare individuals to move into the workforce; it is not a contest to see how many SNAP participants the state is able to push through an administrative process each month. It is important, though, that E&T providers meet all federal and state reporting requirements, and organizations should consider administrative capacity when developing an E&T component.

Failure to Comply Procedures
The state agency may choose to make participation in a SNAP E&T component mandatory for some participants. If the state does this, it must disqualify from SNAP participants who fail, without good cause, to comply with the mandatory component requirements. Compliance in an E&T component is defined by the state agency. It does not require that the individual succeed in the component, but rather that the individual must satisfactorily participate in the required activities. For example, if a participant is assigned to a GED program as a mandatory activity, goes to the classes and takes the test, the individual has complied with the requirement even if he or she fails the test. A “failure to comply” disqualification applies only to mandatory participants, not to voluntary participants. Importantly, states do not need to have a mandatory E&T program. They may choose instead to focus all of their resources on highly motivated volunteers.

Participant Reimbursements
The state must reimburse participants for out-of-pocket costs necessary for the individual to participate in an assigned SNAP E&T component. Reimbursement rules, such as what expenses are reimbursable and limits on individual reimbursements, are the same for volunteers as for mandatory participants. Likewise, the rules governing supportive services necessary to participate in the program are the same for all participants. If the E&T program is unable to pay a mandatory participant’s expenses, the state must exempt the individual from mandatory participation. Voluntary E&T participants should be made aware that expenses exceeding the state’s allowable reimbursement amounts will not be paid (unless there are other, non-SNAP E&T funds available to cover such costs).
Outcome Measures

Participant outcomes are important to the success of SNAP E&T. Consequently, service providers should document participation outcomes such as employment, earnings, earnings gain, and retention to determine how successfully a component is helping participants become more employable. States may use these results as one measure in determining the effectiveness of the program when developing future years’ SNAP E&T plans. States have considerable flexibility to identify what outcome measures to collect. Since most SNAP E&T participants have multiple barriers to employment, it is helpful to also measure stepping stones on the path toward employment, such as basic skills gains, obtaining a GED, or completing a module of a training program, even if other barriers still prevent the participant from entering the labor market.

Although there are currently no SNAP E&T outcome requirements specified by law, there is growing federal attention—across all workforce development programs, not just SNAP E&T—to whether or not investments in education and training are effective. Therefore, it is important that any well-designed SNAP E&T program collect rigorous participation and outcome data. It is likely that FNS will develop regulations specifying what outcome data states must collect. Such requirements are also likely to be included when Congress reauthorizes the program.
SNAP E&T USERS’ GUIDE

Participant Eligibility, Placement and Reimbursement

Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) participants tend to have more barriers to employment than do participants in other education and training programs. In FY 2010, an estimated 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. As a result, it can sometimes prove difficult to meet the employment and training needs of SNAP recipients through traditional occupational training programs. State SNAP agencies reported to the GAO that “local one-stop staff might be reluctant to provide intensive services [to SNAP participants] through other employment and training programs… out of concern that they would adversely affect the program’s performance measures.” In addition, a number of state agencies reported that “many [SNAP] participants are not ready for many program services such as training classes offered by programs at the one-stops because they lack basic skills, such as reading and computer literacy, that would allow them to use those services successfully.”

Who is Eligible for SNAP E&T Services?

Any SNAP participant who does not receive ongoing cash assistance from the Temporary Assistance for Needy Families (TANF) program is eligible for SNAP E&T services. Participants are eligible only for the months in which they receive SNAP benefits. Importantly, SNAP E&T cannot pay for services (unless it is for job retention) for any month during which the participant is not receiving SNAP, even if the individual later regains eligibility. While there is no age limit on participation, most SNAP E&T services are not appropriate for people of high school age because they are usually eligible for education services through their local school district. In this case, using SNAP E&T funds to provide services to them would be considered supplantation.

“[SNAP E&T] Participants usually are not served by other programs and have characteristics that make obtaining employment difficult.”

—GAO, 2003

Many [SNAP] participants are not ready for many program services such as training classes offered by programs at the one-stops because they lack basic skills, such as reading and computer literacy, that would allow them to use those services successfully.
SNAP Employment and Training Users’ Guide | Participant Eligibility, Placement and Reimbursement

SNAP E&T is one of the only federal programs designed solely to provide targeted employment and training resources to help extremely low-skilled, low-income adults achieve economic self-sufficiency. It can serve an otherwise unmet need by helping SNAP participants gain critical skills they need to obtain stable, family-supporting employment. It is an important resource in serving SNAP participants.

Who Decides Which SNAP Participants are Placed in a SNAP E&T Component?

While many adult SNAP participants are eligible for work activities, states rarely have enough money to serve everyone. Each state or sub-state jurisdiction can decide which of its SNAP participants it wishes to serve through SNAP E&T. States may choose to target particular demographic groups or may accept all eligible participants until available slots are filled.

Given the challenges SNAP participants must overcome to succeed, many states choose to focus limited SNAP E&T resources on the most motivated participants by serving volunteers. Serving “mandatory” participants—those who are required to participate in an E&T component as a condition of receiving SNAP benefits—involves additional paperwork, and risks causing the participant to lose their SNAP benefits entirely. By targeting resources to volunteers the state can maximize the success of the program.

How Does Someone Become a SNAP E&T Participant?

A person is a SNAP E&T participant once he or she is referred to and begins participating in an approved SNAP E&T component. A SNAP E&T participant should understand whether they are a voluntary or a mandatory E&T participant, and should fully understand the rules and requirements for participation in an E&T component. Typically, a participant is referred by a caseworker or other agency staff to an internal SNAP E&T unit or to a contracted provider for an assessment and referral. SNAP E&T funds cannot be used to provide services to any participant until an appropriate referral has been made for that person.

Sometimes potential SNAP participants may contact an employment and training provider independently or are referred directly to the provider by a third party. These participants may be good candidates for SNAP E&T; that is, be eligible for or already receiving SNAP, be a member of the target demographic group, and have background or interest suggesting that they are likely to succeed in an E&T component. The SNAP E&T provider cannot simply accept the participant into the SNAP E&T component—the individual is not automatically a SNAP E&T participant. The person must be assessed and referred in accordance with the SNAP agency’s approved SNAP E&T plan. The process for doing this is negotiated between the provider and the SNAP agency, and must be approved by the Food and Nutrition Service (FNS) as part of the state’s SNAP E&T plan.

WHAT EXPENSES CAN BE REIMBURSED?

If necessary for the SNAP E&T component, participants can be reimbursed for:

- Books
- Bus fare
- Clothing for job interviews
- Course registration fees
- Dependent care costs
- Equipment
- Gasoline
- Professional licensing fees
- Personal safety items (i.e., goggles, hardhats)
- Mandatory student activity fees
- Test fees
- Tools
- Training materials
- Tuitions and fees
- Uniforms
**SUPPORTIVE SERVICES: WHAT YOU NEED TO KNOW**

States have great flexibility regarding what supportive services they can offer SNAP E&T participants. Generally, most services that are necessary for participants to complete a component are considered “allowable” and can be included in SNAP E&T spending.

States should take full advantage of this flexibility to provide robust supportive, or “wrap-around,” services for SNAP E&T participants. SNAP recipients tend to have multiple barriers to employment—poor basic skills, limited work experience, competing family obligations—and will likely need extensive case management and other comprehensive supportive services to ensure their success in employment and training programs. Importantly, federal law allows for up to 90 days of post-employment supportive services to help ensure SNAP E&T participants not only obtain employment but also maintain employment.15

**Participant Reimbursements**

SNAP E&T regulations require states to reimburse participants for all reasonably necessary expenses incurred when participating in a SNAP E&T component, up to established maximums. This is equally true of mandatory participants and volunteers. Some expenses that states typically reimburse include dependent care, safety equipment, books, licensing fees, and transportation costs.

Expenses can be provided to participants in advance or by reimbursement, or such services may be procured directly. For example, some counties purchase child care slots directly from providers and assign children to the slots, rather than reimburse parents for the care after it has been received and paid for. Similarly, states may wish to include some books and supplies in the cost of tuition for a training course, avoiding the administrative costs associated with processing participant reimbursements.

Only expenses that are necessary for and directly related to participation in the SNAP E&T component may be reimbursed. An expense is necessary if it cannot be avoided without adversely affecting the participant’s chances of success. Allowable participant reimbursements must be included in the state’s approved E&T plan. Also, FNS expects states to use any resources that may be available through other programs before using SNAP E&T funds.

**Reimbursement Rates**

The state may set its own maximum reimbursement amounts for all expenses except child care. Many states set reimbursement maximums that are significantly lower than actual costs. For example, a state may choose to reimburse transportation costs up to $200 per month. Some participants will not be able to get to their training program for

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15 On May 4, 2011, the Department of Agriculture proposed to amend the SNAP regulations to define job retention as “services provided to individuals who have secured employment to help achieve satisfactory performance, keep the job, and to increase earnings over time.” Such services and reimbursable participant costs may include but are not limited to: counseling; coaching; support services; life skill classes; referrals to other services; clothing required for the job; equipment or tools required for the job; test fees; union dues; and licensing and bonding fees. State agencies electing to provide job retention services may extend these services to households leaving SNAP up to the 90 day limit. Pg. 25421. http://www.fns.usda.gov/snap/rules/Regulations/pdfs/050411.pdf.
that amount, so the state simply reimburses the $200 and the participant must fund the remainder of the transportation cost. If the actual cost is higher than the state maximum, then mandatory participants cannot be required to attend.

**E&T FUNDS CAN NEVER BE USED TO REIMBURSE FOR:**

- Services designed to overcome a barrier to employability (that would otherwise exempt an individual from work requirements) such as mental health or addiction illness treatment;
- Meals away from home;
- Wages or stipends; and
- Services for more than 90 days after employment begins.

Maximum reimbursement amounts for child care are limited by regulation to the rates established for the Child Care and Development Block Grant. A state may pay for amounts over the cap from its own funds, but those amounts are not reimbursable through SNAP E&T. If the necessary child care cost for a mandatory participant exceeds the cap, the participant cannot be required to participate in the activity.

**Prohibitions on Use of Funds for Reimbursements**

Some expenses can never be paid for with E&T funds. These are generally items that are not directly related to the SNAP E&T program or that are more appropriately met through other resources.

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16 7 C.F.R. 273.7§(d)(iv)(3)(i). A state may pay for amounts over the cap from its own funds, but those amounts are not reimbursable through SNAP E&T. If the necessary child care cost for a mandatory participant exceeds the cap, the participant cannot be required to participate in the activity.
Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) costs are paid using federal, state, local, and nongovernmental funds. Each state receives a limited grant of E&T funds from the federal government (“100 percent funds”). These funds may be spent on administrative costs. Any administrative costs in excess of the 100 percent grant may be paid for by the state and SNAP will reimburse 50 percent of the costs (“50-50 funds”). Also, 50-50 funds can be used to reimburse participants for E&T program-related expenses, such as books, transportation and child care costs. A few states (called “pledge states”) receive additional “100 percent funds” because these states promised to provide E&T services to able-bodied adults without dependents (ABAWDs) who are coming up against federally defined time limits for the receipt of SNAP benefits.

100 Percent Funds

Every year, each state is allocated a program grant—a set dollar amount determined by formula—to fund its SNAP E&T program. This money, often referred to as “100 percent funds,” must be used to pay for E&T programs and for the planning, implementation and operation of a state E&T program. Costs covered by this grant include administrative expenses, such as SNAP agency staff working with employment and training providers to develop SNAP E&T components, performing assessments, placing participants in E&T components, and case management. One hundred percent funds can also be used to provide direct services, such as operating training programs, whether spent directly by the administering agency or through a contract. These services may be provided by the SNAP administering agency, by contract with employment and training providers such as community-based organizations (CBOs) or community colleges, or by purchasing services at market rate in the same way an individual would purchase the service. One hundred percent funds cannot be used to pay for the reimbursement of participant expenses.

Every year there are some states that do not obligate or expend their full 100 percent allocation. The Food and Nutrition Service (FNS) may reallocate these funds to other states that request additional 100 percent money. Reallocated money may not always become available. Since only states that request additional 100 percent funds can receive any reallocation, it is in a state’s interest to always request additional funds and be prepared to utilize funds quickly, should they become available.

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17 This amount is calculated in accordance with a formula set out in 7 C.F.R. §273.7(d)(1)(i).

18 Some states—called pledge states—receive additional (small) 100 percent grants by pledging to provide “qualifying” E&T components to all ABAWDs who are in the last month of their time-limited eligibility for SNAP benefits. Qualifying components for ABAWD purposes must satisfy ABAWD time limit requirements, which differ from SNAP E&T component requirements.
Administrative expenses are defined as the “costs of planning, implementing and operating a SNAP E&T program, and can include salaries for SNAP agency personnel and program planning costs, as well as participants’ tuition and contracts for needed services.”

50-50 Funds

States must also pay for “expenses that are reasonably necessary and directly related to participation in the E&T program” for both mandatory participants and volunteers. These services cannot be paid for with 100 percent funds. However, such services can be paid for with state funds, 50 percent of which can be reimbursed by SNAP. FNS explains how 50-50 funding works as follows:

Because these additional expenses are reimbursed, E&T is not a “match” program. FNS reimburses a State agency for half of all allowable administrative E&T costs in excess of its E&T grant. The same principle applies to partner agencies. The State agency can fund all of the administrative costs at a partner agency with 100 percent E&T grant money, or the partner agency may put up the cost of operating an E&T program and the State can pass-through the 50 percent Federal reimbursement funds to the partner agency.

The state can be reimbursed for qualifying expenditures, as long as they are reasonable and necessary to the successful operation of the SNAP E&T program. As a result, if a state wants to offer more E&T services it may do so by spending additional state funds to cover the state’s share of the cost. In addition to paying any administrative costs in excess of the state’s grant, these 50-50 funds may be used to reimburse participants for work-related expenses, such as dependent care, safety equipment, books, licensing fees, or transportation costs, which the participant must incur in order to participate in the program.

Sources for the State’s 50-50 Share

Despite the distinction FNS draws between a reimbursement and a match, the sources of money that may be used for the state’s share of a 50-50 program are the same as those that may be used for federal matching in other programs. To be reimbursable, the funds must not be from another federal source or be used as a match for any other federal program. This can include state or local funds, philanthropic dollars, private donations, or other charitable sources. However, the value of benefits or services to which people are entitled as a matter of law are NOT allowable (i.e. a state that offers GED courses as an entitlement to all of its residents cannot claim this spending toward a 50-50 reimbursement).

In-kind contributions are allowable only from governmental entities. Community-based partners cannot include the value of services provided in-kind in the expenses they submit for reimbursement. Indirect costs are allowable, using a cost allocation plan or indirect cost plan. The plan must be approved by the administering state or sub-state agency and must be available for FNS review, if requested.

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19 SNAP regulations require payment for reimbursement of expenses that are “reasonably necessary and directly related to participation in the E&T program.” Such costs “include, but are not limited to, dependent care costs, transportation, and other work, training or education related expenses such as uniforms, personal safety items or other necessary equipment, and books or ‘training manuals’.” 7 C.F.R. 273.7(b)(iv)(3). The amount that can be reimbursed for dependent care is limited under 7 C.F.R. 273.7(b)(iv)(3)(i).

SNAP E&T USERS’ GUIDE

How to Avoid Unallowable Cost Problems

When calculating Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) costs it is important to understand what expenses SNAP E&T will pay and what the limitations are on reimbursement. Most expenses necessary for an individual to participate successfully in an E&T component can be reimbursed by SNAP E&T. However, a few federal cost principles are in place to ensure that SNAP E&T funds are used appropriately. Providers can avoid problems with these requirements by remembering the following when designing an E&T component to avoid unallowable cost problems.

Use Federally Matchable Funds

SNAP E&T cannot reimburse costs that were paid for with non-matchable funds. To be matchable, the funds must not come from any federal source and cannot be used for a match in any other program unless specifically designated by law (this applies to some Tribal grants). Providers must carefully track the sources of their funds to ensure that services provided using non-matchable funds are not submitted for reimbursement.

Seek Reimbursement for “Reasonable and Necessary” Costs Only

SNAP E&T will reimburse states for services to a particular SNAP E&T participant if the services are “reasonable and necessary” for the participant to engage in the SNAP E&T activity. The Office of Management and Budget (OMB) defines reasonable and necessary costs as follows, “A ‘reasonable’ cost is one that ‘does not exceed that which a prudent person would pay’ under the circumstances. ‘Necessary’ means that the service is essential and ‘cannot be avoided without adversely affecting program operation.’” Services cannot be considered necessary if the need is already being met or if the service is available to the individual without cost from another source. For example, if a participant has a monthly public transportation pass from another source, SNAP E&T will not pay the cost of public transportation again for that participant to attend SNAP E&T activities.

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21 The state can pay some expenses using its federal grant. Other expenses must be funded at the state or local level, but are eligible for a 50 percent reimbursement.

Snap E&T can pay for a broad range of expenses and services. Rather than listing exactly what is covered, SNAP E&T begins from the general principle that the program will pay for services and supports that are "reasonable and necessary" to enable SNAP E&T participants to succeed.\(^{23}\)

Before a cost for any service can be reimbursed, it must be included in the state’s SNAP E&T plan that is approved by FNS. Only expenditures for SNAP E&T participants who have been assigned to an approved component can be paid using SNAP E&T funds. To be allowable, an expense must also be reasonable and necessary and not prohibited.

**What is Reasonable and Necessary?**

### Reasonable Costs

A cost is reasonable if "in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs."\(^{24}\)

One important point of clarification: Some community-based organizations (CBOs) may offer employment and training services for free to some members of the general public. FNS recognizes that the CBO is relying on philanthropic, private-sector, or other funding to provide these services, and that the availability of these services is almost always extremely limited and rarely meets existing demand. As a result, FNS has clarified that SNAP E&T may pay for these services, so long as the CBO can calculate the per student cost and charge SNAP E&T accordingly. However, If these services are normally provided as an entitlement—that is anyone is eligible for the services at no charge—then the cost must not be charged to SNAP E&T (because this would now be supplantation).

### Necessary Costs

A cost is necessary if the service is essential and "cannot be avoided without adversely affecting program operation," and is not duplicative of existing services.\(^{25}\)

The state may set the maximum reimbursement level for all necessary expenses except child care (which is set at the federal level). SNAP E&T cannot reimburse the full cost of dependent care over the federal regulatory limit, even if it reasonable, although the state has the option to pay the additional cost with its own funds.\(^{26}\) These requirements are the same for volunteers as for mandatory participants and can be paid in advance or by reimbursement.

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\(^{23}\) Ibid.


\(^{25}\) Ibid.

\(^{26}\) The amount that can be reimbursed for dependent care is limited under 7 C.F.R. 273.7$(d)(iv)(3)(i). A state may pay for amounts over the cap from its own funds, but those amounts are not reimbursable from SNAP E&T. If the necessary child care cost for a mandatory participant exceeds the cap, the participant cannot be required to participate in the activity.
SNAP E&T regulations require states to reimburse participants for all reasonably necessary expenses incurred in participating in the SNAP E&T program, up to established maximums. Thus, necessary costs:

- Are incurred to carry out essential functions of E&T;
- May not be avoided without adversely affecting program operations; and
- Do not duplicate existing efforts.

**Prohibited Costs**

Some costs cannot be charged to SNAP E&T. Prohibited costs include:

- Services designed to overcome a barrier to employability (that would otherwise exempt an individual from work requirements) such as mental health or addiction illness treatment;
- Meals away from home;
- Wages or stipends;
- SNAP eligibility determinations;
- Sanction activities; and
- Services for more than 90 days after employment begins.

Except for a few items that are specifically excluded or limited, employment and training providers should include in their initial proposals whatever they believe is “reasonable and necessary” for participants to succeed in an E&T component. This provides the basis for discussions with the SNAP agency to determine what is appropriate for SNAP E&T reimbursement and what the agency wishes to offer.
Look for Alternative Resources First

States are expected to use other available resources before using SNAP E&T funds to provide services to participants. This includes requiring students to apply for available student aid, scholarships, and other services they can receive under state or local law. For example, if the local school system offers all residents free GED classes, SNAP E&T will not reimburse for GED classes from the school or any other provider. Likewise, if financial aid sufficient to cover tuition and fees at community colleges is available to low-income students, SNAP E&T will not pay tuition and fees for program participants.

HOW CAN STATE AGENCIES USE E&T FUNDS?

“[A] State agency may use E&T funds to pay for educational activities at community-based organizations. For example, a community-based organization offers adult basic education and relies on charitable donations or grants to fund these activities. The State agency may use E&T funds to pay for E&T participants that receive these services, however, the community-based organization would need to figure out the per student cost of its educational activity and allocate costs to the E&T program accordingly.”

— SNAP E&T Toolkit, 2011

Services can also be provided as an integral part of a larger program, even if the individual service might have been available elsewhere. For example, suppose a SNAP E&T program offers a home health aide course. Many participants lack basic English and math skills, so SNAP E&T can choose to incorporate the necessary English and math skills into the home health aide course. This would be reimbursable, since it is an integral part of the component, even if English or math courses are available from another source.

FNS has recently clarified that services provided by community-based organizations (CBOs)—including services normally offered for free or at a reduced cost—are not considered to be available to E&T participants since demand is almost always higher than available services. Each organization may have its own priorities in allocating limited resources, which may not include SNAP E&T participants. Therefore, if a state agency wishes to utilize the services of a CBO, it can contract with the organization to provide services either on a per person basis or by adding classes or slots to accommodate the additional participants.

27 SNAP E&T Toolkit (2011), pg. 41.
**Charge SNAP E&T the Same Rate as Other Contracts or the Public**

Federal regulations and OMB Circulars require that SNAP E&T participants not be charged more than members of the general public would pay for those services. This is a simple matter if the service provider charges for its services—if the office supply company charges everyone else $1 for a pen, it cannot charge SNAP E&T $1.05 for the same pen. It is not easy to know, however, what the correct rate is if the service provider, such as a CBO, does not typically sell its services.

If the provider provides similar services to another government program, such as Temporary Assistance for Needy Families (TANF) or the Workforce Investment Act (WIA), it can simply charge SNAP E&T the same rate as it charges those programs. In cases where the provider has not previously charged for its services, the provider must calculate the cost of providing the service to establish a rate. This rate is negotiated with the state agency and must be approved as a part of the E&T plan the state submits to FNS every year.

**Avoid Supplantation**

Federal SNAP E&T funds cannot be used to “supplant non-Federal funds used for existing services and activities.”28 Thus, states may not use SNAP E&T funds to replace the funds that have been used to provide the service in the past. Rather, SNAP E&T funds may be used to “supplement” state efforts by either increasing the services it offers to SNAP E&T participants or increasing the number of SNAP E&T participants it serves.

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28 7 C.F.R. 2015 (d)(4)(H). The Office of Management and Budget, which regulates how federal funds may be used, clarifies in circular A-133 (the federal grant compliance supplement) that federal funds may be used to “supplement and not supplant non-Federal funding of services.” http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011.
AVOIDING SUPPLANTATION

By law, federal Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T) funds must not be used to “supplant non-Federal funds used for existing services and activities.”

But what does this actually mean in practice? In essence, it means that if a state has been providing a service already—previously paid for with non-federal funds—it may not transfer the cost of that expense to a SNAP E&T program. Rather, SNAP E&T funds may be used to “supplement” state efforts by either providing additional services to SNAP E&T participants or increasing the number of SNAP E&T participants it serves. Furthermore, states cannot charge SNAP E&T participants more than they charge non-SNAP E&T participants for services or supports. That is, if a non-SNAP E&T participant can receive services for free (or at a reduced cost), SNAP E&T participants must also receive these services for free (or at a reduced cost).

In its SNAP E&T Toolkit, the Food and Nutrition Service (FNS) explains supplantation like this:

“If a subsidy is available to all students at no cost but charged to the E&I program, E&I participants are being treated differently than other students and in so doing State funds are supplanted. Federal E&I reimbursements can be used to SUPPLEMENT, rather than supplant, State or local funding for existing education services or activities. Supplemeting means to go above and beyond the educational services provided at no cost to non-E&I participants.”

The state agency may not charge the value of a service or benefit to SNAP E&T if it is provided to members of the general public without charge. For example, if the state grants a reduction in tuition rates for all state residents, the state may submit for reimbursement under a SNAP E&T program only this lower rate. It may not seek reimbursement for the actual cost of tuition because that would be supplanting the state’s tuition subsidy that the state would have provided in the absence of SNAP E&T.

Timing of Starting an E&T Program with Federally Matchable Funds

One quirk of supplantation should be taken into consideration when planning a new SNAP E&T component using non-federal funds. Supplantation is measured based on the spending that is in place when the SNAP E&T plan is submitted and approved. Thus, if a state (or an education and training provider) already has an E&T program in place, the funds being used for that program cannot be used as the state share of a SNAP E&T program. Therefore, if new funds become available for E&T the state is well advised to not provide services using those funds until AFTER the SNAP E&T agreement is in place. Should they choose to begin their program while working on a SNAP E&T plan, they will lose the option to use those funds as the state portion of the SNAP E&T costs. At that point, doing so would be considered supplantation.

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29 Ibid.

30 FNS has clarified that when community-based organizations (CBOs) otherwise provide services for free, in certain instances these services may be charged to SNAP E&T without being considered supplantation. See page 16 of this publication (under the “reasonable costs” section) for details.

31 SNAP E&T Toolkit (2011), pg. 40.
SNAP E&T USERS’ GUIDE
Community College Partnerships

Community colleges provide a variety of occupational training programs with a direct link to employment, are closely connected to local communities, and have the necessary existing infrastructure to administer state and federal contracts, which often makes them a popular Supplemental Nutrition Assistance Program Education & Training (SNAP E&T) partner.

Partnerships

Developing effective partnerships between community colleges and SNAP administering agencies while complying with federal law can be complex. There are several steps a community college can take to facilitate the partnership process.

The SNAP agency may have concerns when entering into a new relationship. The community college can help address the agency’s questions by preparing a package that details the services the college can provide, such as occupational training programs and English as a Second Language (ESL) courses, and how the necessary SNAP E&T administrative elements will be met. The agency will want to see that the college has a track record for effective record keeping and how it plans to track the required SNAP E&T participation data. Additionally, the college should prepare a detailed breakdown of the per student cost estimate in order to help the agency prepare a budget. This will facilitate the development of a contract or Memorandum of Understanding (MOU).

An additional element the community college should take into consideration is whether assessment and placement of SNAP E&T participants will be handled by the college, an independent partner, or a state agency. Individual states have broad discretion to delegate assessment responsibility. The college will have to prepare a plan or policy that is consistent with the state and local SNAP E&T plans.

DOs and DON’Ts

Federal grant rules and the prohibition on supplanting non-federal funds with federal funds for existing education activities can be confusing. In order to help state agencies and their higher education partners to avoid violating these rules, the Food and Nutrition Service (FNS) has developed “dos and don’ts” for partnerships between state agencies and institutions of higher education provided, in part, here.32

Contracts and MOUs

One key step in the partnership process is the development of the contract or MOU between the state agency and the community college. These are core elements that FNS recommends be present in any such contract.33

Scope of Service
The scope of service section of the contract should outline the exact responsibilities of the state agency and the community college. For the college, this should include details on the exact services—including supportive services—the college intends to provide, the number and type of courses that will be offered, credit hours per course, type of certificate or credential awarded, and placement rates. This section should also account for the procedure to be followed when necessary services such as transportation will not be covered by program funds.

Fiscal Responsibility
This section must clearly identify which entity (state agency or community college) will pay for what and clearly delineate allowable expenditures. For purposes of clarity, the college should identify the source of any funds it provides and specify what recordkeeping mechanisms it will use to ensure that only allowable costs are billed to SNAP E&T.

Invoice Method and Frequency
This section should specify how often invoices will be submitted, what information must be included, and how often reimbursements will be made. FNS recommends that a university or community college invoice for tuition based on the withdrawal deadline for classes.

33 Ibid. For a complete version of the Checklist for Contracts, see pg. 43.
Recoupment Clause
For community colleges that receive upfront tuition payments, there should be a protocol in place for students that lose SNAP benefits mid-way through a class/program and are no longer eligible for E&T services.

Performance and Outcome Measures
Outcome measurement is extremely important as states face difficult choices regarding how to invest increasingly limited resources. As with any occupational training program, outcomes such as job placement, earnings, and retention are important, but interim measures such as basic skills gains and work-readiness skills can also be important when serving very-low skilled individuals. This section should detail how the community college will monitor performance, how performance outcomes will be reported, and how often they will be reported.
## Appendix: Comparison of SNAP Work Requirements and Time Limits

<table>
<thead>
<tr>
<th>Who is Subject to Requirement</th>
<th>Basic SNAP Work Requirements</th>
<th>Three Month Time Limit for ABAWDs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All participants between the ages of 16 and 60 unless exempt. Requirements may vary among participants.</td>
<td>All participants over 18 and under 50 who are not disabled and do not live with a child.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Who is Exempt</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Person under 16 or 60 or older</td>
<td></td>
<td>Person exempt from work requirements</td>
</tr>
<tr>
<td>16 or 17 year old if not head of household</td>
<td>Person under 18 or 50 years of age or older</td>
<td></td>
</tr>
<tr>
<td>Students in recognized programs</td>
<td>Person who is “medically certified as physically or mentally unfit for employment”</td>
<td></td>
</tr>
<tr>
<td>Person physically or mentally unfit for employment (state agency defines physical and mental fitness)</td>
<td>Person who lives in a household with a child</td>
<td></td>
</tr>
<tr>
<td>Person complying with TANF work requirement</td>
<td>Person working at least 20 hours per week</td>
<td></td>
</tr>
<tr>
<td>Household member caring for a child under 6 or an incapacitated person</td>
<td>Pregnant woman</td>
<td></td>
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<tr>
<td>Person receiving unemployment compensation</td>
<td></td>
<td></td>
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<tr>
<td>Regular participant in a drug addiction or alcoholic treatment and rehabilitation program</td>
<td></td>
<td></td>
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<tr>
<td>Person working 30 hours (or earning federal minimum wage x 30 ) per week</td>
<td></td>
<td></td>
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</tbody>
</table>

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<thead>
<tr>
<th>Definition of Physically or Mentally Unfit for Employment</th>
<th>State agency defines physical and mental fitness</th>
<th>Receiving disability benefits (temporary or permanent, government or private source)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cannot be less restrictive than a comparable definition used by the state's TANF program</td>
<td>Medically certified as physically or mentally unfit for, or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If the unfitness is not obvious, provides a statement from a physician, physician's assistant, nurse, nurse practitioner, representative of the physician's office, psychologist, social worker, or other appropriate medical personnel, that he or she is unfit for employment.</td>
</tr>
</tbody>
</table>

| Definition of Compliance | Participant must engage in activities assigned. Participant is excused for “good cause.” If no activity assigned or is voluntary, participant has no responsibility. | Participant must find, participate in, and provide documentation of participation in an acceptable work activity. State agency does not have to provide an activity. |

| Number of Hours Required* | For mandatory participants participating in workfare or work experience, up to the number of hours equal to the value of the FS allotment divided by minimum wage or 120 hours per month (whichever is less). *No limit for volunteers. | 80 hours per month |

<table>
<thead>
<tr>
<th>What Activities can Fulfill the Requirement</th>
<th>Job search program</th>
<th>Same activities, except that job search and job search training programs do not count.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Job search training program</td>
<td>(Exception: people participating in Section 20 workfare can count job search for one month.)</td>
</tr>
<tr>
<td></td>
<td>Workfare program</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actual work experience or training</td>
<td></td>
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<tr>
<td></td>
<td>Supported work program, WIA, or state or local E&amp;T program</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Educational programs or activities that directly enhance employability (GED, literacy training, ESL)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A self-employment program</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Paid employment</td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Penalty for Noncompliance</th>
<th>If mandatory placement and no good cause, disqualified until complies, but not less than:</th>
<th>Can receive food stamps for only 3 months in 36 during which participant does not document 80 hours of acceptable work activity. Under limited circumstances participant can earn a second period of eligibility of three consecutive months.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st offense: 1-3 months</td>
<td></td>
<td></td>
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<tr>
<td>2nd offense: 3 to 6 months</td>
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<tr>
<td>3rd offense: 6 months or longer, or permanently</td>
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</tbody>
</table>

*The total time spent by all mandatory household members collectively each month in an E&T work program, combined with any hours worked that month in a workfare or work experience program must not exceed the number of hours equal to the household’s allotment for that month divided by the applicable minimum wage. The total hours of participation in an E&T component plus hours worked by any individual household member in any month must not exceed 120.