

Testimony on FSET Bill

*Raised Bill No. 660*

Good morning Senator Harris, Representative Villano, and members of the committee. Thank you for providing this opportunity to provide information concerning implementation of an employment and training program using the 50/50 match funds from the Department of Agriculture's Food Stamp Employment and Training Program, or FSET, as it is commonly referred to.

My name is John Padilla and I am here in my capacity as the Senior Fellow for Connecticut with the Annie E. Casey Foundation. Here in Connecticut, where the Casey Foundation has a long history, we currently spend over 25 million dollars annually to improve outcomes for children and families through our work in Bridgeport, Hartford and New Haven. Through our work in other communities around the country, the Foundation has also explored many different strategies for improving the outcomes of America's most vulnerable children and families. The FSET program is one of the vehicles we have used with other communities to fund two-generation services serving both food stamp recipients and their dependent children. I encourage you to explore the potential of FSET as one source of funding to provide needed services in order to support the state's goal of reducing child poverty by 50% by 2014.

The Food Stamp Employment Training program is part of the Nutrition Title of the Farm Bill. It was created to help Food Stamp recipients gain skills, training, and experience to increase their ability to obtain regular employment. FSET funds flow in two streams: one is a 100 percent grant which every state receives in accordance with the number of registered food stamp recipients – in Connecticut, that grant is approximately \$700,000. The other FSET funding source is a 50-50 match reimbursement program that will pay for additional program operations, including costs such as dependent care, transportation and other participant expenses, so long as non-federal dollars are used to pay for these services. The funds this bill addresses are the 50-50 match funds, where FSET currently spends about \$150 million annually to reimburse thirty states for employment-related services provided to food stamp recipients – on an uncapped basis! Yet, **Connecticut is one of 20 states that do not currently utilize the FSET 50-50 match program.** By comparison, New York collects almost \$75 million in FSET reimbursement, while Vermont – which has fewer food stamp recipients than Connecticut –

collects over \$3 million. Why that has been the case is somewhat irrelevant – I want to focus on the future of what we can accomplish in Connecticut using the FSET program.

As I noted at the outset, FSET is a potential source of financial support for the state's Child Poverty Reduction goal of 50% by 2014. Indeed, the Poverty Reduction Council has identified three target population groups for early focus: teenage parents, older teenagers and young adults, and poor working families. To the extent that program participants are enrolled in the Food Stamp program, FSET helps with all employability-related services by reimbursing the state 50 cents on the dollar for non-federal funds used to provide services such as adult basic education, GED, ESL, case management, pre-employability workshops, resume preparation, job search, etc. If you consider the amount of state money Connecticut is already spending to fund these programs, then imagine what else could be done if we were to receive 50% of that amount as a reimbursement? In addition, FSET offers the potential to fund employment-related services for ex-offenders as they are released from prison. Using a proactive approach, the state Department of Corrections could work with the Department of Social Services to certify and enroll those offenders scheduled to be released into the Food Stamp program. Upon release, when their food stamp eligibility would actually begin, not only would these individuals be eligible for the nutritional benefit, they could also be referred to a service provider to work with them in preparing for employment.

Some program highlights include:

- FSE&T 50/50 match funding is uncapped and separate from the 100% Food Stamp formula allocation that all states receive. The match funding is administered as a cost reimbursement program.
- The funds are paid in support of allowable expenses – defined by the states themselves under some broad federal guidelines – for services provided to food stamp recipients.
- Non-federal matching funds may include but are not limited to cash from state budgets, foundation grants, employer contributions, and tuition payments.
- Allowable costs under FSE&T include (but are not limited to) direct and indirect costs for education, training, job placement, case management and career coaching as well as for the administrative costs of managing the program.

Connecticut has had the distinction of a number of legislative “firsts”: Connecticut became the first state in the nation to mandate a poverty reduction goal as law in 2006; it is also the first and only state with a legislative mandate to develop a comprehensive re-entry plan for ex-offenders. That legislation takes on added significance when the Second Chance Act eventually passes Congress, because Connecticut could literally be first in line to access Second Chance funding. Now with the FSET bill before this committee, you have an opportunity once again to position Connecticut as a national leader in aligning good public policy with effective program practice.

Thank you for inviting me to appear before you this afternoon.