

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814

REASON FOR THIS TRANSMITTAL

ALL COUNTY LETTER NO. 03-51

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/>            | State Law Change                                |
| <input type="checkbox"/>            | Federal Law or Regulation Change                |
| <input type="checkbox"/>            | Court Order or Settlement Agreement             |
| <input type="checkbox"/>            | Clarification Requested by One or More Counties |
| <input checked="" type="checkbox"/> | Initiated by CDSS                               |

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL COUNTY FOOD STAMP COORDINATORS  
 ALL COUNTY FOOD STAMP EMPLOYMENT  
 AND TRAINING (FSET) COORDINATORS

SUBJECT: ANNUAL FOOD STAMP EMPLOYMENT AND TRAINING (FSET) PLAN  
 INSTRUCTIONS FOR FEDERAL FISCAL YEAR (FFY) 2004

REFERENCE: MANUAL OF POLICIES AND PROCEDURES (MPP)  
 SECTIONS 63-407 THROUGH 63-410

The purpose of this letter is to transmit annual FSET Plan instructions to counties for FFY 2004. All counties, whether or not they are interested in participating in the FSET Program during the upcoming federal fiscal year, must submit a complete annual FSET Plan, as required by the U.S. Food and Nutrition Service (FNS) and as specified in Manual of Policies and Procedures Section 63-407.842(a). Enclosed with this letter is the *Food Stamp Employment and Training (FSET) Program Handbook*. Instructions in the handbook have been updated to reflect the changes in the revised handbook instructions received from FNS. The federal changes have taken considerable time to incorporate into the county handbook. As a result, there is great time pressure for approving county FSET plans. CDSS regrets that the counties have a deadline for plan submission that is shorter than usual. However, the counties' fast turnaround is necessary for the department to send the State Plan to FNS in time to receive final approval of California's allocations. To expedite the approval process, the county FSET plans must be submitted in the format outlined in the handbook.

FNS has changed its FSET State Plan requirements and participating FSET counties will need to submit a complete FSET plan every year instead of every other year. Previously, only certain tables were required on alternate years. Non-FSET counties need to complete limited sections of the plan each year (i.e., Part II and Tables 1 and 1B). This is because FNS requires statewide estimates and information on Able-Bodied Adults without Dependents (ABAWDs) and work registrants, in addition to FSET participants.

The deadline for submitting county FSET plans to CDSS is **November 14, 2003**. Please submit the completed plans to:

California Department of Social Services  
744 P Street, Mail Station 16-33  
Sacramento, California 95814  
E-mail: [tpyara@dss.ca.gov](mailto:tpyara@dss.ca.gov)  
Fax: (916) 654-1048

## **Changes to the 2004 Handbook**

A few of the FSET plan sections have been moved to a different part of the handbook (Enclosure 2), such as, the Definitions section and the FSET Fund Limitations section (formerly Limitations on the Use of FSET Funds). All plan tables are now grouped at the end of the handbook instead of being distributed among the plan sections. In addition, there are several additions to the handbook that were not in last year's edition. They are as follows:

- List of Exhibits and Tables (page 3)
- Additional information requested on the Plan Cover Sheet (page 16)
- List of reminders when writing component summaries (page 20)
- Explanation of differences between numbers in current plan and numbers on STAT reports (within each component summary)
- Discussion of deferral policy (page 56)
- Method for Obtaining Work Registrant Count (page 67)
- County completion checklist (page 81)

### *Table 1 Changes*

- Deferral entries are no longer separated into individual and categorical
- Number of ABAWDs in the county now has two subsets: waived areas and 15 percent exemptions (Lines e-1 and e-2)
- Addition of entry for at-risk ABAWDs in the county (Line F)  
(Definition of at-risk ABAWDs is on page 4 of the handbook.)

### *Table 2 Changes*

- Change in the categories of placement counts (Section A)
- Line 1 was mandatory and Line 2 was volunteer; now, Line 1 is ABAWDs in qualifying activity and Line 2 is all others
- Addition of entry for individual participation (Section B)

### *Table 4 Changes*

- Removal of "combined" components.
- Removal of separate entry for assessment costs; assessment costs are now included in the main component entries, where applicable.
- Removal of subtotal entries for total component cost, dependent care, and transportation/ancillary

## **FSET Funding in FFY 2004**

Enclosure 1 displays the counties' estimated planning allocation of 100 percent federal FSET funds, which counties should use to develop their 2004 FSET plans. Please remember that the planning allocation table does not show second component 100 percent federal funds because these funds were based on a county maintenance of effort (MOE) match requirement and the Farm Bill of 2002 eliminated the MOE requirement. Also not reflected are allocations for the 50 percent federal/50 percent county administrative overmatch fund category and the 50 percent federal/50 percent county participant reimbursement fund category. This is because these funds are not capped, and counties may request as much as they need. If the 50/50 funds are requested, counties will need to reflect those costs in their FSET plan and in the appropriate FSET fund categories on Table 5.

Counties are required to base their estimated FSET component costs on the anticipated number of individuals participating in an allowable FSET component. The concept of an "offered" slot no longer exists. Counties should be able to use the data from their most recent STAT 40 and STAT 46 reports to develop reasonable estimates for their annual FSET plans. As in previous years, counties may not claim multiple reimbursements for the same individual in the same month, although an individual may be placed in multiple components within a month.

## **Annual FSET Plan and STAT 40 and STAT 46 Reports**

The numbers reported in this FSET plan must correspond to the numbers reported on the STAT 40 and STAT 46 reports. In order for CDSS to provide plan data to FNS that reflects the most accurate estimates of program participants and costs, CDSS is asking counties to justify any significant differences between data in this plan and data reported on the most recent annual STAT 40 and STAT 46 reports. FNS uses the reported information from these documents to determine each state's future allocation of FSET funds and allocation of 15 percent ABAWD exemptions. The data from the STAT reports are also used to monitor the states' level of FSET program activities and expenditures. To ensure the integrity of California's FSET program, it is critical that both FSET and non-FSET counties provide realistic estimates in their annual FSET plans and report timely and accurate data on their STAT 40 and STAT 46 reports. Please note that these reports will soon be replaced by new STAT 47 and STAT 48 reports, respectively. If the data in the county FSET plan (e.g., numbers of ABAWD participants, deferrals, operating budgets, etc.) is significantly different than the prior year, counties must provide an explanation for the increases and/or decreases.

## **Policy Reminders**

### FUNDING CATEGORIES

#### 1. One Hundred Percent Federal Funds

Each county agency receives its share of the state's 100 percent Federal FSET grant and must use the funds to pay for the administrative costs of planning, implementing and operating its FSET Program. Enclosure 1 displays the estimated allocation of these funds in FFY 2004 for purposes of developing the counties' annual FSET plans. The allocations are available to only those counties that have confirmed their intent to participate in FSET and the amounts are based on the counties' percentage of average monthly non-assistance food stamps cases for calendar year 2002.

#### 2. Fifty Percent Federal and Fifty Percent County Funds

This category of funds is used to pay for expenditures that exceed allowable federal allocations in the 100 percent funding category. The overages are funded with 50 percent county and 50 percent federal funds. Anticipated overages must be included in the county's FSET plan budget as they are subject to federal approval.

### USE OF FUNDS FOR DRUG/ALCOHOL REHABILITATION AND MENTAL HEALTH

Drug and alcohol rehabilitation and mental health services are reimbursable under FSET on a very limited basis. In order to qualify for FSET Program participant reimbursement, they must meet the following conditions:

- Directly related to FSET Program component participation and reasonably necessary;
- Not considered "medical," that is, a course of treatment provided by licensed physicians, psychologists, etc. intended to treat a diagnosed condition.
- Not for the purpose of overcoming barriers to participation that make clients exempt from Federal work registration altogether or from FSET Program participation requirements;
- Not available through another government program or available at no cost to the participant through a private source (for example, charitable contributions);
- Described in the County FSET plan, including information about the service and its cost.

Some individuals in the FSET program need special services from the county. For those individuals in need of mental health services to enable them to participate in FSET, the county would allow the participant to either be exempt from work registration requirements as mentally unfit for employment, as stated in MPP Section 63-407.2,

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or be eligible for exemption from FSET participation requirements due to difficulties of a lesser degree. However, if the individual is not eligible for exemption from either work registration, as stated in the Manual of Policies and Procedures Section 63-407.21(b), or from FSET participation, FSET funds may be used for non-medical drug and alcohol rehabilitation and mental health services that are offered in combination with an allowable FSET component. These activities must provide social and support services, such as discussion groups and general counseling, that can be directly linked to the participant's employability. Hours of participation must comprise less than 25 percent of the combined FSET activities.

If you have any questions about this letter, please contact Tony Pyara, Employment Bureau Analyst, at (916) 657-2630 or Gail Sullivan, Unit Manager in the Employment Bureau, at (916) 654-1464. Questions concerning your county's FSET allocation should be directed to Michael Yokeley, Analyst in the County Financial Analysis Bureau, at (916) 654-4209.

Sincerely,

*Original Document Signed By  
Bruce Wagstaff on 10/3/03*

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Enclosures

c: CWDA  
CSAC